

PURSUANT TO A.R.S. SECTION 38-431.01, THE GILA COUNTY BOARD OF SUPERVISORS WILL HOLD AN OPEN MEETING IN THE SUPERVISORS' AUDITORIUM, 1400 EAST ASH STREET, GLOBE, ARIZONA. ONE OR MORE BOARD MEMBERS MAY PARTICIPATE IN THE MEETING BY TELEPHONE CONFERENCE CALL OR BY INTERACTIVE TELEVISION VIDEO (ITV). **ANY MEMBER OF THE PUBLIC IS WELCOME TO ATTEND THE MEETING VIA ITV WHICH IS HELD AT 610 E. HIGHWAY 260, BOARD OF SUPERVISORS' CONFERENCE ROOM, PAYSON, ARIZONA.** THE AGENDA IS AS FOLLOWS:

---

**REGULAR MEETING - TUESDAY, JUNE 25, 2013 - 10:00 A.M.**

1 **CALL TO ORDER - PLEDGE OF ALLEGIANCE - INVOCATION:**

2 **PRESENTATIONS:**

- A Update on the activities of the County Supervisors Association (CSA) by Craig Sullivan, CSA Executive Director, including a discussion of recent legislative activities. **(Craig Sullivan)**
- B Presentation of Bullion Plaza Cultural Center & Museum's 2012 annual report and a request for a \$25,000 economic development grant to be considered for approval during Gila County's regular budget process. **(Jose Sanchez/Thomas Foster)**

3 **REGULAR AGENDA ITEMS:**

- A **(Motion to adjourn as the Gila County Board of Supervisors and convene as the Gila County Library District Board of Directors.)**  
Information/Discussion/Action to adopt the Fiscal Year 2013-2014 Annual Tentative Budget for the Gila County Library District. **(Jacque Griffin)**  
**(Motion to adjourn as the Gila County Library District Board of Directors and reconvene as the Gila County Board of Supervisors.)**
- B Information/Discussion/Action to adopt the Fiscal Year 2013-2014 Annual Tentative Budget in the amount of \$95,252,025, authorize the publication of the summary budget, and set the public hearing for July 16, 2013, to adopt the Final Fiscal Year 2013-2014 Gila County Budget. **(Don McDaniel)**
- C Information/Discussion/Action to accept a donation from BHP Billiton to the Gila County Recycling and Landfill Department in the amount of \$3,000 to purchase parts for the County's Refurbished Bike Program. **(Steve Stratton)**
- D Information/Discussion/Action to approve Amendment No. 4 to Professional Services Engineering Contract No. 6510.526.REC04/8-2010 between Gila County and C.L. Williams Consulting, Inc., to extend the term of the contract from June 30, 2013, to December 31, 2013, on the Pine Creek Canyon Road Reconstruction Project, and to increase the contract amount by an additional \$15,000. **(Steve Sanders)**

- E Information/Discussion/Action to approve Amendment No. 2 to Contract No. 040112-1 between Gila County and Western States Petroleum, Inc. which will extend the contract for one year, from June 26, 2013, to June 25, 2014, and will allow a six percent (6% ) price increase on the lubricants (only portion of Contract No. 040112-1. **(Dana Hlavac)**
- F Information/Discussion/Action to approve a Lease Agreement between St. Paul's United Methodist Church (Church) and the Gila County Division of Community Services, Gila Employment and Special Training Program, whereby the Church will lease the building commonly known as the Tuffy Tiger Building to Gila County at a cost of \$500 per month for use as an adult day treatment center to provide services to clients enrolled in the Arizona Department of Developmental Disabilities Program, effective June 1, 2013. **(Malissa Buzan)**
- G Information/Discussion/Action to approve a one-time lump sum performance payment ranging from 3.5% to 1.5% to each qualified employee based upon the employee's performance appraisal score and instruct staff to implement the payment as described in the conclusion section of the staff report, at a cost of approximately \$634,000. **(Don McDaniel)**
- H Information/Discussion/Action to approve Professional Services Contract No. 060613 between Gila County and Terry Doolittle, Consultant, to perform various operational reviews of Gila County departments as determined by the County Manager for a sum not to exceed \$20,000 for the period of May 16, 2013, to September 30, 2013. **(Don McDaniel)**
- I Information/Discussion/Action to consider a sealed bid for the purchase of Assessor's tax parcel number 206-21-068-A. **(Marian Sheppard)**
- J Information/Discussion/Action to vote to go into executive session pursuant to A.R.S. § 38-431.03(A)(3), to receive legal advice from its attorney on a Summons and Complaint filed against Gila County by AJP Electric, and pursuant to A.R.S. § 38-431.03(A)(4), to consider its position in the litigation, direct its attorneys on how to proceed in the litigation, and direct its attorneys on how or whether to engage in settlement discussions. **(Bryan Chambers)**
- 4 **CONSENT AGENDA ACTION ITEMS: (Any matter on the Consent Agenda will be removed from the Consent Agenda and discussed and voted upon as a regular agenda item upon the request of any member of the Board of Supervisors.)**
- A Approval of Amendment No. 3 to an Intergovernmental Agreement (Contract No HP96145-003) to renew the contract between the Arizona Department of Health Services and Gila County to provide Community Nursing Services on a fee for service basis for the period of July 1, 2013, through June 30, 2014.

- B Approval to ratify the submission of a FFY 2013 Grant Application to the Arizona Emergency Response Commission on behalf of the Gila County Local Emergency Planning Committee (GCLEPC), and approval for Michael O'Driscoll, Chairman of the GCLEPC, to accept grant award FFY 2013 Hazardous Materials Emergency Planning/Preparedness on behalf of the GCLEPC in the amount of \$1,500 to update the Hazardous Materials Response Annex of the Gila County Emergency Operations Plan.
- C Approval to ratify the submission of a FY 2013 Emergency Response Fund (ERF) Grant Application to the Arizona Emergency Response Commission (AZSERC) on behalf of the Tri-City Fire Department, and approval for Michael O'Driscoll, Chairman of the Gila County Local Emergency Planning Committee, to sign the ERF Grant Special Conditions form for the acceptance of a grant from AZSERC in the amount of \$19,689.91; the first award in the amount of \$2,600.00, and the second award in the amount of \$17,089.84, all of which will be used by the Tri-City Fire Department to purchase ERF equipment.
- D Approval of the Chairman's signature on Arizona Department of Administration, Arizona Strategic Enterprise Technology (ASET) Office, Service Agreement, ADOA-ASET SA Number GCY13-96801, which replaces Arizona Department of Administration, Information Services Division, Service Agreement, ADOA-ISD SA Number GCY11-16801.
- E Approval of Amendment No. 1 to Service Agreement No. 083112-1 between Gila County and Rodriguez Constructions, Inc. to increase the contract amount by \$531.20, for replacement of the shower wall framing due to dry rot, for a total contract amount of \$72,800.96 for work performed on Major Rehabilitation Project No. HH7469.
- F Approval of Extension of the Intergovernmental Agreement (IGA) between Yavapai County and Gila County for Restoration to Competency Services for one year from July 1, 2013, to June 30, 2014, under the same terms and conditions as set forth in the original IGA as agreed upon by both parties.
- G Approval of Amendment No. 2 to Intergovernmental Agreement (Contract No. YH08-0080-01) between the Arizona Health Care Cost Containment System (AHCCCS) and Gila County changing the rates and extending the contract term through June 30, 2014, for Inmate Eligibility and Inpatient Health Care.
- H Approval of Arizona Department of Housing Community Development Block Grant Contract No. 144-11 Closeout Report to finalize the contract between the Arizona Department of Housing and the Gila County Community Action/Housing Services, which will successfully end the contract and ensure that Gila County Community Action/Housing Services has met all requirements of said contract.

- I Approval of Amendment No. 8 to an Intergovernmental Agreement (Contract No. DE111073001) between the Arizona Department of Economic Security and the Gila County Division of Community Services, Community Action/Housing Services, changing the reimbursement ceiling for the service for Case Management to \$328,344 and the reimbursement ceiling for the service for Community Services to \$150,000, effective on the date of the last signature through June 30, 2014.
- J Approval of the Gila County Housing Choice Voucher Program Administrative Plan as required by the U.S. Department of Housing and Urban Development (HUD) effective July 1, 2013, through, June 30, 2014, at which time the Plan will be reviewed and updated if deemed necessary by the Public Housing Authority.
- K Approval of Amendment No. 1 to Funding Agreement 308-11 between the Arizona Department of Housing and the Gila County Division of Community Services, Housing Department, extending the contract end date from June 1, 2013, to September 30, 2013.
- L Approval of Amendment No. 2 and Amendment No. 3 to Contract No. DE126000-001 between the Arizona Department of Economic Security and the Gila County Division of Community Services, Gila Employment and Special Training Program, (GEST), whereas Amendment No. 2 will add Section 11.2 which pertains to confidentiality, effective upon the date of last signature through June 30, 2014 and Amendment No. 3 which pertains to the Rehabilitation Services Administration (RSA) Fee Schedule for year 3, stating the rates are not adjusted and shall remain the same until notice is made by amendment, effective July 1, 2013, and ending June 30, 2014.
- M Approval to adopt Resolution No. 13-06-04 authorizing Gila County Probation Department's participation in the FY 2013-2014 Family Counseling Program through the Arizona Supreme Court, Administrative Office of the Courts, Juvenile Justice Services Division, and certifying that a matching fund requirement of \$2,269 for the Program will be provided by the County.
- N Approval of an Application for Fireworks Display submitted by Fireworks Productions of Arizona on behalf of Freeport-McMoRan Copper & Gold, Inc.-Miami Operations to provide a fireworks display on July 4th at Freeport-McMoRan's mine site in Claypool.
- O Acknowledgment of Peter Havens' resignation from the Gila County Safety Advisory and Appeals Board effective March 23, 2013, and approval to appoint Walter Del Campo to fill Mr. Havens' unexpired term of office, from June 25, 2013, through December 31, 2016.
- P Approval to appoint Michael Pastor to the Allied Health Care Advisory Committee beginning June 25, 2013, and to serve until further determined by the Board of Supervisors.

- Q Approval of an Application for Extension of Premises/Patio Permit submitted by Alexander MacLean to temporarily extend the premises/patio where liquor is permitted to be served at the Flying Grizzly on June 29, 2013.
  - R Approval of the Medicare Enrollment Application for revalidation, as required by the Affordable Care Act, to continue to provide roster billing for individuals with Medicare Part B.
  - S Approval of two (2) Provider Participation Agreements between Gila County d/b/a Gila County Division of Health and Emergency Services, Office of Health (one agreement for the Payson office and one for the Globe office) and the Arizona Health Care Cost Containment System (AHCCCS) to continue to be an AHCCCS provider both in Globe and Payson in compliance with the Affordable Care Act.
  - T Acknowledgment of the May 2013 monthly activity report submitted by the Globe Regional Justice of the Peace's Office.
  - U Approval of the May 28, 2013, and June 4, 2013, BOS meeting minutes.
  - V Acknowledgment of contracts under \$50,000 which have been approved by the County Manager for the weeks of May 13, 2013, to May 17, 2013; May 20, 2013, to May 24, 2013; May 27, 2013, to May 31, 2013; and June 3, 2013, to June 7, 2013.
  - W Approval of finance reports/demands/transfers for the weeks of June 11, 2013, June 18, 2013, and June 25, 2013.
- 5 **CALL TO THE PUBLIC:** Call to the Public is held for public benefit to allow individuals to address issue(s) within the Board's jurisdiction. Board members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to Arizona Revised Statute §38-431.01(H), action taken as a result of public comment will be limited to responding to criticism made by those who have addressed the Board of Supervisors, may ask staff to review the matter or may ask that a matter be put on a future agenda for further discussion and decision at a future date.
- 6 At any time during this meeting pursuant to A.R.S. §38-431.02(K), members of the Board of Supervisors and the Chief Administrator may present a brief summary of current events. No action may be taken on issues presented.

IF SPECIAL ACCOMMODATIONS ARE NEEDED, PLEASE CONTACT THE RECEPTIONIST AT (928) 425-3231 AS EARLY AS POSSIBLE TO ARRANGE THE ACCOMMODATIONS. FOR TTY, PLEASE DIAL 7-1-1 TO REACH THE ARIZONA RELAY SERVICE AND ASK THE OPERATOR TO CONNECT YOU TO (928) 425-3231.

THE BOARD MAY VOTE TO HOLD AN EXECUTIVE SESSION FOR THE PURPOSE OF OBTAINING LEGAL ADVICE FROM THE BOARD'S ATTORNEY ON ANY MATTER LISTED ON THE AGENDA PURSUANT TO A.R.S. SECTION 38-431.03(A)((3)

THE ORDER OR DELETION OF ANY ITEM ON THIS AGENDA IS SUBJECT TO MODIFICATION AT THE MEETING



**ARF-1834**

**Presentation Agenda Item 2- A**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Marian Sheppard, Clerk, BOS  
Submitted By: Marian Sheppard, Clerk, BOS, Clerk of the Board of Supervisors

Department: Clerk of the Board of Supervisors

---

Information

Request/Subject

County Supervisors Association Update of Activities

Background Information

Each year the Executive Director of the County Supervisors Association (CSA) visits all 15 counties in Arizona to provide the Boards of Supervisors with an update of activities conducted by CSA including a discussion of the recent legislative session.

Evaluation

Craig Sullivan, Executive Director of CSA, has requested to make a presentation to the Board of Supervisors on this date.

Conclusion

It would be advantageous to the Board of Supervisors, County staff and the public to receive an update of CSA activities to include a discussion of recent legislative activities.

Recommendation

It is recommended that Mr. Sullivan present an update of CSA activities and discuss the recent legislative session with the Board of Supervisors.

Suggested Motion

Update on the activities of the County Supervisors Association (CSA) by Craig Sullivan, CSA Executive Director, including a discussion of recent legislative activities. **(Cr  
(Craig Sullivan)**

---

**ARF-1908**

**Presentation Agenda Item 2- B**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted By: Marian Sheppard,  
Clerk, BOS,  
Clerk of the Board of Supervisors

Department: Clerk of the Board of Supervisors

Fiscal Year: FY 2013-2014      Budgeted?: Yes

Contract Dates 2013-2014      Grant?: Yes  
Begin & End:

Matching Requirement?: No      Fund?: Renewal

---

Information

Request/Subject

Bullion Plaza Cultural Center & Museum's 2012 Annual Report and 2013 Economic Development Grant Funding Request

Background Information

Each year, the Board of Supervisors considers requests submitted by non-profit entities (community agencies), cities, towns and other governmental agencies in Gila County to perform economic development services and activities.

In 2012, the Board of Supervisors awarded a \$25,000 economic development grant to Bullion Plaza Cultural Center & Museum (BPCCM), which is a non-profit organization.

Written requests have been submitted by Jose Sanchez, President of the BPCCM Board of Directors, and Thomas Foster, BPCCM Executive Director, to provide a brief presentation to the Board regarding its 2012 accomplishments utilizing last year's grant award from Gila County, and to present a funding request for 2013.

Evaluation

Gila County is currently preparing its 2013-2014 fiscal year budget for Board of Supervisors' consideration of approval; therefore, this is the time for the Board to consider funding requests from non-profit entities, such as the Bullion Plaza Cultural Center & Museum.

Conclusion

Per the terms of the Agreement-Economic Development Grant between the Bullion Plaza Cultural Center & Museum and Gila County that was approved by the Board of Supervisors on September 18, 2012, the Museum will be presenting its 2012 annual report to the Board at this time. In addition, a 2013 economic development grant funding request in the amount of \$25,000 will also be presented to the Board.

Recommendation

N/A

Suggested Motion

Presentation of Bullion Plaza Cultural Center & Museum's 2012 annual report and a request for a \$25,000 economic development grant to be considered for approval during Gila County's regular budget process.

**(Jose Sanchez/Thomas Foster)**

---

Attachments

Letters from Bullion Plaza...to Supervisor Pastor and the Clerk of the Board  
2012 Annual Report & Budget Request to BOS



RECEIVED

JUN 10 2013

GILA COUNTY - DISTRICT II  
BOARD OF SUPERVISORS

cc: D. McDaniel  
M. Sheppard  
T. Martin  
J. Marcanti

6<sup>th</sup> June 2013

Mr. Michael A. Pastor  
District II Supervisor  
Gila County Board of Supervisors  
1400 East Ash Street  
Globe, Arizona 85501

Dear Supervisor Pastor:

Last week we had the opportunity to talk about the changes at Bullion Plaza Cultural Center and Museum, how far we have come ... how our efforts are making a difference in the community and the economy.

The money received from your fund last year has allowed us to add CCTV to the Mofford Room and throughout the Museum. This system is now functioning, allowing us to better protect our historic past and the museum overall. Thank you again for your consideration.

The IGA/Economic Development Grant (in the amount of \$25,000.00) from the Gila County Board of Supervisors, received last year, has enabled Bullion Plaza to move forward with many projects:

- improved and expanded exhibits.
- exterior banners.
- interior improvements.
- tables and chairs for the Inspiration Room.
- improved restroom facilities.

All of these improvements have added to the community, and have helped generate a venue non-existent at this time last year.

In the process of expending these funds, we have grown in our efforts at being good stewards and using what we have to the greatest advantage. The monies remaining from this grant are slated for some future projects currently in the planning stage.

In consideration of our working relationship with you and the Gila County Board of Supervisors, we will look forward to our annual report as per the current IGA. Also... we will once again respectfully request the Board's consideration in funding us once again.

Again, thank you for your interest and help in preserving Bullion Plaza and bringing it back to life, as a vibrant and contributing force for the Globe/Miami area and for Gila County.

Regards,

Thomas N. Foster  
Executive Director  
Bullion Plaza Cultural Center & Museum  
P.O. Box 786  
Miami, Arizona 85539

[Az.terr1912@yahoo.com](mailto:Az.terr1912@yahoo.com)  
Mobile: 602.432.7474

P.O. BOX 786, MIAMI, AZ 85539



7<sup>th</sup> June 2013

Dear Ms. Sheppard:

As per our previous conversation, I would like to request placement on the Gila County Board of Supervisors' 18<sup>th</sup> June 2013 meeting agenda. This agenda item would include two items:

- A brief report on last years \$25,000.00 Economic Development Grant awarded to Bullion Plaza Cultural Center & Museum – Miami, Arizona.
- A request for an additional \$25,000.00 Economic Development Grant for 2013.

As with the passing year ... this additional funding will be used to continue work remaining, and in progress, at Bullion Plaza. We would continue to improve this evolving venue and go forward with work on:

- Hispanic Exhibit.
- Local History Exhibit.
- Military Room.
- Improved research capability.
- And other areas of the museum needing funding to move forward in our development and capacity to better serve the community.

We will plan for ten or fifteen minutes to present and then what time the Board needs for questions or comments. We will provide an outline copy of our presentation prior to the 18<sup>th</sup> meeting.

Should you need further information or have questions, I can be reached at:  
(920) 200.2012.

Sincerely,

Jose M. Sanchez  
President of the Board of Directors  
Bullion Plaza Cultural Center & Museum  
P.O. Box 786  
Miami, Arizona 85539  
(928) 473.3700

P.O. BOX 786, MIAMI, AZ 85539



18<sup>th</sup> June 2013

Gila County Board of Supervisors  
1400 East Ash Street  
Globe, Arizona 85501

For Your Consideration:

Please accept this document as our Annual Report to the Gila County Board of Supervisors in accordance with the IGA between Gila County and Bullion Plaza Cultural Center & Museum (18<sup>th</sup> September 2012).

The IGA/Economic Development Grant from the Gila County Board of Supervisors, received last year, has enabled Bullion Plaza to move forward with many projects:

- Improved and expanded exhibits
- Exterior banners
- Interior improvements
- Tables & chairs for the Inspiration Room
- Improved restroom facilities

All of these improvements have added value to the community, and have helped generate a venue non-existent at this time last year. In the process of expending these funds, we have grown in our efforts at being good stewards and using what we have to the greatest advantage. We have been able to attract various groups, and host many varied functions in this past year. In providing this, we have been able to add a new financial element to Bullion Plaza and the community.

**P.O. BOX 786, MIAMI, AZ 85539**

In consideration of our working relationship with the Gila County Board of Supervisors, we, once again, respectfully request the Board's consideration in funding Bullion Plaza Cultural Center & Museum for another year. The request amount would remain as last year's request of \$25,000.00.

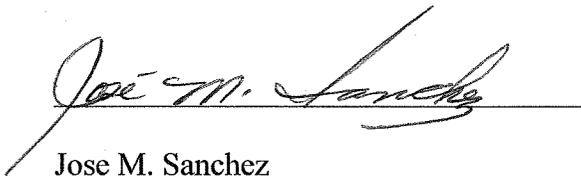
As with the passing year, this additional funding would be used to continue work remaining at Bullion Plaza. We will continue to improve this evolving venue and move forward with:

- The Hispanic Cultural Exhibit
- Local History Exhibit
- Military Room
- Improved research capability
- Other areas of the museum needing funding to move forward in our development and capacity to better serve the community.

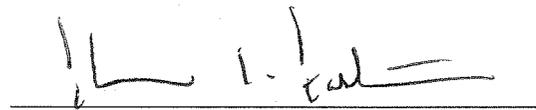
Again, thank you for your interest and help in preserving Bullion Plaza and bringing it back to life as a vibrant, contributing force for the Globe/Miami area and Gila County.

Should you need further information, or have questions, please feel free to contact us .... our contact details are included below.

With sincere regards,



Jose M. Sanchez  
President of the Board of Directors  
Bullion Plaza Cultural Center & Museum  
P.O. Box 786  
Miami, Arizona 85539  
Mobile: 928.200.2012



Thomas N. Foster  
Executive Director  
Bullion Plaza Cultural Center & Museum  
Mobile: 602.432.7474  
Museum: 928.473.3700

**ARF-1888**

**Regular Agenda Item 3- A**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted For:** Jacque Griffin, Asst. County Manager/Librarian  
**Submitted By:** Marian Sheppard, Clerk, BOS, Clerk of the Board of Supervisors

**Department:** Asst County Manager/Library District

---

Information

Request/Subject

Gila County Library District FY 2013-2014 Tentative Budget Adoption

Background Information

Arizona Revised Statutes - Chapter 17-Levy, Article 3-Local Government Budget Process outlines the budget requirements and timelines for each county's and incorporated city's and town's budgets.

For the Gila County Library District, the process includes the Library District Board of Directors adopting a tentative budget and; thereafter, at a future Board meeting, adopting a final budget.

The Library District's budget is included in the entire budget for Gila County.

Evaluation

In Gila County, the Board of Supervisors acts as the Board of Directors for the Gila County Library District. In order to adopt the Library District's annual tentative budget for fiscal year 2013-2014, the Board of Supervisors must adjourn as the Board of Supervisors, convene as the Library District Board of Directors and then take an official action to adopt that tentative budget.

Conclusion

An overview of the proposed tentative budget will be given by Jacque Griffin, Gila County Assistant Manager/Librarian, to the Board of Directors. After a discussion, the Library District Board of Directors will consider adopting the proposed tentative budget.

Recommendation

N/A

Suggested Motion

**(Motion to adjourn as the Gila County Board of Supervisors and convene as the Gila County Library District Board of Directors.)** Information/Discussion/Action to adopt the Fiscal Year 2013-2014 Annual Tentative Budget for the Gila County Library District. **(Jacque Griffin) (Motion to adjourn as the Gila County Library District Board of Directors and reconvene as the Gila County Board of Supervisors.)**

---

**ARF-1887**

**Regular Agenda Item 3- B**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Don McDaniel Jr., County Manager  
Submitted By: Marian Sheppard, Clerk, BOS, Clerk of the Board of Supervisors

Department: County Manager

Fiscal Year: FY2014      Budgeted?: Yes

Contract Dates FY 2014      Grant?: No

Begin & End:

Matching No      Fund?: Replacement

Requirement?:

---

Information

Request/Subject

Gila County FY 2013-2014 Tentative Budget Adoption

Background Information

Arizona Revised Statutes - Chapter 17-Levy, Article 3-Local Government Budget Process outlines the budget requirements and time lines for each county's and incorporated city's and town's budgets.

The budget process is for the Board of Supervisors to first adopt a tentative budget and at a future meeting to adopt the final budget. There are also statutory newspaper publication requirements to be applied after the tentative budget has been adopted and before the final budget is adopted.

Evaluation

N/A

Conclusion

An overview of the proposed tentative fiscal year 2013-2014 budget for Gila County will be presented by Don McDaniel, County Manager. After a discussion, the Board of Supervisors will consider adopting the proposed tentative budget.

Recommendation

N/A

Suggested Motion

Information/Discussion/Action to adopt the Fiscal Year 2013-2014 Annual Tentative Budget in the amount of \$95,252,025, authorize the publication of the summary budget, and set the public hearing for July 16, 2013, to adopt the Final Fiscal Year 2013-2014 Gila County Budget. **(Don McDaniel)**

---

Attachments

FY 2013-2014 Gila County Tentative Budget



**Gila County Arizona**



# **GILA COUNTY**

# **ARIZONA**

**Annual Tentative Budget**

**Fiscal Year 2014**

**July 1, 2013 – June 30, 2014**





# Gila County Arizona

## Annual Tentative Budget Fiscal Year 2014 (July 1, 2013 – June 30, 2014)

### GILA COUNTY BOARD OF SUPERVISORS

Tommie Martin  
District 1



Michael Pastor  
Chairperson  
District 2



John Marcanti  
District 3



Don E. McDaniel, Jr.  
County Manager

Chris Bessenecker  
Finance Director

Dana P. Hlavac  
Interim Finance Director

Budget Team

**Stacie Allison**

Linda Eastlick

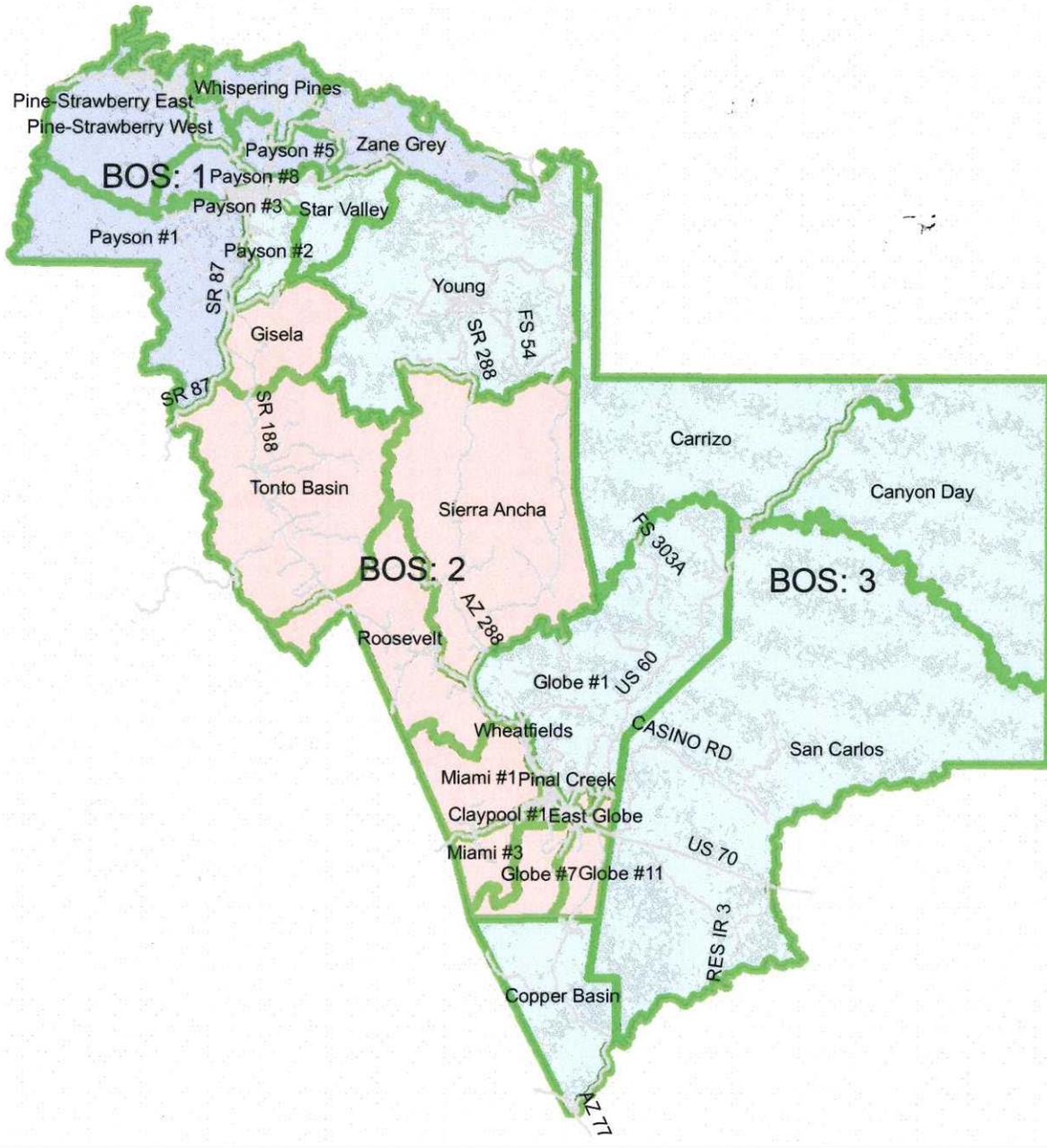
Jacque Griffin

[www.gilacountyaz.gov](http://www.gilacountyaz.gov)



# Gila County Arizona

## County Supervisor Districts





# Gila County Arizona

## Countywide Goals

- ❖ Maintain and enhance our **Financial Sustainability**.
- ❖ Improve our commitment to **Organizational Development** by supporting the highest level of management principles and practices.
- ❖ Provide a safe and **Secure Workplace** environment for employees and residents.
- ❖ Ensure a **Healthy Environment** within Gila County and promote healthy lifestyles for residents.
- ❖ Guarantee that Gila County is a **Safe County** in which visitors, businesses and residents can live, work and play.
- ❖ Foster a comprehensive county wide commitment to superior **Communications** to our tax payers, citizens and visitors as well as our employees and contractors.
- ❖ Support economic expansion, growth and diversification so that Gila County is recognized as place of **Economic Opportunity**.

## Leadership Principles

- "Do the right thing" for the employees.
- Be the best source to those who look to you for information.
- Adopt and implement an open-door policy.
- Plan for accomplishment.
- Promote and expect job ownership.
- "Do the right thing" for the citizens.
- See Gila County citizens as customers.
- Strive for 100% customer satisfaction.
- Be cost conscious in your decisions.
- Support County Policy.
- Be willing to take prudent risks.
- "Do the right thing" for yourself



# Gila County Arizona

## County Officials

### Board of Supervisors

District 1..... Tommie Martin, Vice Chairperson  
District 2..... Michael Pastor, Chairperson  
District 3..... John Marcanti  
County Manager..... Don E. McDaniel, Jr.  
Assistant County Manager..... Jacque Griffin  
Clerk of the Board..... Marian Sheppard

### Elected Officials

Clerk of the Superior Court..... Anita Escobedo  
Constable (Globe) ..... Jesse Bolinger  
Constable (Payson) ..... Colt White  
County Assessor..... Deborah Hughes  
County Attorney..... Bradley Beauchamp  
County Recorder ..... Sadie Jo Tomerlin  
County Sheriff..... Adam Shepherd  
County Superintendent of Schools..... Linda O'Dell  
County Treasurer ..... Debora Savage  
Justice of the Peace   Globe..... Gary Goetteman  
                                  Payson..... Dorothy Little  
Superior Court    Division I..... Peter J. Cahill  
                                  Division II..... Robert Duber II

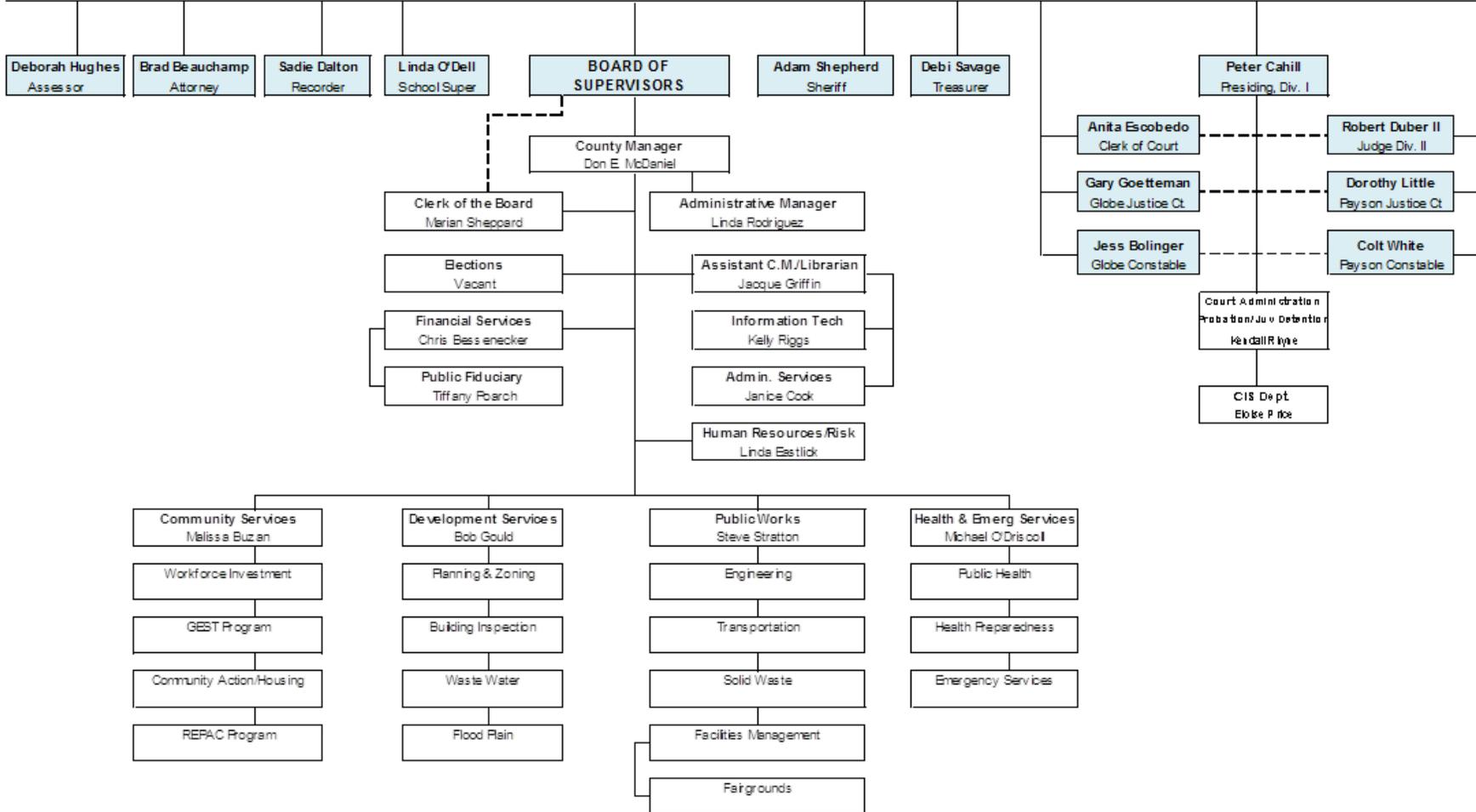
### Appointed Department Heads

Adult Probation (Chief Probation Officer) ..... Kendall Rhyne  
Community Development..... Robert A. Gould  
Community Services..... Malissa Buzan  
Court Administrator ..... Kendall Rhyne  
Elections (Acting) ..... David Rogers  
Health and Emergency Services ..... Michael O'Driscoll  
Human Resources/Risk Management ..... Linda Eastlick  
Finance Director (Interim) ..... Dana P. Hlavac  
Finance Director..... Chris Bessenecker  
Information Technology (Acting)..... Kelly Riggs  
Public Fiduciary ..... Tiffany Poarch  
Public Works..... Steve Stratton



# Gila County Arizona

## CITIZENS OF GILA COUNTY





**Gila County Arizona**

## **Schedule A**

# **Summary Schedule of Estimated Revenues and Expenditures/Expenses**



# Gila County Arizona

GILA COUNTY  
Summary Schedule of Estimated Revenues and Expenditures/Expenses  
Fiscal Year 2014

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2013	ACTUAL EXPENDITURES/EXPENSES** 2013	FUND BALANCE/NET POSITION*** July 1, 2013**	PROPERTY TAX REVENUES 2014	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2014	OTHER FINANCING 2014		INTERFUND TRANSFERS 2014		TOTAL FINANCIAL RESOURCES AVAILABLE 2014	BUDGETED EXPENDITURES/EXPENSES 2014
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 36,771,091	\$ 32,608,103	\$ 9,394,938	Primary: \$ 18,378,381	\$ 16,856,655	\$	\$	\$	\$ 8,438,928	\$ 36,191,046	\$ 36,016,855
1b Cash Flow Reserve	\$ 5,000,000	\$	\$ 5,000,000							\$ 5,000,000	\$ 5,000,000
1c Rainy Day Reserve	\$ 4,383,919	\$	\$ 5,000,000					\$ 3,000,000		\$ 8,000,000	\$ 8,000,000
1d CIP Reserve	\$	\$	\$ 500,000					\$ 100,000		\$ 600,000	\$ 600,000
2. General Fund - Override Electio				Secondary:							
3. Total General Fund	46,155,010	32,608,103	19,894,938	18,378,381	16,856,655			3,100,000	8,438,928	49,791,046	49,616,855
4. Special Revenue Funds	40,827,461	22,372,577	15,051,048	899,425	19,157,917			2,600,885	1,334,518	36,374,757	36,374,757
5. Debt Service Funds Available	628,150	615,000								628,150	628,150
6. Less: Amounts for Future Debt Retirement											
7. Total Debt Service Funds	628,150	615,000								628,150	628,150
8. Capital Projects Funds	4,509,050	1,451,470	386,556		365,000			2,683,544		3,435,100	3,435,100
9. Permanent Funds	1,868,345	1,548,700			302,320			1,489,017		1,791,337	1,791,337
10. Enterprise Funds Available	2,480,114	902,800	1,960,826		1,545,000				100,000	3,405,826	3,405,826
11. Less: Amounts for Future Debt Retirement											
12. Total Enterprise Funds	2,480,114	902,800	1,960,826		1,545,000				100,000	3,405,826	3,405,826
13. TOTAL ALL FUNDS	\$ 96,468,130	\$ 59,498,650	\$ 37,293,368	\$ 19,277,806	\$ 38,226,892	\$	\$	\$ 9,873,446	\$ 9,873,446	\$ 95,426,216	\$ 95,252,025

**EXPENDITURE LIMITATION COMPARISON**

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC expenditure limitation

	2013	2014
1. Budgeted expenditures/expenses	\$ 96,468,130	\$ 95,252,025
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	96,468,130	95,252,025
4. Less: estimated exclusions	59,000,000	57,000,000
5. Amount subject to the expenditure limitation	\$ 37,468,130	\$ 38,252,025
6. EEC expenditure limitation	\$ 39,303,794	\$ 40,004,813

\* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

\*\* Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

\*\*\* Amounts in this column represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).



**Gila County Arizona**

# **Schedule B**

## **Tax Levy and Tax Rate Information**



# Gila County Arizona

## GILA COUNTY Tax Levy and Tax Rate Information Fiscal Year 2014

	<u>2013</u>	<u>2014</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 25,630,846	\$ 26,747,779
2. Amount received from primary property taxation in the <b>current</b> year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ 20,536,044	\$ 18,378,381
B. Secondary property taxes		
General Fund - Override election	\$ _____	\$ _____
Public Library	985,208	880,589
Pine SLID	1,875	2,040
East Verde SLID	3,364	4,889
Miami Garden SLID	3,254	2,321
Apache Hills SLID	5,185	1,022
Upper Glendale SLID	774	1,877
Midland City/Central Heights SLID	21,901	10,842
Claypool SLID	12,999	22,263
Fire District Assistance Tax	492,484	440,188
Total secondary property taxes	\$ 1,527,044	\$ 1,366,031
C. Total property tax levy amounts	\$ 22,063,088	\$ 19,744,412
4. Property taxes collected*		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ 20,875,267	
(2) Prior years' levies	571,875	
(3) Total primary property taxes	\$ 21,447,142	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$ 49,166	
(2) Prior years' levies	7,161	
(3) Total secondary property taxes	\$ 56,327	
C. Total property taxes collected	\$ 21,503,469	
5. Property tax rates		
A. County tax rate		
(1) Primary property tax rate	4.1900	4.1900
(2) Secondary property tax rate		
General Fund - Override election	_____	_____
Public Library	0.2000	0.2000
Fire District Assistance Tax	0.1000	0.1000
(3) Total county tax rate	4.4900	4.4900
B. Special assessment district tax rates		
Secondary property tax rates		
Pine SLID	0.1350	0.1570
East Verde SLID	0.1459	0.2240
Miami Garden SLID	1.2512	0.8750
Apache Hills SLID	3.0034	0.9210
Upper Glendale SLID	0.6808	1.6380
Midland City/Central Heights SLID	0.6072	0.3050
Claypool SLID	0.2765	0.5060

\* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.



# **Schedule C**

## **Summary by Fund**

# **Type of Revenue Other Than Property Taxes**



# Gila County Arizona

## GILA COUNTY Summary by Fund Type of Revenues Other Than Property Taxes Fiscal Year 2014

SOURCE OF REVENUES	ESTIMATED	ACTUAL	ESTIMATED
	REVENUES	REVENUES*	REVENUES
	2013	2013	2014
<b>GENERAL FUND</b>			
<b>Taxes</b>			
Auto Lieu	\$ 1,600,000	\$ 1,429,310	1,500,000
State Shared Sales Tax	5,080,000	4,565,000	4,900,000
1/2 Cent County Sales Tax	2,500,000	2,900,000	2,600,000
<b>Licenses and permits</b>			
Buliding Permits	195,000	163,213	195,000
Mobile Home Permits	5,000	7,920	5,000
Planning & Zoning	6,500	10,600	8,000
Septic/Alt. Sewage Permits	48,000	87,000	48,000
Business/Franchise Licenses	80,000	70,200	80,000
<b>Intergovernmental</b>			
Federal In Lieu Public Lands	3,023,345	3,023,345	3,197,536
SRP In Lieu	140,000	185,396	185,000
State Shared Liquor Licenses	12,000	12,000	12,000
State Shared Lottery share	x	x	550,000
Child Support Entitlement Reimb	700,000	673,653	650,000
Intergovernmental Agreements	10,500	10,500	10,500
IGA JP Municipality Admn Court	303,786	343,000	323,000
IGA Sheriff Patrol	383,273	383,273	466,273
IGA Sheriff Detention	x	24,772	24,772
IGA Indigent Defense	20,000	80,000	x
Sheriff-State Entitlement Grants	36,053	x	x
Federal Grants-Emerg Srvc	110,000	110,000	110,000
Rural Addressing	5,000	x	5,000
<b>Charges for services</b>			
Clerk of the Court Fees	325,000	269,657	270,000
Justice Court Fees	128,250	150,084	118,000
Recorder Fees	130,000	123,000	120,000
Correctional Housing	220,000	116,067	80,000
Sheriff - Special Srvc	79,040	89,800	79,040
Sheriff - Impound Fees	5,125	3,000	5,125
Sheriff - Corr Housing	136,500	130,400	136,500
Sheriff Fees & Charges	4,000	500	4,000
Constables Fees	45,000	20,730	25,000
Sewage Plan Review	2,200	1,900	2,200
Fairgrounds Rental	17,000	13,175	17,000
Public Fiduciary	45,000	61,687	45,000
Treasurer	50,000	66,510	50,000
Other	3,500	4,500	4,000
Indigent Defense	x	500	20,000
<b>Fines and forfeits</b>			
Justice Court Fines	491,800	401,570	400,000
Superior Court Fines	55,000	58,286	60,218
Other Fines	380	x	380
<b>Investments</b>			
Interest	140,000	95,600	54,665
<b>Rents, royalties, and commissions</b>			
<b>Contributions</b>			
Voluntary contributions			
<b>Miscellaneous</b>			
Sales of Equipment/Land	9,000	4,200	8,000
Sales of Copies/Blueprints	6,300	9,594	6,200
Cost Sharing/Reimb	165,400	143,686	168,900
Election Reimbursement	61,650	75,928	12,346
Penalties & Interest - Property Tax	230,000	378,900	300,000
<b>Total General Fund</b>	<b>\$ 16,608,602</b>	<b>\$ 16,298,456</b>	<b>\$ 16,856,655</b>

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget



# Gila County Arizona

**GILA COUNTY**  
**Summary by Fund Type of Revenues Other Than Property Taxes**  
**Fiscal Year 2014**

SOURCE OF REVENUES	ESTIMATED REVENUES 2013	ACTUAL REVENUES* 2013	ESTIMATED REVENUES 2014
<b>SPECIAL REVENUE FUNDS</b>			
<b>Road Fund:</b>			
1/2 Cent Transp Excise Tax	\$ 2,915,834	\$ 2,896,780	3,090,000
1/2 Cent Interest	x	20,000	20,500
1/2 Cent Mis	x	x	x
1/2 Cent Charges for Forest Service Maint	x	425,674	453,208
Auto License Registration	850,991	805,623	810,000
Highway User Revenue	3,241,440	3,139,159	3,066,000
Licenses & Permits	400	2,300	2,500
Forest Fees	50,000	50,000	50,000
Interest	x	x	9,000
Intergovernmental Agreements	355,939	18,028	72,114
Miscellaneous	48,602	25,212	68,539
<b>Total</b>	<b>\$ 7,463,206</b>	<b>\$ 7,382,776</b>	<b>\$ 7,641,861</b>
<b>Health Fund:</b>			
Food Service Licenses	\$ 110,000	\$ 97,000	110,000
Charges for Services	110,000	84,160	85,000
<b>Total</b>	<b>\$ 220,000</b>	<b>\$ 181,160</b>	<b>\$ 195,000</b>



# Gila County Arizona

## GILA COUNTY Summary by Fund Type of Revenues Other Than Property Taxes Fiscal Year 2014

SOURCE OF REVENUES	ESTIMATED	ACTUAL	ESTIMATED
	REVENUES	REVENUES*	REVENUES
	2013	2013	2014
<b>List Fund:</b>			
1009 Rabies Control	\$ 43,500	\$ 45,900	45,000
1119 Emergency Response	100,000	x	100,000
1825 Gila County Wellness Program	5,000	5,000	5,000
2000 Housing	953,486	581,931	826,642
2001 CAP	599,637	606,946	505,768
2012 GEST	600,000	368,338	465,000
2013 WIA	1,524,758	1,693,814	53,189
2014 Workforce Investment Act	2,742,250	360,173	1,460,456
2015 Workforce Investment Act Progs	x	32,570	1,278,250
2016 Workforce Investment Act IV	x	x	x
2516 Health Svcs Special Projects	x	8,091	x
2517 HIV	4,479	3,376	4,561
2518 WIC	393,515	261,396	363,875
2519 TB	12,000	12,000	12,000
2521 Community Health Grant	75,000	75,000	75,000
2522 Nutrition	11,284	11,284	x
2524 Immunization	68,000	70,815	68,000
2525 Public Hlth Emg Resp H1N1	20,000	x	x
2526 Private Stock Vaccines	x	87,978	50,000
2527 Population Health Initiative	x	43,748	43,748
2528 Commodity Supplement Food Prog	5,160	1,901	5,160
2530 HIV Consortium	88,829	88,800	142,689
2550 Public Hlth Emrg Preparedness	185,681	140,774	185,681
2551 Health Start Program	56,894	17,038	x
2552 Tobacco Free Environment	135,000	120,273	135,000
2557 Prop 201 Smoke Free AZ Act	52,075	42,447	52,075
2558 Public Health Accreditation	x	30,000	5,000
2559 Family Planning	30,000	14,232	16,800
2560 Teen Pregnancy Prevention Svcs	135,003	169,085	192,000
2565 Neonatal Intensive Care Program	18,924	7,410	200
2568 FTF Early Childhood Screening	81,751	10,880	19,567
2570 Maternal & Child Home Visiting	x	76,527	238,000
2575 Healthy Steps	x	14,276	155,000
3001 Drug Gang Violent Crime Control	345,430	325,150	272,117
3011 Sheriff's Justice Enhancement	277,000	191,809	180,600
3012 Sheriff Special Projects	25,000	5,712	x
3013 Sheriff Seized Eq Recapture	5,000	6,842	5,000
3014 Immigration Enforcement	x	12,332	x
3015 Law Enfnt Youth Mentoring Prg	47,583	x	x
3046 Gila County Sheriff K9	x	x	x
3047 Gila Co Sheriff DARE	10,000	2,534	3,000
3054 Sheriff's Victim's Rights	x	x	x
3055 Sheriff's Commissary Fund	10,000	52,453	40,000
3061 Sheriff BLESF Program	100,000	145,422	138,000
3064 Marijuana Eradication	25,000	31,979	35,000
3067 Methamphetamine Program	98,723	24,297	x
3072 Homeland Security 10 Sheriff	50,000	50,000	x
3510 IV D Incentive/SSRE	172,000	166,132	148,000
3511 Child Support Other Reimb	x	x	x
3512 Child Support Incentive Funds	40,000	32,866	34,000
3528 County Attorney Residual Fund	x	x	x
3531 Attorney's Justice Enhancement	110,000	110,000	110,000
3541 Victim Restitution/Subrogation	4,200	9,932	6,500
3542 Diversion Program CA	165,000	118,971	100,000
3543 County Anti Racketeering Fund	25,000	20,713	21,770
3544 Cost of Prosecution Reimb Fund	106,000	131,143	100,000
3545 Bad Check County Attorney	4,250	5,553	3,300
3546 DEA Federal Asset Forfeiture	x	x	x
3547 Deferred Prosecution Program	8,500	9,195	8,900
3552 County Attorney Fill the Gap	5,000	7,455	8,000
3553 Fair & Legal Employment Act	x	5,341	x
3557 A G Victim Rights	30,000	33,650	30,000
3560 Victim Compensation	40,000	40,000	47,000
3561 Drug Prosecution Grant	67,730	56,196	74,000
3563 Crime Victim Assistance Prog	17,600	17,600	17,600



# Gila County Arizona

## GILA COUNTY Summary by Fund Type of Revenues Other Than Property Taxes Fiscal Year 2014

SOURCE OF REVENUES	ESTIMATED	ACTUAL	ESTIMATED
	REVENUES	REVENUES*	REVENUES
	2013	2013	2014
4041 Probation Class Materials	x	x	x
4042 Adult Probation Service Fees	240,000	177,827	180,000
4050 Adult Drug Court	2,000	7,000	2,000
4051 Adult Intensive Prob Supervision	229,401	209,850	206,405
4053 Adult JCEF IPS Assistance	22,573	28,472	23,222
4054 CJEF S/Offender	11,522	10,608	10,500
4055 Community Punishment Program	30,259	35,760	35,760
4056 CJEF Substance Abuse	27,912	27,912	27,912
4057 Drug Treatment Education	21,893	30,693	30,693
4059 State Aid Enhancement	458,116	301,873	279,650
4071 JPSF Treatment	78,282	73,769	76,810
4072 JCEF ERE Assistant	141,648	137,891	142,972
4146 Juvenile Diversion Fees	20,000	5,700	6,500
4147 Juvenile Probation Service Fee	30,000	24,897	15,668
4150 Juvenile Detention Alternatives	x	x	10,000
4177 Court Appointed Spec Advocate	83,079	62,593	83,079
4189 Juvenile Drug Court	18,530	12,000	12,000
4192 Juvenile Crime Reduction Grant	x	1,400	x
4193 Family Counseling	9,461	10,218	10,218
4194 Diversion Consequences	35,696	15,158	15,158
4195 Diversion Intake	255,528	234,841	245,883
4196 Juvenile Intensive Prob Superv	159,291	103,757	125,013
4197 Juvenile Standards Probation	159,291	168,748	184,223
4501 Law Library Fund	30,000	22,419	28,000
4502 Conciliation Court Fund	17,000	16,845	17,000
4540 Local Aid to Indigent Defense	x	x	5
4541 Local State Aid to Courts	x	x	x
4542 Local Probate Assessment Fee	7,400	7,026	7,730
4553 State Aid to Courts	x	x	350
4555 Drug Enforcement/Superior Court	18,375	18,375	18,375
4556 Field Trainer	25,000	25,000	25,000
4557 Case Processing	x	x	x
4559 Children's Issues Education	5,800	4,859	5,895
4566 Domestic Relations & Mediation	1,900	1,500	1,950
4569 Aid to Indigent Defense	x	x	700
4574 Superior Crt Cost of Prosecution	72,800	75,958	72,800
4575 DES Access Visitation	6,039	1,350	5,400
4577 Court Improvement Project	16,228	12,171	17,623
4578 Expedited Child Support/Visit	3,250	2,550	3,085
4740 Globe Justice Court Surcharge	12,000	11,397	12,000
4840 Cost of Prosecution-Clerk of the Court	10,836	10,791	10,936
4741 Payson Justice Court Surcharge	14,000	9,817	14,000
4841 Expedited Child Support	3,074	2,431	3,200
4842 Document Conversion Sup Crt	16,406	12,404	15,000
4844 Spousal Maintenance Enforcement	1,389	1,259	1,200
4846 JCEF Surcharge Clk Sup Crt	15,276	15,252	15,500
4847 Family Law Commissioner	832	330	500
5073 Homeland Secty Grant GCSO FY13	x	16,000	49,700
5080 FFY10 St Homeland Security	19,484	x	x
5500 GCESA/Detention Education	13,000	13,000	x
5510 Gila County Education Service	x	x	x
5520 Spec School Reserve Agency	x	x	x
6000 Library District Grants	150,000	92,000	158,000
6010 Library Assistance	66,387	18,200	95,387
6511 Tonto Creek Bridge	174,143	69,200	178,918
6512 Young 512 Road	x	x	222,500
6513 Intergovernmental Agreements	x	x	453,200
6570 Waste Tire Fund	110,000	96,000	120,000
6593 TE Sidewalks Six Shooter	53,192	x	30,192
6594 TE Sidewalks Main	54,706	x	29,706



# Gila County Arizona

## GILA COUNTY Summary by Fund Type of Revenues Other Than Property Taxes Fiscal Year 2014

SOURCE OF REVENUES	ESTIMATED REVENUES	ACTUAL REVENUES*	ESTIMATED REVENUES
	2013	2013	2014
7050 Summer Youth Development	9,000	x	x
7143 Assessor Surcharge	x	x	x
7145 Recorder/Document System	50,000	45,000	50,000
7146 Recorder Mine Claim Surcharge	65	65	65
7147 Computer System Recorder	59,000	10,763	10,000
7350 Help America Vote Act	7,686	11,233	25
7430 Treasurer TIF	11,000	6,575	7,000
7493 Eastern AZ Counties Org	30,000	x	x
7494 EECO	75,000	15,000	x
7498 Agency Pass Thru Grants	30,000	x	30,000
<b>Total</b>	<b>\$ 12,955,992</b>	<b>\$ 8,941,017</b>	<b>\$ 11,321,056</b>
<b>Total Special Revenue Funds</b>	<b>\$ 20,639,198</b>	<b>\$ 16,504,953</b>	<b>\$ 19,157,917</b>
<b>DEBT SERVICE FUNDS</b>			
<b>Total Debt Service Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>CAPITAL PROJECTS FUNDS</b>			
1115.106.960 - Natural Resources	\$ x	\$ x	\$ x
1114 - Bond	x	x	x
1007.341.936 - Vehicle Replacement	x	358,178	365,000
<b>Total Capital Projects Funds</b>	<b>\$ x</b>	<b>\$ 358,178</b>	<b>\$ 365,000</b>
<b>PERMANENT FUNDS</b>			
6880 Facilities Mgmt	\$ 319,367	\$ 328,315	302,320
<b>Total Permanent Funds</b>	<b>\$ 319,367</b>	<b>\$ 328,315</b>	<b>\$ 302,320</b>
<b>ENTERPRISE FUNDS</b>			
6850 Recycling & Landfill Management	\$ 1,400,000	\$ 1,567,944	1,545,000
<b>Total Enterprise Funds</b>	<b>\$ 1,400,000</b>	<b>\$ 1,567,944</b>	<b>\$ 1,545,000</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 38,967,167</b>	<b>\$ 35,057,846</b>	<b>\$ 38,226,892</b>

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.



# Schedule D

## Transfers In Transfers Out



# Gila County Arizona

FUND	OTHER FINANCING		INTERFUND TRANSFERS	
	2014	2014	2014	2014
	SOURCES	<USES>	IN	<OUT>
<b>GENERAL FUND</b>				
1008 Health Services	\$	\$	\$	596,620
1009 Rabies Control				307,355
2000 Housing				50,000
2001 CAP				x
3001 Drug Gang Violent Crime Control				68,029
3061 Sheriff BLESF Program				x
4187 Globe Safe School				x
4501 Law Library Fund				61,172
4502 Conciliation Court Fund				27,100
4503 Payson Court Commissioner				x
4555 Drug Enforcement				x
4556 Field Trainer				x
5520 Spec School Reserve Agency				2,500
6010 Library Assistance				50,000
1007 Capital Improvements				x
1124 Superior & JP Crts Security				492,810
6880 Facilities - Bldg/Land				1,177,998
6880 Facilities - Sheriff				311,019
1115.106.960 Natural Resources				250,000
1115.201.940 Financial Syst Upgrade				100,000
1115.101.945 Public Info Transparency				5,000
1115.101.955 Economic Develop				140,000
1115.201.941 Community College				220,000
1115.107.950 Wage Study/Plan/Impl				1,479,325
1003 CIP Reserve from 1005 GF			100,000	
1005 GF to 1003 CIP Reserve				100,000
1004 Rainy Day from 1005 GF			3,000,000	
1005 GF to 1004 Rainy Day				3,000,000
<b>Total General Fund</b>	<b>\$</b>	<b>\$</b>	<b>\$ 3,100,000</b>	<b>\$ 8,438,928</b>
<b>SPECIAL REVENUE FUNDS</b>				
1008 Health Services	\$	\$	\$ 596,620	
1009 Rabies Control			307,355	
1124 Superior & JP Crts Security			492,810	
2000 Housing			50,000	
2001 CAP			x	
3001 Drug Gang Violent Crime Control			68,029	
3061 Sheriff BLESF Program			x	
4187 Globe Safe School			27,100	
4501 Law Library Fund			61,172	
4502 Conciliation Court Fund			x	
4503 Payson Court Commissioner			x	
4555 Drug Enforcement			x	
4556 Field Trainer			x	
4740 Globe JP Court Surcharge				30,000
5520 Spec School Reserve Agency			2,500	
6010 Library Assistance			50,000	
6510 1/2 Cent Transp Excise				1,304,518
6511 Tonto Creek Bridge			476,499	
6513 Intergovernmental Agreements			318,800	
6593 TE Sidewalks Sixshoot			25,000	
6594 TE Sidewalks Main			25,000	
6855 Russell Gulch Expansion			100,000	
<b>Total Special Revenue Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$ 2,600,885</b>	<b>1,334,518</b>
<b>DEBT SERVICE FUNDS</b>				
	\$	\$	\$	\$
<b>Total Debt Service Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>CAPITAL PROJECTS FUNDS</b>				
1007.341.817 Pine/Strawberry Shelters	\$	\$	\$ 58,894	\$
1007.341.818 Broad St Project			400,325	
1007.341.882 JP Crts Inter Remodel			30,000	
1115.106.960 Natural Resources			250,000	
1115.201.940 Financial Syst Upgrade			100,000	
1115.101.945 Public Info Transparency			5,000	
1115.101.955 Economic Develop			140,000	
1115.201.941 Community College			220,000	
1115.107.950 Wage Study/Plan/Impl			1,479,325	
<b>Total Capital Projects Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$ 2,683,544</b>	<b>\$</b>
<b>PERMANENT FUNDS</b>				
6880 Facilities - Bldg/Land	\$	\$	\$ 1,177,998	\$
6880 Facilities - Sheriff			311,019	
<b>Total Permanent Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,489,017</b>	<b>\$</b>
<b>ENTERPRISE FUNDS</b>				
6850.341.430	\$	\$	\$	\$ 100,000
<b>Total Enterprise Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 100,000</b>
<b>TOTAL ALL FUNDS</b>	<b>\$</b>	<b>\$</b>	<b>\$ 9,873,446</b>	<b>\$ 9,873,446</b>



# **Schedule E**

## **Expenditures/Expenses by Fund**



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Fund Fiscal Year 2014

<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013</u>	<u>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013</u>	<u>ACTUAL EXPENDITURES/ EXPENSES* 2013</u>	<u>BUDGETED EXPENDITURES/ EXPENSES 2014</u>
<b>GENERAL FUND</b>				
101 Board of Supervisors	\$ 1,054,583	\$	\$ 1,064,530	1,053,677
103 Elections	588,165		429,200	424,944
106/115 Emg Srv/GIS Addressing	374,282		301,215	357,629
107 Human Resources	286,855		268,077	704,527
108 Community Development	1,219,693		1,156,793	1,134,094
120 Recorder	695,314		596,654	651,592
143 Administrative Services	116,616		112,260	120,021
201.140 General Administration	809,340		802,200	326,773
201.140 AHCCCS/ALTCS	3,559,600		3,234,932	3,559,600
201.142 Professional Services	474,000		387,300	390,500
201/205 Finance/Purchasing	845,116		791,760	828,284
201.610 Community Agencies	156,250		126,500	138,250
203 Treasurer	504,230		468,923	479,764
207 Computer Services	783,660		642,920	763,272
221 Assessor	1,025,941		987,924	1,059,302
300 Sheriff	10,565,843		9,790,004	10,708,918
301 County Attorney	2,171,042		1,832,426	2,019,516
302 Clerk of Superior Crt	1,254,646		1,159,286	1,257,474
305 Child Support Enforcement	857,078		708,157	836,014
311 Globe Justice Court	672,699		595,150	663,415
314 Payson Justice Court	574,110		517,516	565,708
321 Globe Constable	143,434		131,960	136,004
324 Payson Constable	169,117		155,218	176,914
329 Court Information System	377,954		328,781	358,002
331 Superior Court Div I	252,028		247,005	255,173
332 Superior Court Div II	242,045		242,015	246,771
333 Superior Court General	1,069,239		817,181	963,018
335 Probation	909,122		852,193	858,067
336 Juvenile Detention	1,371,376		1,184,532	1,312,349
341.104 Flood Plain Mgmt	184,833		152,644	220,705
345 Indigent Legal Defense	1,132,462		1,131,665	1,132,060
402 Indigent Burial	20,000		x	x
406 Public Fiduciary	410,448		394,390	408,930
525 Fairgrounds	256,429		355,295	254,556
541 Constituent Services I	95,000		85,000	85,000
542 Constituent Services II	95,000		88,000	85,000
543 Constituent Services III	95,000		93,000	85,000
702 School Superintendent	408,541		375,497	396,032
201.141 Contingency	950,000		x	1,000,000
<b>Total General Fund</b>	<b>\$ 36,771,091</b>	<b>\$</b>	<b>\$ 32,608,103</b>	<b>\$ 36,016,855</b>



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Fund Fiscal Year 2014

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURE \$/ EXPENSES 2013	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013	ACTUAL EXPENDITURES/ EXPENSES* 2013	BUDGETED EXPENDITURE \$/ EXPENSES 2014
<b>RESERVES</b>				
1003 CIP Reserve	x		x	600,000
1004 Rainy Day Reserve	4,383,919		x	8,000,000
1006 Cash Flow Reserve	5,000,000		x	5,000,000
<b>Total Reserves</b>	<b>\$ 9,383,919</b>	<b>\$</b>	<b>\$</b>	<b>\$ 13,600,000</b>
<b>SPECIAL REVENUE FUNDS</b>				
1008 Health Services Fund	\$ 918,385	\$	\$ 781,056	791,620
1009 Rabies Control	356,423		339,972	352,355
1119 Emergency Response	139,400		2,660	139,400
1111 Indirect Cost	x		x	x
1124 Courts Security	200,000	50,000	210,000	520,600
1825 Gila County Wellness	5,000		5,000	5,000
2000 Housing	1,032,506		993,908	852,874
2001 CAP	736,696		626,702	803,314
2012 GEST	471,407		421,222	450,500
2013 WIA	1,530,085		1,554,168	53,189
2014 Workforce Invest Act	2,742,250		431,582	1,451,756
2015 Workforce Invest Act Prog	x		x	1,278,250
2016 Workforce Invest Act IV	x		x	x
2516 Health Svcs Special Proj	x		2,256	5,928
2517 HIV	6,634		3,552	4,561
2518 WIC	367,752		292,339	367,269
2519 TB	68,158		16,489	45,000
2521 Community Health Grant	100,893		78,375	74,518
2522 Nutrition	12,334		1,272	12,334
2523 Folic Acid	9,275		x	x
2524 Immunization	358,000		141,360	292,503
2525 Public Hlth Emg Resp H1N1	20,000		x	x
2526 Private Stock Vaccines	x		37,109	50,000
2527 Population Health Initiative	x		38,710	45,355
2528 Commodity Supp Food Pr	4,406		2,376	5,160
2530 HIV Consortium	90,830		94,260	142,046
2550 Public Hlth Emerg Prep	342,148		203,121	285,592
2551 Health Start Program	43,231		26,510	x
2552 Tobacco Free Environ	151,577		130,757	138,728
2555 Per Capita Grant	480		x	x
2557 Smoke Free AZ	56,385		46,495	49,244
2558 Public Hlth Accredited	x		18,695	13,050
2559 Family Planning	51,188		45,077	26,800
2560 Teen Pregnancy Prev Svc	185,626		137,678	207,703
2565 Neonatal Intensive Care	56,424		16,195	40,000
2567 Teen Pregnancy Maze	1,431		238	x
2568 FTF Early Childhood Scr	95,076		18,164	19,567
2569 Maternal & Child Health	15,919		9,261	6,547
2570 Maternal & Child Visit	x		82,572	238,000
2575 Healthy Steps	x		51,684	155,000



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Fund Fiscal Year 2014

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013	ACTUAL EXPENDITURES/ EXPENSES* 2013	BUDGETED EXPENDITURES/ EXPENSES 2014
3001 Drug Gang Violent Crime	396,767		392,320	331,807
3011 Sheriff's Justice Enhance	358,500		200,054	344,970
3012 Sheriff Special Projects	26,743		x	21,906
3013 Sheriff Seize Eq Recap	55,000		x	23,207
3014 Immigration Enforcement	x		x	12,332
3015 Law Enfnt Youth Mentor	5,335		x	x
3019 Sheriff Undercover	11,251		x	5,626
3046 Gila County Sheriff K9	353		x	353
3047 Gila Co Sheriff DARE	x		x	4,447
3053 Sheriff/Forest Service	87,000		x	x
3054 Sheriff's Victim's Rights	1,500		x	1,529
3055 Sheriff's Commissary Fund	56,042		21,636	70,735
3060 GOHS Grant Enforce Veh	11,055		x	x
3061 Sheriff BLESF Program	212,107		226,695	138,984
3064 Marijuana Eradication	30,000		35,920	40,000
3067 Methamphetamine Prog	98,723		7,780	18,540
3070 Boating Safety Education	3,303		x	x
3072 Homeland Security 10 Sh	50,000		77,672	x
3510 IV-D Incentive/SSRE	494,726		186,152	246,652
3511 Child Supp Other Reimb	893,093		52,496	878,662
3512 Child Supp Incentive	363,570		x	363,570
3528 County Attorney Residual	272,000		5,873	267,000
3531 Attorney's Justice Enhance	250,324		125,723	248,531
3541 Victim Restitution/Subrog	49,715		7,569	64,942
3542 Diversion Program CA	987,753		296,302	763,602
3543 County Anti-Racketeering	401,000		15,838	349,762
3544 Cost of Prosec Reimb	551,354		156,487	503,483
3545 Bad Check-County Attorn	33,257		360	33,300
3546 DEA Federal Asset Forfeit	7,725		x	7,725
3547 Deferred Prosecution Prog	33,233		x	44,534
3552 County Attorney Fill the Gap	65,574		5,705	63,347
3553 Fair & Legal Employ Act	50,305		x	55,647
3557 A G Victim Rights	97,836		45,190	88,409
3560 Victim Compensation	39,930		46,051	47,180
3561 Drug Prosecution Grant	67,730		61,934	78,651
3563 Crime Victim Asst Prog	24,178		24,699	23,887



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Fund Fiscal Year 2014

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013	ACTUAL EXPENDITURES/ EXPENSES* 2013	BUDGETED EXPENDITURES/ EXPENSES 2014
4041 Probation Class Material	2,220		x	2,000
4042 Adult Probation Services	661,874		250,366	563,043
4050 Adult Drug Court	2,000		1,055	2,000
4051 Adult Intensive Prob Sup	229,401		225,057	244,259
4053 Adult JCEF IPS Assist	35,089		35,000	23,222
4054 CJEF S/Offender	11,522		11,500	10,500
4055 Community Punish Prog	40,259		29,426	35,760
4056 CJEF Substance Abuse	31,655		23,032	27,912
4057 Drug Treatment Education	46,149		36,250	30,693
4059 State Aid Enhancement	437,486		426,434	442,204
4071 JPSF-Treatment	81,473		77,236	76,810
4072 JPSF ERE Assistant	143,342		97,583	142,972
4146 Juvenile Diversion Fees	57,490		9,023	44,315
4147 Juvenile Probation Fees	82,209		21,408	119,522
4148 Juvenile Parental Reimb	388		x	389
4150 Juvenile Detention Altern	8,168		7,625	8,168
4177 Court Appointed Spec Adv	88,359		72,482	85,619
4186 Payson Safe Schools	57,545		x	x
4189 Juvenile Drug Court	18,530		10,535	12,000
4190 Juvenile JCEF	822		x	x
4192 Juvenile Crime Reduction	33		690	1,400
4193 Family Counseling	16,461		10,200	17,718
4194 Diversion-Consequences	53,917		12,187	15,158
4195 Diversion-Intake	319,575		245,349	250,234
4196 Juvenile Intensive Prob Sup	177,509		120,725	158,229
4197 Juvenile Standards Prob	193,479		182,810	184,172
4198 Juvenile Standard JCEF	176		x	x
4501 Law Library Fund	97,510		72,214	89,172
4502 Conciliation Court Fund	97,000		71,500	74,100
4503 Payson Court Commissioner	55,848		54,729	x
4504 Indigent Defense Extraord	87,000		x	x
4540 Local Aid to Indigent Def	20		x	20
4541 Local State Aid to Courts	8,664		x	8,666
4542 Local Probate Assess Fee	59,100		14,513	49,730
4553 State Aid to Courts	84,400		15,920	68,480
4555 Drug Enforcement/Sup Crt	41,805		40,953	41,320
4556 Field Trainer	51,000		27,175	57,139
4557 Case Processing	360		x	x
4559 Children's Issues Educ	18,450		5,271	17,895
4566 Domestic Rel & Mediation	9,700		1,907	9,750
4569 Aid to Indigent Defense	170,572		3,350	168,700



# Gila County Arizona

<b>GILA COUNTY</b>				
<b>Expenditures/Expenses by Fund</b>				
<b>Fiscal Year 2014</b>				
<b>FUND/DEPARTMENT</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013</b>	<b>ACTUAL EXPENDITURES/ EXPENSES* 2013</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2014</b>
4574 Superior Crt Cost of Pros	228,780		56,220	280,800
4575 DES Access Visitation	9,031		5,139	9,031
4577 Court Improv Project	33,853		16,855	30,627
4578 Expedited Child Supp/Visit	24,000		250	26,743
4740 Globe Justice Crt Surcharge	38,300		300	47,720
4741 Payson Justice Crt Surch	172,384		11,790	172,384
4840 Cost of Prosec Clrk Sup Crt	61,801		15,528	41,500
4841 Expedited Child Support	22,500		x	29,994
4842 Document Conversion	81,406		25,760	83,106
4844 Spousal Maint Enforcement	11,400		x	15,842
4846 JCEF Surcharge Clrk Sup	98,000		x	135,550
4847 Family Law Commissioner	2,526		821	1,800
5073 Homeland Secty GCSO	x		20,300	33,740
5080 FFY 10 Homeland Sec	19,484		x	x
5500 GCESA/Detention Educ	78,792		556	76,898
5510 Gila County Education Ser	10,000		11,502	8,332
5520 Spec School Reserve	15,000		x	2,500
6000 Library District Grants	150,264		120,269	158,000
6010 Library Assistance	1,719,295		1,105,207	1,779,558
6500 Public Works	6,324,000		4,452,014	6,078,153
6510 PW Half Cent Trans Excise	8,750,000		4,248,591	5,731,044
6511 Tonto Creek Bridge	174,143		88,460	603,973
6512 Young 512 Road	x		x	222,500
6513 Intergover Agreements	x		x	772,000
6520 Geo Survey	3		x	x
6540 Public Works HELP	65,357		x	x
6555 Transit	38,000		x	x
6557 ARRA Energy Efficiency	6,000		6,446	x
6570 Waste Tire Fund	176,700		95,619	219,857
6593 TE Sidewalks Six Shooter	53,192		x	55,192
6594 TE Sidewalks Main	54,706		x	54,706
6860 Fuel Management	x		x	x
6870 Fleet Management	x		x	x
7050 Summer Youth Develop	9,000		x	x
7143 Assessor Surcharge	287,029		49,636	240,000
7145 Recorder/Document Syst	60,000		23,398	60,000
7146 Mine Claim Surcharge	998		x	998
7147 Computer System-Record	157,000		2,025	113,000
7350 Help America Vote Act	22,250		260	27,037
7351 HHS Polling Place	15,675		14,925	75
7430 Treasurer TIF	78,000		x	29,000
7493 Eastern AZ Counties	49,995		30,701	x
7494 EECO	236,596		216,131	x
7498 Agency Pass Thru Grants	30,000		x	30,000
7510 Pine SLID	1,900		1,735	2,040
7511 Apache Hills SLID	3,000		2,985	5,084
7512 Upper Glendale SLID	1,354		1,287	1,159
7513 East Verde SLID	3,973		3,975	3,976
7514 Miami Gardens SLID	3,777		2,846	2,558
7515 Midland Cty/Cn Hghts SLID	16,236		16,418	14,795
7516 Claypool/Lwr Miami SLID	21,300		23,852	23,131
Reserve - Special Project	1,525,000		634,000	2,000,000
<b>Total Special Revenue Funds</b>	<b>\$ 40,777,461</b>	<b>\$ 50,000</b>	<b>\$ 22,372,577</b>	<b>\$ 36,374,757</b>



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Fund Fiscal Year 2014

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013	ACTUAL EXPENDITURES/ EXPENSES* 2013	BUDGETED EXPENDITURES/ EXPENSES 2014
<b>DEBT SERVICE FUNDS</b>				
201.355 Debt Service	\$ 628,150	\$	\$ 615,000	628,150
<b>Total Debt Service Funds</b>	<b>\$ 628,150</b>	<b>\$</b>	<b>\$ 615,000</b>	<b>\$ 628,150</b>
<b>CAPITAL PROJECTS FUNDS</b>				
1007 Capital Improvements	\$ 1,096,479	\$ (50,000)	\$ 115,500	2,037,033
1115 Non-Capitalized Projects	2,962,571		1,279,425	715,000
1114 Bond	500,000		56,545	683,067
<b>Total Capital Projects Funds</b>	<b>\$ 4,559,050</b>	<b>\$ (50,000)</b>	<b>\$ 1,451,470</b>	<b>\$ 3,435,100</b>
<b>PERMANENT FUNDS</b>				
6880 Facilities Mgmt	\$ 1,568,680	\$	\$ 1,295,950	1,480,318
6880 Facilities Mgmt-Sheriff	299,665		252,750	311,019
<b>Total Permanent Funds</b>	<b>\$ 1,868,345</b>	<b>\$</b>	<b>\$ 1,548,700</b>	<b>\$ 1,791,337</b>
<b>ENTERPRISE FUNDS</b>				
6850 Recycling & Lndfl Mgmt	\$ 2,480,114	\$	\$ 902,800	\$ 1,705,826
6855 Russell Gulch Expansion	x		x	1,700,000
<b>Total Enterprise Funds</b>	<b>\$ 2,480,114</b>	<b>\$</b>	<b>\$ 902,800</b>	<b>\$ 3,405,826</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 96,468,130</b>	<b>\$</b>	<b>\$ 59,498,650</b>	<b>\$ 95,252,025</b>

\* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.



# Gila County Arizona

-Page intentionally left blank-



# **Schedule F**

## **Expenditures/Expenses by Department**



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Department Fiscal Year 2014

<u>DEPARTMENT/FUND</u>	<u>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013</u>	<u>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013</u>	<u>ACTUAL EXPENDITURES/ EXPENSES* 2013</u>	<u>BUDGETED EXPENDITURES/ EXPENSES 2014</u>
<b>Board of Supervisors</b>				
Board of Supervisors	\$ 1,054,583	\$	\$ 1,064,530	\$ 1,053,677
Community Agencies	156,250		126,500	138,250
Constituent Services I	95,000		85,000	85,000
Constituent Services II	95,000		88,000	85,000
Constituent Services III	95,000		93,000	85,000
Eastern AZ Counties	49,995		30,701	x
EECO	236,596		216,131	x
Agency Pass Thru	30,000		x	30,000
<b>Department Total</b>	<b>\$ 1,812,424</b>	<b>\$</b>	<b>\$ 1,703,862</b>	<b>\$ 1,476,927</b>
<b>Reserves</b>				
Contingency	\$ 950,000	\$	\$ x	\$ 1,000,000
Cash Flow Reserve	5,000,000		x	5,000,000
Rainy Day Fund	4,383,919		x	8,000,000
CIP Reserve	x		x	600,000
Reserve-Special Project	1,525,000		634,000	x
<b>Department Total</b>	<b>\$ 10,333,919</b>	<b>\$</b>	<b>\$ 634,000</b>	<b>\$ 14,600,000</b>
<b>Assessor</b>				
Assessor	\$ 1,025,941	\$	\$ 987,924	\$ 1,059,302
Assessor Surcharge	287,029		49,636	240,000
<b>Department Total</b>	<b>\$ 1,312,970</b>	<b>\$</b>	<b>\$ 1,037,560</b>	<b>\$ 1,299,302</b>
<b>Recorder</b>				
Recorder	\$ 695,314	\$	\$ 596,654	\$ 651,592
Recorder/Document Syst	60,000		23,398	60,000
Mine Claim Surcharge	998		x	998
Computer System	157,000		2,025	113,000
<b>Department Total</b>	<b>\$ 913,312</b>	<b>\$</b>	<b>\$ 622,077</b>	<b>\$ 825,590</b>
<b>Treasurer</b>				
Treasurer	\$ 504,230	\$	\$ 468,923	\$ 479,764
Treasurer TIF	78,000		x	29,000
<b>Department Total</b>	<b>\$ 582,230</b>	<b>\$</b>	<b>\$ 468,923</b>	<b>\$ 508,764</b>
<b>School Superintendent</b>				
School Superintendent	\$ 408,541	\$	\$ 375,497	\$ 396,032
GCESA/Detention Educ	78,792		556	76,898
Gila County Educ Srvc	10,000		11,502	8,332
Spec School Reserve	15,000		x	2,500
<b>Department Total</b>	<b>\$ 512,333</b>	<b>\$</b>	<b>\$ 387,555</b>	<b>\$ 483,762</b>



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Department Fiscal Year 2014

DEPARTMENT/FUND	ADOPTED	EXPENDITURE/	ACTUAL	BUDGETED
	BUDGETED	EXPENSE	EXPENDITURES/	EXPENDITURES/
	EXPENDITURES/	ADJUSTMENTS	EXPENSES*	EXPENSES
	EXPENSES	APPROVED		
	2013	2013	2013	2014
<b>County Attorney</b>				
County Attorney	\$ 2,171,042	\$	\$ 1,832,426	\$ 2,019,516
Child Support Enforce	857,078		708,157	836,014
IV-D Incentive/SSRE	494,726		186,152	246,652
Child Support Other Reimb	893,093		52,496	878,662
Child Support Incentive	363,570		x	363,570
County Att Residual Fund	272,000		5,873	267,000
Attorney's Justice Enhance	250,324		125,723	248,531
Victim Restit/Subrog	49,715		7,569	64,942
Diversions Program CA	987,753		296,302	763,602
County Anti-Racketeer	401,000		15,838	349,762
Cost of Prosec Reimb	551,354		156,487	503,483
Bad Check - CA	33,257		360	33,300
DEA Federal Asset Forfeit	7,725		x	7,725
Deferred Prosec Prog	33,233		x	44,534
CA Fill the Gap	65,574		5,705	63,347
Fair & Legal Employ Act	50,305		x	55,647
A G Victim Rights	97,836		45,190	88,409
Victim Compensation	39,930		46,051	47,180
Drug Prosecution Grant	67,730		61,934	78,651
Crime Victim Assist Prog	24,178		24,699	23,887
<b>Department Total</b>	<b>\$ 7,711,423</b>	<b>\$</b>	<b>\$ 3,570,962</b>	<b>\$ 6,984,414</b>
<b>Sheriff</b>				
Sheriff	10,565,843	\$	\$ 9,790,004	\$ 10,708,918
Sheriff Jail Maintenance	299,665		252,750	311,019
Drug Gang Violent Crime Cntrl	396,767		392,320	331,807
Sheriff's Justice Enhancement	358,500		200,054	344,970
Sheriff Special Projects	26,743		x	21,906
Sheriff Seized Eq Recapture	55,000		x	23,207
Immigration Enforcement	x		x	12,332
Law Enfnt Youth Mentoring Prg	5,335		x	x
Sheriff Undercover	11,251		x	5,626
Gila Cty Sheriff K9	353		x	353
Gila Co Sheriff DARE	x		x	4,447
Sheriff/Forest Service	87,000		x	x
Sheriff's Victim's Rights	1,500		x	1,529
Sheriff's Commissary	56,042		21,636	70,735
GOHS Grant Enforce Vehicle	11,055		x	x
Sheriff BLESF Prog	212,107		226,695	138,984
Marijuana Eradication	30,000		35,920	40,000
Methamphetamine Prog	98,723		7,780	18,540
Boating Safety Educ	3,303		x	x
Homeland Security 10	50,000		77,672	x
Homeland Secty GCSO FY13	x		20,300	33,740
<b>Department Total</b>	<b>\$ 12,269,187</b>	<b>\$</b>	<b>\$ 11,025,131</b>	<b>\$ 12,068,113</b>



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Department Fiscal Year 2014

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2013	2013	2013	2014
<b>Globe Constable</b>				
Globe Constable	143,434		131,960	136,004
<b>Department Total</b>	<b>\$ 143,434</b>	<b>\$</b>	<b>\$ 131,960</b>	<b>\$ 136,004</b>
<b>Payson Constable</b>				
Payson Constable	169,117		155,218	176,914
<b>Department Total</b>	<b>\$ 169,117</b>	<b>\$</b>	<b>\$ 155,218</b>	<b>\$ 176,914</b>
<b>Superior Court</b>				
Superior Court Div I	252,028	\$	\$ 247,005	\$ 255,173
Superior Court Div II	242,045		242,015	246,771
Superior Court General	1,069,239		817,181	963,018
Court Information System	377,954		328,781	358,002
Indigent Legal Defense	1,132,462		1,131,665	1,132,060
Law Library Fund	97,510		72,214	89,172
Conciliation Court Fund	97,000		71,500	74,100
Payson Court Commission	55,848		54,729	x
Indigent Defense Extraordinary	87,000		x	x
Local Aid to Indigent Defense	20		x	20
Local State Aid to Courts	8,664		x	8,666
Local Probate Assess Fee	59,100		14,513	49,730
State Aid to Courts	84,400		15,920	68,480
Drug Enforcement/Supr Crt	41,805		40,953	41,320
Field Trainer	51,000		27,175	57,139
Case Processing	360		x	x
Children's Issues Education	18,450		5,271	17,895
Domestic Relations & Mediation	9,700		1,907	9,750
Aid to Indigent Defense	170,572		3,350	168,700
Superior Crt Cost of Prosec	228,780		56,220	280,800
DES Access Visitation	9,031		5,139	9,031
Court Improvement Project	33,853		16,855	30,627
Expedited Child Supp Visit	24,000		250	26,743
<b>Department Total</b>	<b>\$ 4,150,821</b>	<b>\$</b>	<b>\$ 3,152,643</b>	<b>\$ 3,887,197</b>



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Department Fiscal Year 2014

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2013	2013	2013	2014
<b>Probation</b>				
Probation	909,122	\$	\$ 852,193	\$ 858,067
Probation Class Material	2,220		x	2,000
Adult Probation Services	661,874		250,366	563,043
Adult Drug Court	2,000		1,055	2,000
Adult Intensive Prob Supr	229,401		225,057	244,259
Adult JCEF IPS Assist	35,089		35,000	23,222
CJEF S/Offender	11,522		11,500	10,500
Comm Punishment Program	40,259		29,426	35,760
CJEF Substance Abuse	31,655		23,032	27,912
Drug Treatment Education	46,149		36,250	30,693
State Aid Enhancement	437,486		426,434	442,204
JPSF - Treatment	81,473		77,236	76,810
JPSF ERE Assistant	143,342		97,583	142,972
Juvenile Diversion Fees	57,490		9,023	44,315
Juvenile Probation Fees	82,209		21,408	119,522
Juvenile Parental Reimb	388		x	389
Court Appt Spec Advocate	88,359		72,482	85,619
Payson Safe Schools	57,545		x	x
Juvenile Drug Court	18,530		10,535	12,000
Juvenile JCEF	822		x	x
Juvenile Crime Reduction	33		690	1,400
Family Counseling	16,461		10,200	17,718
Diversions - Consequences	53,917		12,187	15,158
Diversions - Intake	319,575		245,349	250,234
Juv Intensive Probation Superv	177,509		120,725	158,229
Juvenile Standards Probation	193,479		182,810	184,172
Juvenile Standard JCEF	176		x	x
<b>Department Total</b>	<b>\$ 3,698,085</b>	<b>\$</b>	<b>\$ 2,750,541</b>	<b>\$ 3,348,198</b>
<b>Juvenile Detention</b>				
Juvenile Detention	1,371,376	\$	\$ 1,184,532	\$ 1,312,349
Juv Detention Alternatives	8,168		7,625	8,168
<b>Department Total</b>	<b>\$ 1,379,544</b>	<b>\$</b>	<b>\$ 1,192,157</b>	<b>\$ 1,320,517</b>
<b>Globe Justice Court</b>				
Globe Justice Court	672,699	\$	\$ 595,150	\$ 663,415
Globe Justice Crt Surcharge	38,300		300	47,720
<b>Department Total</b>	<b>\$ 710,999</b>	<b>\$</b>	<b>\$ 595,450</b>	<b>\$ 711,135</b>



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Department Fiscal Year 2014

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2013	2013	2013	2014
<b>Payson Justice Court</b>				
Payson Justice Court	574,110	\$	\$ 517,516	\$ 565,708
Payson Justice Crt Surcharge	172,384		11,790	172,384
<b>Department Total</b>	<b>\$ 746,494</b>	<b>\$</b>	<b>\$ 529,306</b>	<b>\$ 738,092</b>
<b>Clerk of the Court</b>				
Clerk of the Superior Court	1,254,646	\$	\$ 1,159,286	\$ 1,257,474
Cost of Pros Clrk Sup Court	61,801		15,528	41,500
Expedited Child Support	22,500		x	29,994
Doc Conversion Superior Crt	81,406		25,760	83,106
Spousal Maintenance Enforce	11,400		x	15,842
JCEF Surch-Clerk Sup Crt	98,000		x	135,550
Family Law Commissioner	2,526		821	1,800
<b>Department Total</b>	<b>\$ 1,532,279</b>	<b>\$</b>	<b>\$ 1,201,395</b>	<b>\$ 1,565,266</b>
<b>Elections</b>				
Elections	588,165	\$	\$ 429,200	\$ 424,944
Help America Vote Act	22,250		260	27,037
HHS Polling Place Access	15,675		14,925	75
<b>Department Total</b>	<b>\$ 626,090</b>	<b>\$</b>	<b>\$ 444,385</b>	<b>\$ 452,056</b>
<b>Emergency Services/GIS Rural Addressing</b>				
Emergency Services	374,282	\$	\$ 301,215	\$ 357,629
Emergency Response	139,400		2,660	139,400
FFY 10 St Homeland Security	19,484		x	x
Natural Resources	250,000		92,000	250,000
<b>Department Total</b>	<b>\$ 783,166</b>	<b>\$</b>	<b>\$ 395,875</b>	<b>\$ 747,029</b>
<b>Finance/Purchasing</b>				
Finance	845,116	\$	\$ 791,760	\$ 828,284
General Administration	809,340		802,200	326,773
AHCCCS/ALTCS	3,559,600		3,234,932	3,559,600
Professional Services	474,000		387,300	390,500
Indirect Costs	x		x	x
Debt Services	628,150		615,000	628,150
<b>Department Total</b>	<b>\$ 6,316,206</b>	<b>\$</b>	<b>\$ 5,831,192</b>	<b>\$ 5,733,307</b>



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Department Fiscal Year 2014

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2013	2013	2013	2014
<b>Human Resources</b>				
Human Resources	286,855	\$	\$ 268,077	\$ 704,527
Gila City Wellness Program	5,000		5,000	5,000
Reserve-Special Project	1,525,000		634,000	2,000,000
<b>Department Total</b>	<b>\$ 1,816,855</b>	<b>\$</b>	<b>\$ 907,077</b>	<b>\$ 2,709,527</b>
<b>Administrative Services</b>				
Administrative Services	116,616	\$	\$ 112,260	\$ 120,021
<b>Department Total</b>	<b>\$ 116,616</b>	<b>\$</b>	<b>\$ 112,260</b>	<b>\$ 120,021</b>
<b>Community Development</b>				
Community Development	1,219,693	\$	\$ 1,156,793	\$ 1,134,094
<b>Department Total</b>	<b>\$ 1,219,693</b>	<b>\$</b>	<b>\$ 1,156,793</b>	<b>\$ 1,134,094</b>
<b>Computer Services</b>				
Computer Services	783,660	\$	\$ 642,920	\$ 763,272
<b>Department Total</b>	<b>\$ 783,660</b>	<b>\$</b>	<b>\$ 642,920</b>	<b>\$ 763,272</b>
<b>Public Fiduciary</b>				
Public Fiduciary	410,448	\$	\$ 394,390	\$ 408,930
<b>Department Total</b>	<b>\$ 410,448</b>	<b>\$</b>	<b>\$ 394,390</b>	<b>\$ 408,930</b>
<b>Fairgrounds</b>				
Fairgrounds	256,429	\$	\$ 355,295	\$ 254,556
<b>Department Total</b>	<b>\$ 256,429</b>	<b>\$</b>	<b>\$ 355,295</b>	<b>\$ 254,556</b>



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Department Fiscal Year 2014

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2013	2013	2013	2014
<b>Public Works</b>				
Flood Plain Management	184,833		152,644	220,705
Public Works	6,324,000		4,452,014	6,078,153
PW Half Cent Transp Excise Tax	8,750,000		4,248,591	5,731,044
Tonto Creek Bridge	174,143		88,460	603,973
Young 512 Road	x		x	222,500
Intergovern Agreements	x		x	772,000
Geo Survey	3		x	x
Public Works HELP	65,357		x	x
Transit	38,000		x	x
ARRA Energy Efficiency	6,000		6,446	x
Waste Tire Fund	176,700		95,619	219,857
TE Sidewalks Six Shooter	53,192		x	55,192
TE Sidewalks Main	54,706		x	54,706
Fuel Management	x		x	x
Fleet Management	x		x	x
Summer Youth Development	9,000		x	x
Pine SLID	1,900		1,735	2,040
Apache Hills SLID	3,000		2,985	5,084
Upper Glendale SLID	1,354		1,287	1,159
East Verde SLID	3,973		3,975	3,976
Miami Gardens SLID	3,777		2,846	2,558
Midland City/Cntrl Hghts SLID	16,236		16,418	14,795
Claypool/Lwr Miami SLID	21,300		23,852	23,131
Non-Capitalized Projects	3,495,737		553,425	465,000
Bond	500,000		56,545	683,067
Capital Improvements	1,096,479	(50,000)	115,500	2,037,033
Recycling & Landfill Mgmt	2,480,114		902,800	1,705,826
Russell Gulch Expansion	x		x	1,700,000
Facilities Management	1,568,680		1,295,950	1,480,318
Courts Security	200,000	50,000	210,000	520,600
<b>Department Total</b>	<b>\$ 25,228,484</b>	<b>\$</b>	<b>\$ 12,231,092</b>	<b>\$ 22,602,717</b>



# Gila County Arizona

## GILA COUNTY Expenditures/Expenses by Department Fiscal Year 2014

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2013	2013	2013	2014
<b>Health</b>				
Indigent Burial	20,000		x	x
Health Service Fund	918,385		781,056	791,620
Rabies Control	356,423		339,972	352,355
Health Svc Special Projects	x		2,256	5,928
HIV	6,634		3,552	4,561
WIC	367,752		292,339	367,269
TB	68,158		16,489	45,000
Community Health Grant	100,893		78,375	74,518
Nutrition	12,334		1,272	12,334
Folic Acid	9,275		x	x
Immunization	358,000		141,360	292,503
Public Hlth Emg Resp H1N1	20,000		x	x
Private Stock Vaccines	x		37,109	50,000
Population Health Initiative	x		38,710	45,355
Commodity Supp Food Prog	4,406		2,376	5,160
HIV Consortium	90,830		94,260	142,046
Public Hlth Emerg Preparedness	342,148		203,121	285,592
Health Start Program	43,231		26,510	x
Tobacco Free Environment	151,577		130,757	138,728
Per Capita Grant	480		x	x
Smoke Free AZ	56,385		46,495	49,244
Public Health Accreditation	x		18,695	13,050
Family Planning	51,188		45,077	26,800
Teen Pregnancy Prev Svc	185,626		137,678	207,703
Neonatal Intens Care Prog	56,424		16,195	40,000
Teen Pregnancy Maze	1,431		238	x
FTF Early Childhood Screen	95,076		18,164	19,567
Maternal & Child Health	15,919		9,261	6,547
Maternal & Child Visiting	x		82,572	238,000
Healthy Steps	x		51,684	155,000
<b>Department Total</b>	<b>\$ 3,332,575</b>	<b>\$</b>	<b>\$ 2,615,573</b>	<b>\$ 3,368,880</b>
<b>Community Services</b>				
Housing	1,032,506		993,908	852,874
CAP	736,696		626,702	803,314
GEST	471,407		421,222	450,500
WIA	1,530,085		1,554,168	53,189
Workforce Invest Act	2,742,250		431,582	1,451,756
Workforce Invest Act Progs	x		x	1,278,250
Workforce Invest Act IV	x		x	x
<b>Department Total</b>	<b>\$ 6,512,944</b>	<b>\$</b>	<b>\$ 4,027,582</b>	<b>\$ 4,889,883</b>



# Gila County Arizona

**GILA COUNTY**  
**Expenditures/Expenses by Department**  
 Fiscal Year 2014

<u>DEPARTMENT/FUND</u>	<u>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013</u>	<u>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013</u>	<u>ACTUAL EXPENDITURES/ EXPENSES* 2013</u>	<u>BUDGETED EXPENDITURES/ EXPENSES 2014</u>
<b>Library District</b>				
<u>Library District Grants</u>	<u>150,264</u>	<u>\$</u>	<u>\$ 120,269</u>	<u>\$ 158,000</u>
<u>Library Assistance</u>	<u>1,719,295</u>	<u></u>	<u>1,105,207</u>	<u>1,779,558</u>
<b>Department Total</b>	<b>\$ 1,869,559</b>	<b>\$</b>	<b>\$ 1,225,476</b>	<b>\$ 1,937,558</b>
 <b>TOTAL BUDGET</b>	 <b>\$ 96,468,130</b>	 <b>\$</b>	 <b>\$ 59,498,650</b>	 <b>\$ 95,252,025</b>



# **Schedule G**

## **Full-Time Employees and Personnel Compensation**



# Gila County Arizona

## GILA COUNTY Full-Time Employees and Personnel Compensation Fiscal Year 2014

<b>FUND</b>	<b>Full-Time Equivalent (FTE) 2014</b>	<b>Employee Salaries and Hourly Costs 2014</b>	<b>Retirement Costs 2014</b>	<b>Healthcare Costs 2014</b>	<b>Other Benefit Costs 2014</b>	<b>Total Estimated Personnel Compensation 2014</b>
<b>GENERAL FUND</b>	413.45	\$ 16,771,930	\$ 2,530,232	\$ 2,982,488	\$ 1,589,843	= \$ 23,874,493
<b>SPECIAL REVENUE FUNDS</b>						
1008 Health Services Fund	9.21	366,414	45,757	65,987	29,486	507,645
1009 Rabies Control	6.06	165,721	18,404	44,188	15,511	243,825
2000 Housing	4.69	173,770	20,053	34,835	14,595	243,253
2001 CAP	3.88	143,282	16,535	29,090	11,346	200,253
2012 GEST	10.06	266,816	30,791	74,162	22,524	394,292
2014 Workforce Invest Act	12.25	481,668	55,584	90,217	38,308	665,777
2517 HIV	0.05	1,734	200	368	139	2,441
2518 WIC	7.49	232,930	26,607	58,991	18,479	337,008
2519 TB	0.08	3,641	420	589	291	4,942
2521 Community Health Grant	1.09	38,683	4,464	9,427	3,037	55,611
2524 Immunization	2.34	82,787	9,554	13,551	6,551	112,442
2527 Population Health Initiative	0.60	19,857	2,291	737	1,559	24,444
2528 Commodity Supp Food Pr	0.11	2,669	308	810	212	3,999
2530 HIV Consortium	2.04	69,894	8,066	15,024	5,588	98,572
2550 Public Hlth Emerg Prep	2.50	91,070	10,509	18,411	7,262	127,253
2552 Tobacco Free Environ	2.48	93,271	10,347	15,466	7,893	126,977
2557 Smoke Free AZ	0.78	36,389	4,199	5,744	2,911	49,244
2560 Teen Pregnancy Prev Svc	3.33	96,171	11,098	24,524	7,634	139,428
2568 FTF Early Childhood Scr	0.17	7,738	893	1,252	619	10,502
2570 Maternal & Child Home Visit	1.45	51,276	5,917	10,679	4,025	71,897
2575 Healthy Steps	2.45	88,547	10,219	18,043	7,004	123,812
3001 Drug Gang Violent Crime	4.00	218,908	57,626	29,459	25,812	331,804
3055 Sheriff's Commissary Fund	1.00	31,424	3,007	7,365	3,438	45,234
3061 Sheriff BLESF Program	2.00	86,652	26,875	14,729	10,722	138,978
3510 IV-D Incentive/SSRE	2.00	65,271	7,532	14,729	5,117	92,649
3511 Child Supp Other Reimb	1.00	59,726	6,892	7,365	4,676	78,659



# Gila County Arizona

## GILA COUNTY Full-Time Employees and Personnel Compensation Fiscal Year 2014

FUND	Full-Time Equivalent (FTE) 2014	Employee Salaries and Hourly Costs 2014	Retirement Costs 2014	Healthcare Costs 2014	Other Benefit Costs 2014	Total Estimated Personnel Compensation 2014
3531 Attorney's Justice Enhance	4.00	153,607	17,726	29,459	12,027	212,819
3542 Diversion Program CA	6.98	295,025	30,785	44,188	23,100	393,098
3544 Cost of Prosec Reimb	3.00	134,739	15,549	22,094	10,550	182,931
3547 Deferred Prosecution Prog	1.00	29,195	3,369	7,365	2,286	42,214
3557 A G Victim Rights	0.90	30,462	3,515	6,628	2,385	42,990
3561 Drug Prosecution Grant	1.00	59,717	6,891	7,365	4,676	78,649
3563 Crime Victim Asst Prog	0.50	16,923	1,953	3,682	1,325	23,883
4042 Adult Probation Services	4.75	183,014	26,952	34,982	17,186	262,134
4051 Adult Intensive Prob Sup	4.20	172,728	24,975	30,931	15,620	244,255
4053 Adult JCEF IPS Assist	7.18	311,779	42,426	59,506	28,493	442,204
4071 JPSF-Treatment	1.00	51,490	8,022	7,365	4,917	71,794
4146 Juvenile Diversion Fees	0.25	5,842	674	1,841	454	8,811
4147 Juvenile Probation Fees	0.50	14,950	1,725	3,682	1,161	21,519
4177 Court Appointed Spec Adv	1.50	53,952	6,226	11,047	4,192	75,417
4194 Diversion-Consequences	0.20	4,673	539	1,473	363	7,048
4195 Diversion-Intake	4.05	176,400	27,258	29,827	16,747	250,232
4196 Juvenile Intensive Prob Sup	2.50	90,185	11,422	18,412	8,207	128,225
4197 Juvenile Standards Prob	3.25	119,291	15,391	23,935	11,095	169,713
4501 Law Library Fund	1.00	26,434	3,050	7,365	2,070	38,919
4542 Local Probate Assess Fee	0	8,584	0	0	674	9,258
4555 Drug Enforcement/Sup Crt	1.00	28,459	3,284	7,365	2,211	41,320
4556 Field Trainer	0.50	20,118	4,173	3,682	1,563	29,536
4574 Superior Crt Cost of Pros	1.10	42,210	6,722	8,072	3,279	60,283
4577 Court Improv Project	0.50	11,684	1,348	3,682	908	17,623
6000 Library District Grants	0	35,602	0	0	2,795	38,397
6010 Library Assistance	3.50	175,465	20,249	25,776	14,508	235,998
6500 Public Works	74.08	2,777,250	316,896	544,983	312,175	3,951,303
6570 Waste Tire Fund	0.67	25,052	2,681	4,934	1,967	34,635
6860 Fuel Management	0.50	18,080	2,087	3,682	1,580	25,429
6870 Fleet Management	2.50	77,172	8,905	18,412	8,311	112,800
<b>Total Special Revenue Funds</b>	<b>215.22</b>	<b>\$ 8,126,391</b>	<b>\$ 1,008,945</b>	<b>\$ 1,577,476</b>	<b>\$ 771,565</b>	<b>= \$ 11,484,377</b>



# Gila County Arizona

## GILA COUNTY Full-Time Employees and Personnel Compensation Fiscal Year 2014

FUND	Full-Time Equivalent (FTE) 2014	Employee Salaries and Hourly Costs 2014	Retirement Costs 2014	Healthcare Costs 2014	Other Benefit Costs 2014	Total Estimated Personnel Compensation 2014
<b>DEBT SERVICE FUNDS</b>						
		\$	\$	\$	\$	= \$
<b>Total Debt Service Funds</b>		\$	\$	\$	\$	= \$
<b>CAPITAL PROJECTS FUNDS</b>						
		\$	\$	\$	\$	= \$
<b>Total Capital Projects Funds</b>		\$	\$	\$	\$	= \$
<b>PERMANENT FUNDS</b>						
6880 Facilities Mgmt	16.70	\$ 528,805	\$ 59,694	\$ 121,517	\$ 55,744	= \$ 765,760
6880 Facilities Mgmt-Sheriff	2.00	62,292	7,094	14,729	6,494	= 90,609
<b>Total Permanent Funds</b>	<b>18.70</b>	<b>\$ 591,097.10</b>	<b>\$ 66,788.13</b>	<b>\$ 136,245.84</b>	<b>\$ 62,238.44</b>	<b>= \$ 856,370</b>
<b>ENTERPRISE FUNDS</b>						
6850 Recycling & Lndfl Mgmt	12.33	\$ 393,247	\$ 44,884	\$ 90,806	\$ 46,540	= \$ 575,478
<b>Total Enterprise Funds</b>	<b>12.33</b>	<b>\$ 393,247</b>	<b>\$ 44,884</b>	<b>\$ 90,806</b>	<b>\$ 46,540</b>	<b>= \$ 575,478</b>
<b>TOTAL ALL FUNDS</b>	<b>659.70</b>	<b>\$ 25,882,666</b>	<b>\$ 3,650,850</b>	<b>\$ 4,787,016</b>	<b>\$ 2,470,186</b>	<b>= \$ 36,790,719</b>



**Gila County Arizona**

# **Authorized Positions**

**FY 2013**

**Comparison to**

**FY 2014**



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014 Proposed	Total	Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL				
General Fund	1005								
	Board of Supervisors								
	Supervisor	Salary		3.00		3.00		0.00	
	Supervisor's Staff Specialist		35	3.00		0.00		(3.00)	
	County Manager		77	1.00		1.00		0.00	
	Executive Administrative Ass't		35	0.00		3.00		3.00	
	Deputy County Manager		72	0.75		0.50		(0.25)	
	Administrative Services Mgr		35	1.00		1.00		0.00	
	Chief Deputy Clerk of Board		56	1.00		0.00		(1.00)	
	Clerk of the Board		56	0.00		1.00		1.00	
	Administrative Manager		46	1.00		1.00		0.00	
	Deputy Clerk of the Board		35	1.00	11.75	1.00	11.50	0.00	(0.25)
	Elections								
	Elections Director		48	1.00		1.00		0.00	
	Elections Specialist		28	1.00		1.00		0.00	
	Voter Outreach Coordinator		24	1.00		1.00		0.00	
	Administrative Clerk		14	1.00	4.00	1.00	4.00	0.00	0.00
	Emergency Services/GIS Rural Addressing								
	Dir of Hlth & Emer Mgmt		68	0.50		0.50		0.00	
	Executive Admin Asst		35	0.50		0.50		0.00	
	Deputy Dir of Emergency Service		40	0.95		0.95		0.00	
	Rural Addressing Analyst		28	0.50		0.00		(0.50)	
	Rural Addressing Analyst		28	1.50		2.00		0.50	
	Administrative Assistant		28	0.00		0.30		0.30	
	Accounting Clerk		17	0.00		0.50		0.50	
	Administrative Clerk Senior		18	1.00	4.95	0.00	4.75	(1.00)	(0.20)
	Human Resources								
	Human Resources Director		53	1.00		1.00		0.00	
	Deputy Human Resources Dir		44	1.00		1.00		0.00	
	Human Resource Assistant Sr		27	1.00		1.00		0.00	
	Receptionist		23	0.50		0.50		0.00	
	Human Resource Assistant		23	1.00	4.50	1.00	4.50	0.00	0.00
	Community Development								
	Director Planner		62	1.00		1.00		0.00	
	Chief Bldg Official		58	1.00		1.00		0.00	
	Environmental Engineering Mgr		55	1.00		1.00		0.00	
	Deputy Building Official		51	1.00		1.00		0.00	
	Building Safety Specialist		43	2.00		2.00		0.00	
	Code Enforcement Supervisor		39	1.00		1.00		0.00	
	Environmental Engineering Spec		39	1.00		1.00		0.00	
	Survey Floodplain Coordinator		38	1.00		0.00		(1.00)	
	Bldg Safety Inspector Senior		37	4.00		4.00		0.00	
	Environmental Planning Tech		35	1.00		1.00		0.00	
	Engineering Tech		29	0.00		0.00		0.00	
	Executive Administrative Ass't		35	1.00		1.00		0.00	
	Bldg Services Office Manager		35	1.00		0.00		(1.00)	
	Code Compliance Specialist		34	0.00		1.00		1.00	
	Code Compliance Officer		34	1.00	17.00	1.00	16.00	0.00	(1.00)



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014		Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL	Proposed	Total		
	Recorder								
		Recorder	Salary	1.00		1.00		0.00	
		Chief Deputy Recorder	53	1.00		1.00		0.00	
		Recorder's Office Supervisor	32	2.00		2.00		0.00	
		Voter Outreach Assistant	22	2.00		2.00		0.00	
		Recorder's Clerk Senior	19	3.00		3.00		0.00	
		Recorder's Clerk	15	3.00	12.00	3.00	12.00	0.00	0.00
	Administrative Services								
		Administrative Clerk Specialist	23	1.00		1.00		0.00	
		Administrative Clerk	14	2.00	3.00	2.00	3.00	0.00	0.00
	Finance/Purchasing								
		Finance Director	58	1.00		1.00		0.00	
		Accountant Senior	45	2.00		2.00		0.00	
		Management Analyst	41	1.00		2.00		1.00	
		Accountant	36	1.00		1.00		0.00	
		Payroll Specialist	26	1.50		2.00		0.50	
		Account Clerk Senior	21	2.00		2.00		0.00	
		Buyer	27	1.00		1.00		0.00	
		Procurement Administrator	29	1.00		1.00		0.00	
		Procurement Coordinator	45	1.00		0.00		(1.00)	
		Contracts Support Specialist	29	1.00	12.50	1.00	13.00	0.00	0.50
	Treasurer								
		Treasurer	Salary	1.00		1.00		0.00	
		Chief Deputy Treasurer	48	1.00		1.00		0.00	
		Accountant	36	1.00		1.00		0.00	
		Treasurer Services Supervisor	32	1.00		1.00		0.00	
		Accounting Clerk Specialist	27	1.00		1.00		0.00	
		Treasurer Services Specialist	21	1.00		1.00		0.00	
		Treasurer Services Assistant	16	1.00	7.00	1.00	7.00	0.00	0.00
	Computer Services								
		IT Director	63	1.00		1.00		0.00	
		WAN Manager	48	1.00		1.00		0.00	
		Systems & Network Comm Analyst	46	1.00		1.00		0.00	
		IT Admini & Support Tech Senior	39	1.00		1.50		0.50	
		Telecomm Budget Analyst	36	1.00		1.00		0.00	
		Director of Education Programs	Hrly	0.59	5.59	0.59	6.09	0.00	0.50



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014	Total	Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL	Proposed			
	Assessor								
		Assessor	Salary	1.00		1.00		0.00	
		Chief Deputy Assessor	49	1.00		1.00		0.00	
		Chief Appraiser	45	1.00		1.00		0.00	
		Property Appraiser III Lead	39	1.00		1.00		0.00	
		Map Project Coordinator	37	1.00		1.00		0.00	
		Property Appraiser II	34	2.00		3.00		1.00	
		Property Appraiser II Senior	34	1.00		1.00		0.00	
		Mapping Technician	31	1.00		1.00		0.00	
		Property Appraiser I	30	3.00		2.00		(1.00)	
		Property Appraiser	26	2.00		2.00		0.00	
		Title Examiner	23	1.00		1.00		0.00	
		Appraisal Specialist	23	1.00		1.00		0.00	
		Assessor's Aide	18	1.00	17.00	1.00	17.00	0.00	0.00
	Sheriff - Detention Medical								
		Detention Medical Services Mgr	55	1.00		1.00		0.00	
		Public Health Nurse	46	1.00		2.00		1.00	
		Medical Assistant	35	1.00		1.00		0.00	
		Inmate Counselor	47	0.25		0.48		0.23	
		Certified Medical Assistant	35	2.00	5.25	2.00	6.48	0.00	1.23
	Sheriff - Patrol								
		8402 - Deputy Sheriff Lt	60	2.00		2.00		0.00	
		8441 - Deputy Sheriff Sgt	51	7.48		8.48		1.00	
		8458 - Deputy Sheriff Reruit (u)	51	1.00		0.00		(1.00)	
		8422- Property & Evidence Custodian	42	1.00		1.00		0.00	
		8419 - Deputy Sheriff Sgt SRO	51	1.00		1.00		0.00	
		8413 - Deputy Sheriff Det	42	5.00		5.00		0.00	
		8414 - Deputy Sheriff	42	25.00		25.00		0.00	
		8418 - Deputy Sheriff SRO	42	2.00	44.48	2.00	44.48	0.00	0.00
	Sheriff -Dispatch								
		911 Dispatcher Supervisor	38	2.00		2.00		0.00	
		911 Dispatcher	29	19.48	21.48	19.00	21.00	(0.48)	(0.48)
	Sheriff - Administration								
		Sheriff	Salary	1.00		1.00		0.00	
		Chief Deputy Sheriff	67	1.00		1.00		0.00	
		Undersheriff	65	1.00		1.00		0.00	
		Chief Administrative Officer	63	1.00		1.00		0.00	
		IT Admin Support Tech Sr	39	1.00		1.50		0.50	
		Executive Administrative Ass't	35	1.00		1.00		0.00	
		IT Admin Support Tech	33	0.48		0.48		0.00	
		Sheriff Records Supervisor	29	1.00		1.00		0.00	
		Accounting Clerk Specialist	27	1.00		1.00		0.00	
		Administrative Clerk Senior	18	1.00		1.00		0.00	
		Administrative Clerk	14	5.73	15.21	5.73	15.71	0.00	0.50



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014 Proposed	Total	Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL				
Sheriff - Detention									
		Detention Commander	63	1.00		1.00		0.00	
		Detention Officer Lt	50	2.00		3.00		1.00	
		Jail Captain	57	1.00		0.00		(1.00)	
		Detention Officer Sgt	38	13.00		11.00		(2.00)	
		Jail Intell Prof Stds Investigator	30	1.00		1.00		0.00	
		Detention Officer Lead	30	1.00		1.00		0.00	
		Detention Officer	30	46.96		46.96		0.00	
		Background Investigator	42	0.25	66.21	0.48	64.44	0.23	(1.77)
		<i>Total Sheriff-General Fund</i>			152.63		152.11	0.00	(0.52)
County Attorney									
		County Attorney	Salary	1.00		1.00		0.00	
		Chief Deputy Attorney	70	2.00		0.00		(2.00)	
		Chief Deputy Attorney	75	0.00		1.00		1.00	
		Deputy Attorney Principal	63	1.48		2.00		0.52	
		Deputy Attorney Senior	56	4.00		4.00		0.00	
		Deputy Attorney Principal	56	1.00		1.00		0.00	
		Deputy Attorney	56	1.00		1.00		0.00	
		Chief Detective	45	1.00		1.00		0.00	
		Detective	42	2.00		2.00		0.00	
		Office Manager County Attorney	39	1.00		0.00		(1.00)	
		Fiscal Administrator	36	1.00		1.00		0.00	
		Executive Administrative Ass't	35	1.00		1.00		0.00	
		Legal Secretary Lead	35	2.00		1.00		(1.00)	
		Victim Witness Advocate	34	0.50		0.50		0.00	
		Legal Secretary Senior	33	5.10		7.10		2.00	
		Legal Secretary	33	2.00		0.00		(2.00)	
		Public Agency Courts Liaison	26	1.00		1.00		0.00	
		Administrative Clerk	16	0.48	27.56	0.00	24.60	(0.48)	(2.96)
Clerk of Superior Court									
		Clerk of Court	Salary	1.00		1.00		0.00	
		Chief Deputy Clerk of Court	52	1.00		1.00		0.00	
		Court Services Business Manager	40	1.00		1.00		0.00	
		Court Services Supervisor	37	1.00		1.00		0.00	
		Court Administrative Assistant	33	1.00		1.00		0.00	
		Courtroom Clerk	33	8.00		8.00		0.00	
		Associate Jury Commissioner	33	1.00		1.00		0.00	
		Courtroom Clerk IVD	33	1.00		1.00		0.00	
		Court Clerk	28	6.40		6.40		0.00	
		Accounting Clerk Specialist	27	2.00	23.40	2.00	23.40	0.00	0.00
Child Support Enforcement									
		Deputy Attorney Principal	63	1.00		1.00		0.00	
		Child Support Svcs Supervisor	37	1.00		1.00		0.00	
		Child Support Services Lead	33	2.00		2.00		0.00	
		Child Support Case Manager	31	8.00		8.00		0.00	
		Administrative Clerk	14	2.00	14.00	2.00	14.00	0.00	0.00



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014		Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL	Proposed	Total		
Globe Justice Court									
		Justice of the Peace	Salary	1.00		1.00		0.00	
		Justice Court Operations Manager	40	1.00		1.00		0.00	
		Justice Court Lead	35	1.00		1.00		0.00	
		Justice Court Clerk Senior	30	1.00		1.00		0.00	
		Collections Officer	27	1.00		1.00		0.00	
		Justice Court Clerk	25	1.00		1.00		0.00	
		Justice Court Clerk Associate	21	4.60	10.60	4.60	10.60	0.00	0.00
Payson Justice Court									
		Justice Of The Peace	Salary	1.00		1.00		0.00	
		Justice Court Operations Manager	40	1.00		1.00		0.00	
		Justice Court Clerk Senior	35	1.00		1.00		0.00	
		Justice Court Clerk Senior	30	1.00		1.00		0.00	
		Justice Court Clerk	25	1.62		1.62		0.00	
		Justice Court Clerk Associate	21	4.00	9.62	4.00	9.62	0.00	0.00
Globe Constable									
		Globe Constable	Salary	1.00		1.00		0.00	
		Deputy Constable	34	0.50		0.50		0.00	
		Constable Clerk	22	1.00	2.50	1.00	2.50	0.00	0.00
Payson Constable									
		Payson Constable	Salary	1.00		1.00		0.00	
		Deputy Constable	34	0.48		0.48		0.00	
		Constable Clerk	25	1.00	2.48	1.00	2.48	0.00	0.00
Court Information Systems									
		Court Inform Systems Director	58	1.00		1.00		0.00	
		IT Admin & Support Specialist	46	1.00		1.00		0.00	
		IT Admin & Support Technician	33	2.00	4.00	2.00	4.00	0.00	0.00
Superior Court Div I									
		Judge	Salary	1.00		1.00		0.00	
		Court Reporter	48	1.00		1.00		0.00	
		Judicial Assistant	35	1.00	3.00	1.00	3.00	0.00	0.00
Superior Court Div II									
		Judge	Salary	1.00		1.00		0.00	
		Court Reporter	48	1.00		1.00		0.00	
		Judicial Assistant	35	1.00	3.00	1.00	3.00	0.00	0.00



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014		Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL	Proposed	Total		
Superior Courts General									
		Court Administrator	66	1.00		1.00		0.00	
		Deputy Court Administrator	48	1.00		1.00		0.00	
		Court Reporter	48	1.00		1.00		0.00	
		Court Caseflow Manager	38	1.50		1.50		0.00	
		Judicial Assistant	35	1.00		1.00		0.00	
		Administrative Assistant	28	1.00		1.00		0.00	
		Calendar Administrator	28	1.90		1.90		0.00	
		Bailiff Interpreter	23	1.00		0.25		(0.75)	
		Bailiff	21	0.50		0.88		0.38	
		Court Commissioner	Hrly	0.20		0.45		0.25	
		CPO/Court Administrator	66	0.00		0.20		0.20	
		Judge Pro Tempore	Hrly	0.75	10.85	0.75	10.93	0.00	0.08
Probation									
		Chief Probation Officer	66	0.90		0.72		(0.18)	
		Chief Deputy Probation Officer	61	0.80		0.80		0.00	
		Probation Administrative Spec	50	0.70		0.70		0.00	
		CASA Foster Care Program Mgr	42	0.50		0.00		(0.50)	
		Deputy Prob/Surveillance Officer	41	1.00		1.00		0.00	
		Deputy Probation Officer II	41	1.00		1.00		0.00	
		Office Manager	37	1.00		1.00		0.00	
		Office Supervisor	32	2.00		2.00		0.00	
		Probation Aide	30	1.50		1.50		0.00	
		Administrative Clerk Senior	18	0.80	10.20	0.80	9.52	0.00	(0.68)
Juvenile Detention									
		Juv Detention Facility Supervisor	53	1.00		1.00		0.00	
		Juv Detention Shift Supervisor	39	4.00		4.00		0.00	
		Public Health Nurse	46	1.00		0.00		(1.00)	
		Juvenile Detention Officer	30	18.48		18.48		0.00	
		Juvenile Detention Officer	29	0.48		0.48		0.00	
		Administrative Clerk Senior	18	1.00	25.96	1.00	24.96	0.00	(1.00)
Flood Plain Management									
		Chief Eng for Flood Control District	61	1.00		1.00		0.00	
		Engineering Technician	29	0.00		1.00		1.00	
		Engineering Technician Senior	33	0.48	1.48	0.48	2.48	0.00	1.00
Public Fiduciary									
		Public Fiduciary	56	1.00		1.00		0.00	
		Deputy Public Fiduciary	46	1.00		1.00		0.00	
		Fiduciary Services Specialist Sr	34	1.00		1.00		0.00	
		Fiduciary Services Specialist	28	1.00		1.00		0.00	
		Public Fiduciary Services Spec I	28	1.00		1.00		0.00	
		Public Fiduciary Assistant	20	1.00		1.00		0.00	
		Administrative Clerk	14	1.00	7.00	1.00	7.00	0.00	0.00
Fairgrounds									
		Bldg & Grounds Maint Supervisor	35	1.00		1.00		0.00	
		Bldg & Grounds Maint Worker	24	3.00	4.00	3.00	4.00	0.00	0.00



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014		Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL	Proposed	Total		
		School Superintendent							
		School Superintendent	Salary	1.00		1.00		0.00	
		Chief Deputy School Sprmtdnt	45	1.00		1.00		0.00	
		Administrative Assistant	28	1.00		1.00		0.00	
		Account Clerk Senior	21	1.00		1.00		0.00	
		Dir Educ Programs	hrly	0.41		0.41		0.00	
		Accounting Clerk	17	2.00	6.41	2.00	6.41	0.00	0.00
<b>TOTAL GENERAL FUND - 1005</b>					<u>417.98</u>		<u>413.45</u>	0.00	(4.53)
							(4.53)		
		Special Revenue Funds							
		Health							
	1008	Administration							
		Dir Health & Community Svcs	68	0.50		0.50		0.00	
		Deputy Dir Health & Comm Svcs	61	1.00		0.00		(1.00)	
		Health Services Program Manager	54	1.00		1.00		0.00	
		Public Health Nurse	46	1.99		1.99		0.00	
		Environ Health Spec Senior	39	2.00		2.00		0.00	
		Comm Disease Spec	36	0.25		0.25		0.00	
		Environ Health Mgr	45	0.10		0.22		0.12	
		Executive Admin Asst	35	0.50		0.50		0.00	
		Administrative Assistant	28	0.00		0.50		0.50	
		Administrative Clerk Senior	18	1.00		1.00		0.00	
		Dpty Director of Prevention	36	0.99		0.00		(0.99)	
		Accounting Clerk	17	0.00		0.25		0.25	
		Administrative Clerk	14	1.00	10.33	1.00	9.21	0.00	(1.12)
	1009	Rabies/Animal Control							
		Animal Reg Enforcement Mgr	36	1.00		1.00		0.00	
		Animal Reg Enf Officer Senior	27	1.00		1.00		0.00	
		Animal Reg Enf Officer	19	3.00		3.00		0.00	
		Animal Control Worker	12	1.00		1.00		0.00	
		Hearing Officer Contractor	Hrly	0.06	6.06	0.06	6.06	0.00	0.00
	2517	HIV							
		HIV Program Coordinator	34	0.05	0.05	0.05	0.05	0.00	0.00
	2518	WIC							
		Nutrition Services Manager	42	0.99		0.99		0.00	
		Staff Nutritionist	36	1.00		1.00		0.00	
		WIC Brstfdng Couns Supp	32	1.00		1.00		0.00	
		Community Health Assistant Sr	26	0.00		0.96		0.96	
		Communtly Health Assistant	17	3.38		1.42		(1.96)	
		Accounting Clerk	17	0.12		0.10		(0.02)	
		WIC Breastfeeding Peer Couns	17	1.00		1.00		0.00	
		Dpty Director of Prevention	36	0.01		0.02		0.01	
		Administrative Clerk	14	1.00	8.50	1.00	7.49	0.00	(1.01)



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014	Total	Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL	Proposed			
2519	TB	Public Health Nurse	46	0.08	0.08	0.08	0.08	0.00	0.00
2521	Community Health Grant	Dpty Dir of Prevention	36	0.00		0.19		0.19	
		Public Health Nurse	46	0.17		0.00		(0.17)	
		Health Progs Coord	36	0.23		0.00		(0.23)	
		Accounting Clerk	17	0.12		0.09		(0.03)	
		Community Health Asst Sr	26	1.00	1.52	1.00	1.09	0.00	(0.43)
2524	Immunization	Administrative Clerk Senior	18	1.00		1.00		0.00	
		Public Health Nurse	46	1.26		1.26		0.00	
		Accounting Clerk	17	0.12	2.38	0.08	2.34	(0.04)	(0.04)
2527	Population Health Initiative	Accounting Clerk	17	0.00		0.10		0.10	
		Worksite Wellness Coordinator	34	0.00	0.00	0.50	0.60	0.50	0.60
2528	Commodity Supplement Food Program	Nutrition Services Mgr	42	0.01		0.01		0.00	
		Community Health Asst	26	0.00		0.04		0.04	
		Community Health Asst	17	0.10	0.11	0.06	0.11	(0.04)	0.00
2530	HIV Consortium	Accounting Clerk	17	0.13		0.09		(0.04)	
		Medical Case Manager	34	0.00		1.00		1.00	
		HIV Program Coord	34	0.95	1.08	0.95	2.04	0.00	0.96
2550	Public Hlth Emerg Preparedness	Public Health Emerg Prep Mgr	36	1.00		1.00		0.00	
		Deputy Dir Emerg Service	40	0.05		0.05		0.00	
		Communicable Disease Specialist	36	0.75		1.00		0.25	
		Accounting Clerk	17	0.13		0.25		0.12	
		Administrative Assistant	28	0.00	1.93	0.20	2.50	0.20	0.57
2551	Health Start Program	Health Programs Coordinator	36	0.05		0.00		(0.05)	
		Community Health Assistant	17	1.00	1.05	0.00	0.00	(1.00)	(1.05)
2552	Tobacco Free Environment	Health Programs Manager	36	1.00		1.00		0.00	
		Accounting clerk	17	0.12		0.10		(0.02)	
		Community Health Assistant Sr	26	1.51	2.63	1.38	2.48	(0.13)	(0.15)
2557	Prop 201 Smoke Free AZ Act	Environmental Health Specialist	35	0.90	0.90	0.78	0.78	(0.12)	(0.12)



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014		Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL	Proposed	Total		
2560	Teen Pregnancy Prevention Svcs								
		Health Programs Coordinator	36	0.42		0.00		(0.42)	
		Community Health Assistant Sr	26	2.00		3.00		1.00	
		Dpty Dir of Prevention	36	0.00		0.19		0.19	
		Accounting Clerk	17	0.14	2.56	0.14	3.33	0.00	0.77
2568	FTF Early Childhood Screening								
		Public Health Nurse	46	0.00		0.17		0.17	
		Health Programs Coordinator	36	0.30		0.00		(0.30)	
		Accounting Clerk	17	0.12		0.00		(0.12)	
		Community Health Assistant	17	0.75	1.17	0.00	0.17	(0.75)	(1.00)
2570	Maternal & Child Home Visiting								
		Accounting Clerk	17	0.00		0.15		0.15	
		Dpty Dir of Prevention	36	0.00		0.30		0.30	
		Home Visitation Coordinator	33	0.00	0.00	1.00	1.45	1.00	1.45
2575	Healthy Steps								
		Accounting Clerk	17	0.00		0.15		0.15	
		Dpty Dir of Prevention	36	0.00		0.30		0.30	
		Healthy Steps Coordinator	35	0.00	0.00	2.00	2.45	2.00	2.45
Community Services									
2000	Housing								
		Dir of Community Services	68	0.20		0.20		0.00	
		Executive Admin Asst	35	0.20		0.25		0.05	
		Fiscal Services Manager	45	0.15		0.40		0.25	
		Housing Services Program Mgr	45	0.75		0.00		(0.75)	
		Section 8 Housing Program Adm	41	1.00		1.00		0.00	
		Administrative Assistant	28	0.22		0.33		0.11	
		Payroll Specialist	26	0.10		0.00		(0.10)	
		Housing Rehab Specialist	23	1.00		1.00		0.00	
		Administrative Clerk Specialist	23	0.22		0.26		0.04	
		Housing Services Assistant	19	1.00		1.00		0.00	
		Accountant	36	0.00	4.84	0.25	4.69	0.25	(0.15)
2001	Community Action Program								
		Dir of Community Services	68	0.12		0.12		0.00	
		Executive Admin Asst	35	0.15		0.24		0.09	
		Housing Services Prog Mgr	45	0.25		0.00		(0.25)	
		Fiscal Services Manager	45	0.60		0.35		(0.25)	
		Accountant	36	0.50		0.25		(0.25)	
		Social Services Case Manager Sr	33	1.00		1.00		0.00	
		Social Services Case Manager	30	1.00		1.00		0.00	
		Administrative Assistant	28	0.50		0.34		(0.16)	
		Payroll Specialist	26	0.10		0.00		(0.10)	
		Administrative Clerk Specialist	23	0.49	4.71	0.58	3.88	0.09	(0.83)



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014 Proposed	Total	Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL				
2012	Gila Employment & Special Training								
		Dir of Community Svcs	68	0.01		0.01		0.00	
		Fiscal Services Manager	45	0.05		0.00		(0.05)	
		GEST Program Manager	37	1.00		1.00		0.00	
		Executive Admin Asst	35	0.05		0.01		(0.04)	
		Payroll Specialist	26	0.10		0.00		(0.10)	
		Administrative Clerk Specialist	23	0.17		0.04		(0.13)	
		Community Services Worker	21	11.00	12.38	9.00	10.06	(2.00)	(2.32)
2014	Workforce Investment Act Programs								
		Dir of Community Svcs	68	0.67		0.67		0.00	
		REPAC Program Manager	47	1.00		1.00		0.00	
		WIA Prog Coordinator	47	1.00		1.00		0.00	
		Fiscal Services Manager	45	0.20		0.25		0.05	
		Deputy REPAC Program Manager	40	1.00		1.00		0.00	
		Bus Svcs REPAC 1 Stop Manager	40	1.00		1.00		0.00	
		Career & Employment Spec Sr	33	1.00		1.00		0.00	
		Career & Employment Specialist	29	2.00		2.00		0.00	
		Accountant	36	0.50		0.50		0.00	
		Executive Admin Asst	35	0.60		0.50		(0.10)	
		Administrative Assistant	28	0.28		0.33		0.05	
		Payroll Specialist	26	0.20		0.00		(0.20)	
		Accounting Clerk Senior	21	1.00		1.00		0.00	
		Administrative Clerk Senior	18	2.00	12.45	2.00	12.25	0.00	(0.20)
	Sheriff								
3001	Drug Gang Violent Crime Control								
		Task Force Commander	63	1.00		1.00		0.00	
		Task Force Sgt K-9	51	1.00		1.00		0.00	
		Deputy Sheriff	42	3.00	5.00	2.00	4.00	(1.00)	(1.00)
3055	Sheriff's Commissary Fund								
		Detention Officer	30	1.00	1.00	1.00	1.00	0.00	0.00
3061	Sheriff BLESF Program								
		Deputy Sheriff Sgt	51	1.00		0.00		(1.00)	
		Deputy Sheriff	42	2.00	3.00	2.00	2.00	0.00	(1.00)
	County Attorney								
3510	Child Support Enforcement - IV D Incentive/SSRE								
		Child Support Case Manager	31	2.00	2.00	2.00	2.00	0.00	0.00
3511	Child Support Other Reimb								
		Deputy Attorney Senior	56	1.00	1.00	1.00	1.00	0.00	0.00
3531	Justice Enhancement								
		Legal Secretary Lead	35	1.00		0.00		(1.00)	
		Paralegal Sr	47	0.00		1.00		1.00	
		Legal Secretary Senior	33	2.00		2.00		0.00	
		Legal Secretary	27	2.00	5.00	1.00	4.00	(1.00)	(1.00)



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014 Proposed	Total	Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL				
3542	Diversion Program								
		Diversion Program Administrator	40	1.50		1.50		0.00	
		Deputy Attorney	51	1.00		1.00		0.00	
		Detective	42	1.00		0.00		(1.00)	
		Paralegal	42	0.00		1.00		1.00	
		Legal Secretary	27	1.00		0.00		(1.00)	
		Deputy Attorney Sr	56	0.48		0.48		0.00	
		Legal secretary Sr	33	1.00		2.00		1.00	
		Diversion Officer	34	1.00	6.98	1.00	6.98	0.00	0.00
3544	Cost of Prosecution Reimb Fund								
		Attorney	56	1.00		1.00		0.00	
		Detective	42	1.00		1.00		0.00	
		Legal Secretary	27	1.00	3.00	1.00	3.00	0.00	0.00
3547	Deferred Prosecution Program								
		Legal Secretary	27	1.00	1.00	1.00	1.00	0.00	0.00
3557	A G Victim Rights								
		Legal Secretary Senior	33	0.90	0.90	0.90	0.90	0.00	0.00
3561	Drug Prosecution Recovery Act								
		Deputy Attorney Senior	56	1.00	1.00	1.00	1.00	0.00	0.00
3563	Crime Victim Assistance Program								
		Victim Witness Advocate	34	0.50	0.50	0.50	0.50	0.00	0.00
Probation									
4042	Adult Probation Service Fees								
		Deputy Prob/Surveillance Officer	41	1.00		1.00		0.00	
		Deputy Probation Officer	41	1.00		1.00		0.00	
		Deputy Probation Officer II	41	2.00		2.00		0.00	
		Administrative Clerk Senior	18	0.75	4.75	0.75	4.75	0.00	0.00
4051	Adult Intensive Probation Supervision								
		Chief Deputy Probation Officer	61	0.20		0.20		0.00	
		Deputy Probation Officer Supv	50	1.00		1.00		0.00	
		Deputy Probation Officer II	41	2.00		2.00		0.00	
		Administrative Clerk Senior	18	1.00	4.20	1.00	4.20	0.00	0.00
4059	State Aid Enhancement								
		Chief Probation Officer	66	0.10		0.18		0.08	
		Deputy Probation Officer Supv	50	1.00		1.00		0.00	
		Deputy Probation Officer II	41	5.00		5.00		0.00	
		Administrative Clerk Senior	18	2.00	8.10	1.00	7.18	(1.00)	(0.92)
4071	JPSF Treatment								
		Probation Program Manager	50	1.00	1.00	1.00	1.00	0.00	0.00
4146	Juvenile Diversion Fees								
		Admin Clerk Sr	18	0.25	0.25	0.25	0.25	0.00	0.00



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014 Proposed	Total	Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL				
4147	Juvenile Probation Service Fee	Probation Aide	30	0.50	0.50	0.50	0.50	0.00	0.00
4177	Court Appointed Spec Advocate	CASA Foster Care Prog Manager	42	1.00		1.00		0.00	
		Administrative Clerk Senior	18	0.50	1.50	0.50	1.50	0.00	0.00
4186	Payson Safe Schools	Deputy Probation Officer II	41	1.00	1.00	0.00	0.00	(1.00)	(1.00)
4194	Diversion Consequences	Admin Clerk Sr	18	0.00		0.20		0.20	
		Teen Court Coordinator	30	0.86	0.86	0.00	0.20	(0.86)	(0.66)
4195	Diversion Intake	Deputy Probation Officer Supv	50	2.00		1.50		(0.50)	
		Administrative Specialist	50	0.30		0.30		0.00	
		Deputy Probation Officer II	41	2.00		2.00		0.00	
		Administrative Clerk Senior	18	0.25	4.55	0.25	4.05	0.00	(0.50)
4196	Juvenile Intensive Prob Superv	Dpty Probation Officer Supv	50	0.00		0.50		0.50	
		Deputy Probation Officer II	41	2.00		1.00		(1.00)	
		Administrative Clerk Senior	18	1.00	3.00	1.00	2.50	0.00	(0.50)
4197	Juvenile Standards Probation	Deputy Probation Officer II	41	2.50		2.50		0.00	
		Admin Clerk Senior	18	0.75	3.25	0.75	3.25	0.00	0.00
4501	Law Library Fund	Bailiff/Interpreter	23	1.00	1.00	1.00	1.00	0.00	0.00
	Superior Courts General	Judge Pro Tempore							
	4503	Payson Court Commissioner							
		Court Commissioner	Hrly	0.25	0.25	0.00	0.00	(0.25)	(0.25)
	Superior Courts General	4555 Drug Enforcement							
		Court Clerk	28	1.00	1.00	1.00	1.00	0.00	0.00
4556	Court Case Mgmt System Trainer	Field Trainer	40	0.50	0.50	0.50	0.50	0.00	0.00
4574	Cost of Prosecution	Court Case Mgmt System Trainer	40	0.50		0.50		0.00	
		Court Caseflow Manager	38	0.50		0.50		0.00	
		Calendar Administrator	28	0.10	1.10	0.10	1.10	0.00	0.00
4577	Court Improvement Project	Administrative Clerk Senior	18	0.50	0.50	0.50	0.50	0.00	0.00



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014		Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL	Proposed	Total		
School Superintendent									
5500	GCESA/Detention Education	Juvenile Detention Educ Spec	Hrly	1.00	1.00	0.00	0.00	(1.00)	(1.00)
Library District									
6010	Library Assistance	County Librarian	66	1.00		1.00		0.00	
		IT Admin & Support Tech Senior	39	1.00		1.00		0.00	
		Receptionist	23	0.50		0.50		0.00	
		Library Assistant Senior	26	1.00	3.50	1.00	3.50	0.00	0.00
6500	Public Works								
505	Administration	Public Works Director	67	1.00		1.00		0.00	
		Deputy Director Pub Works & Eng	61	1.00		1.00		0.00	
		Fiscal Services Manager	45	1.00		1.00		0.00	
		Executive Administrative Ass't	35	1.00		1.00		0.00	
		Administrative Clerk Sr	23	0.34		0.00		(0.34)	
		Accountant Sr	45	1.00	5.34	1.00	5.00	0.00	(0.34)
510	Consolidated Roads	Roads Shops Manager	54	1.00		1.00		0.00	
		Regional Roads Manager	46	2.00		2.00		0.00	
		Public Works Roads Supervisor	40	6.00		6.00		0.00	
		Road Maint Equip Operator Senior	30	8.00		8.00		0.00	
		Administrative Assistant	28	2.00		2.00		0.00	
		Road Maint Equipment Operator	24	17.00		17.00		0.00	
		Custodian	5	0.00		0.19		0.19	
		Road Maintenance Worker	18	3.00	39.00	3.00	39.19	0.00	0.19
513	Surveying	GIS Systems Analyst Senior	46	0.50		0.50		0.00	
		Engineering Technician Lead	43	1.00		1.00		0.00	
		Engineering Technician Senior	41	1.00	2.50	1.00	2.50	0.00	0.00
514	Engineering	County Engineer	61	1.00		1.00		0.00	
		Construction Project Manager	48	2.00		2.00		0.00	
		GIS Systems Analyst Senior	46	0.50		0.50		0.00	
		Engineering Technician Lead	38	1.00		1.00		0.00	
		Materials Tester Safety Rep	38	1.00		1.00		0.00	
		Engineering Technician	29	3.00		3.00		0.00	
		Administrative Assistant	28	1.00		0.50		(0.50)	
		CONTRACT WORKER (.20)	24	0.20	9.70	0.20	9.20	0.00	(0.50)



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014 Proposed	Total	Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL				
527	Equipment Shops								
		Fleet & Equip Maint Supervisor	43	1.00		1.00		0.00	
		Veh & Equip Maint Supervisor	39	1.00		1.00		0.00	
		Vehicle & Equip Mechanic Lead	36	2.00		2.00		0.00	
		Veh & Equip Mechanic Senior	32	2.00		2.00		0.00	
		Vehicle & Equip Mechanic	28	2.00		2.00		0.00	
		Welder Mechanic	28	1.00		1.00		0.00	
		Lube Specialist	27	2.00		2.00		0.00	
		Automotive Mechanic	27	1.00		1.00		0.00	
		Inventory & Parts Specialist	25	1.00		1.00		0.00	
		Administrative Clerk Specialist	23	2.00		2.00		0.00	
		Automotive Service Worker Sr	21	1.00		1.00		0.00	
		Custodian	5	0.00		0.19		0.19	
		Automotive Service Worker	14	2.00	18.00	2.00	18.19	0.00	0.19
6570	Waste Tire Fund								
		Administrative Clerk Specialist	27	0.67	0.67	0.67	0.67	0.00	0.00
6850	Recycling & Landfill Mgmt - Administration								
		Solid Waste Operations Manager	47	1.00		1.00		0.00	
		Administrative Clerk Specialist	27	0.33	1.33	0.33	1.33	0.00	0.00
6850	Recycling & Landfill Mgmt - Buckhead Mesa								
		Solid Waste Operations Supvsr	38	1.00		1.00		0.00	
		Solid Waste Operations Worker Sr	24	3.00		3.00		0.00	
		Solid Waste Services Worker	15	1.00	5.00	1.00	5.00	0.00	0.00
6850	Recycling & Landfill Mgmt - Russell Gulch								
		Solid Waste Operations Supervisor	38	1.00		1.00		0.00	
		Solid Waste Operations Worker Sr	24	3.00		3.00		0.00	
		Solid Waste Operations Worker	20	1.00		1.00		0.00	
		Solid Waste Services Worker	15	1.00	6.00	1.00	6.00	0.00	0.00
6860	Fuel Management								
		Fleet Fuel Info Systems Analyst	30	0.50	0.50	0.50	0.50	0.00	0.00
6870	Fleet Management								
		Automotive Mechanic	27	2.00		2.00		0.00	
		Fleet Fuel Info Systems Analyst	30	0.50	2.50	0.50	2.50	0.00	0.00
6880	Facilities Management								
		Facility Manager	53	1.00		1.00		0.00	
		Bldg Maintenance Supervisor	39	1.00		1.00		0.00	
		Bldg Maintenance Tech Lead	35	1.00		1.00		0.00	
		Bldgs & Grnds Maint Specialist	35	1.00		1.00		0.00	
		Bldg Maintenance Tech Senior	32	5.00		5.00		0.00	
		Bldg Maintenance Technician	25	2.00		2.00		0.00	
		Administrative Clerk Sr	23	0.66		1.00		0.34	
		Administrative Clerk Senior	18	1.00		1.00		0.00	
		Custodian Lead	11	1.00		1.00		0.00	
		Custodian	5	1.00		1.00		0.00	
		Custodian	5	1.81	16.47	1.70	16.70	(0.11)	0.23



# Gila County Arizona

## GILA COUNTY AUTHORIZED POSITIONS COMPARISON OF PROPOSED 2014 VS 2013 APPROVED BUDGET

Fund	Department	Position	Grade	Budget for 2013		2014 Proposed	Total	Change 2014 vs 2013	Plus or (Minus)
				FTE'S	TOTAL				
6880	Facilities Management - Jail Maintenance								
		Bldg Maintenance Tech Senior	32	1.00		1.00		0.00	
		Bldg Maintenance Technician	25	<u>1.00</u>	2.00	<u>1.00</u>	2.00	<u>0.00</u>	0.00
7493	Eastern AZ Counties Org								
		Executive Director	Hrly	<u>0.13</u>	0.13	<u>0.00</u>	0.00	<u>(0.13)</u>	(0.13)
7494	EECO								
	EACO								
		Executive Director	Hrly	0.47		0.00		(0.47)	
		Administrative Assistant	Hrly	<u>0.75</u>	<u>1.22</u>	<u>0.00</u>	<u>0.00</u>	<u>(0.75)</u>	(1.22)
<b>TOTAL SPECIAL REVENUE FUNDS</b>					<u>257.28</u>		<u>246.25</u>	0.00	(11.03)
<b>TOTAL POSITIONS</b>					<u>675.26</u>		<u>659.70</u>	0.00	(15.55)



**Gila County Arizona**

**Capital Projects**  
**and**  
**Capital Outlay**

**FY 2014**



# Gila County Arizona

## GILA COUNTY FY14 PROJECTS AND CAPITAL PURCHASES

### COURT SECURITY PROJECTS

Payson Courthouse Doors/Cameras	\$	120,000
Globe JP Court waiting area	\$	150,000
Globe Courthouse 2nd Floor Upgrades/Architect	\$	170,600
Globe Courthouse Camera/Security	\$	80,000
	\$	<u>520,600</u>

### BOND BUILDING PROJECTS

Probation Bldg Remodel-Michaelson Bldg	\$	150,000
Globe Courthouse (Schools & Assessors & County Attorney Remodel-1st & 2nd Floors)	\$	210,984
Globe JP Court HVAC & Interior Remodel	\$	10,000
Globe Courthouse (Child Support, Conf Room, Constable, Hearing Room Remodel-1st Floor)	\$	100,000
Contingency-remaining use of bond monies	\$	119,083
	\$	<u>590,067</u>

### CAPITAL IMPROVEMENT PROJECTS

Treasurer's Tyler Tax Software	\$	74,000
Michaelson Bldg Abatement Study	\$	15,000
Globe Courthouse Exterior Stabilization	\$	80,000
Globe Bldgs various paving & repairs	\$	184,000
Payson Courthouse Steps/Landing	\$	129,000
Fairgrounds Fencing & Electrical repairs	\$	16,000
Globe Jail-fencing, parking lot, cameras, etc.	\$	50,000
Gila County IT System Upgrades	\$	100,500
Payson Bldgs various paving & repairs	\$	80,000
Fleet Vehicle Replacement Plan	\$	316,000
Globe JP Court Interior Remodel	\$	30,000
Pine/Strawberry Shelters	\$	58,894
Broad Street Project	\$	400,325
	\$	<u>1,459,719</u>



# Gila County Arizona

## GILA COUNTY FY14 PROJECTS AND CAPITAL PURCHASES

### NON-CAPITALIZED PROJECTS

Natural Resources/Fire Suppression	\$	250,000
Public Info/Transparency	\$	5,000
Economic Development	\$	140,000
Salary Study/Plan/Implementation	\$	2,000,000
Finance Computer Upgrade/Modules	\$	100,000
Community College Supplementation	\$	220,000
	\$	<u>2,715,000</u>

### DEPARTMENTAL CAPITAL OUTLAY

	DEPT TOTAL
ELECTIONS	\$ 191,000
Polling Books, Printers, equipment	\$ 191,000
SHERIFF	\$ 216,677
New boat engine (1)	\$ 21,700
Emergency Comm Equip for Comm Trailer	\$ 26,920
Public Safety Computer Software/Equipment	\$ 168,057
HEALTH/EMERGENCY SVCS	\$ 55,000
Storage Building	\$ 55,000
ASSESSOR	\$ 49,800
Computer Software Upgrade & Training	\$ 27,000
Computer Hardware/Replacement (6)	\$ 10,800
New Computer Tablets (6)	\$ 12,000
COMMUNITY SERVICES	\$ 13,600
Conference Room/Foyer Remodel & Furniture	\$ 10,000
Computer Hardware/Replacement (3)	\$ 3,600
JUVENILE DETENTION	\$ 51,887
Surveillance Equipment Replacement	\$ 51,887
FACILITIES	\$ 5,000
Paper Recycle Bin (1)	\$ 5,000
RECYCLING/LANDFILL	\$ 150,490
Replacement 4,000 gal Water truck (1)	\$ 125,000
New Pickup Truck (1)	\$ 25,490
PUBLIC WORKS	\$ 392,682
Replacement Motor Grader (1)	\$ 323,682
New 4x4 Pickup Truck with plow package	\$ 33,000
New Pickup Truck (1)	\$ 30,000
Computer Hardware/Replacement (4)	\$ 6,000
	\$ <u>1,126,136</u>

**GRAND TOTAL: \$ 6,411,522**

**ARF-1895**

**Regular Agenda Item 3- C**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted For:** Steve Stratton, Public Works Division Director

**Submitted By:** Sharon Winters, Solid Waste Operations Manager, Public Works Division

**Department:** Public Works Division

**Division:** Recycling & Landfill Management

---

Information

Request/Subject

Donation of \$3,000 from BHP Billiton to support the Gila County Refurbished Bike Program

Background Information

The Gila County Recycling and Landfill Department collects paper and plastic products from BHP Billiton to support their recycling efforts. BHP Billiton has made a donation of \$3,000 to the County's refurbished bike program.

Evaluation

The donation of this \$3,000 will purchase parts and paint for the Landfill employees and Department of Corrections (DOC) inmates to rebuild bikes thrown away at the Landfill. These bikes will be distributed at Christmas to deserving children.

Conclusion

By the Board of Supervisors accepting this donation of \$3,000 from BHP Billiton, the Recycling and Landfill Department with DOC labor will be able to rebuild and donate bikes for children.

Recommendation

The Gila County Recycling and Landfill Manager recommends accepting this donation from BHP Billiton in the amount of \$3,000.

Suggested Motion

Information/Discussion/Action to accept a donation from BHP Billiton to the Gila County Recycling and Landfill Department in the amount of \$3,000 to purchase parts for the County's Refurbished Bike Program. **(Steve Stratton)**

---

**ARF-1878**

**Regular Agenda Item 3- D**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Steve Sanders, Public Works Division Deputy Director

Submitted By: Dana Sgroi, Contracts Support Specialist, Finance Department

Department: Public Works Division

Division: Roads

Fiscal Year: FY 2013-2014

Budgeted?: Yes

Contract Dates 9-2-2010 to 12-31-2013

Grant?: No

Begin & End:

Matching No

Fund?: Renewal

Requirement?:

---

Information

Request/Subject

Amendment #4 to Contract No. 6510.526.REC04/8-2010 with C.L. Williams Consulting, Inc, for the Pine Creek Canyon Road Project

Background Information

On September 21, 2010, Gila County and C.L. Williams Consulting, Inc, entered into a contract whereby the contractor agreed to provide a scope of service related to the final roadway and major drainage improvements for the Pine Creek Canyon Road Reconstruction Project located within the unincorporated area of Gila County known as Pine, Arizona, in the amount of \$68,382, through June 30, 2011.

On June 28, 2011, the Board of Supervisors approved Amendment #1 to extend the term of the contract to July 31, 2012, without a monetary increase.

On April 4, 2012, the Board of Supervisors approved Amendment #2 to the contract to increase the value by \$10,000 for construction and post design during construction services and extend the contract through June 30, 2013.

On September 4, 2012, the Board of Supervisors approved Amendment #3 to the contract to increase the value by \$20,000 for potential supplemental professional services during construction, which were not included in the original scope of work, due to numerous conflicts with utilities within the project, as well as additional assistance needed and provided, to the project general contractor.

Evaluation

On June 28, 2011, the Board of Supervisors approved Amendment #1 to extend the term of the contract to July 31, 2012, without a monetary increase.

On April 4, 2012, the Board of Supervisors approved Amendment #2 to the contract to increase the value by \$10,000 for construction and post design during construction services and extend the contract through June 30, 2013.

On September 4, 2012, the Board of Supervisors approved Amendment #3 to the contract to increase the value by \$20,000 for additional costs that have occurred due to the numerous conflicts with utilities within the project as well as additional assistance needed and provided

to the project general contractor.

Amendment #4 has been issued to extend the contract term from June 30, 2013, to December 31, 2013, in the event the services of C.L. Williams Consulting, Inc. are required to resolve remaining issues caused by the utility conflicts; and to increase the contract amount by an additional \$15,000.

The contract will expire on June 30, 2013. The Public Works Department is requesting a contract extension to December 31, 2013. Due to the numerous conflicts with utilities encountered during the course of the project, there may still be some issues resulting from those conflicts that may require C.L. Williams Consulting, Inc.'s assistance to resolve. In the event C.L. Williams Consulting, Inc.'s services are required to resolve the remaining issues, the Public Works Department is also requesting that Amendment #4, increase the contract amount by an additional \$15,000. Any costs incurred by C.L. Williams Consulting, Inc. to resolve the remaining issues, will be billed and paid, per Attachment "A" to Amendment #4 to Professional Engineering Services Contract No. 6510.526.REC04/8-2010.

#### Conclusion

Amendment #4 to Contract No. 6510.526.REC04/8-2010, with C.L. Williams Consulting, Inc., will extend the term of the contract to December 31, 2013, in the event the services of C.L. Williams Consulting, Inc., is required to resolve outstanding issues caused by the numerous utility conflicts; and will increase the contract amount by an additional \$15,000, should C.L. Williams Consulting, Inc. provide services to resolve the outstanding issues on the Pine Creek Canyon Road project. Any costs incurred by C.L. Williams Consulting, Inc., under this Amendment #4, will be billed and paid, per Attachment "A" to Amendment #4 to Professional Services Contract No. 6510.526.REC04/8-2010.

#### Recommendation

The Public Works Director recommends that the Board of Supervisors approve Amendment #4 to the Professional Engineering Services Contract No. 6510.526.REC04/8-2010, with C.L. Williams Consulting, Inc., to extend the term of the contract to December 31, 2013; and to increase Contract No. 6510.526.REC04/8-2010, by \$15,000, in the event, the services C.L. Williams Consulting, Inc. provides, are required for the resolution of outstanding issues with the Pine Creek Canyon Road Reconstruction Project.

#### Suggested Motion

Information/Discussion/Action to approve Amendment No. 4 to Professional Services Engineering Contract No. 6510.526.REC04/8-2010 between Gila County and C.L. Williams Consulting, Inc., to extend the term of the contract from June 30, 2013, to December 31, 2013, on the Pine Creek Canyon Road Reconstruction Project, and to increase the contract amount by an additional \$15,000. **(Steve Sanders)**

---

#### Attachments

CLW amendment 4 signed

CLW amendment 3 signed

CLW amendment 2 signed

CLW amendment 1 signed

Original C.L. Williams Contract 6510.526.REC04/8-2010

Legal Explanation

**Tommie C. Martin, District I Supervisor**  
610 E. Highway 260, Payson, AZ 85541  
(928) 474-2029 Ext. 7100

**Michael A. Pastor, District II Supervisor**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

**John D. Marcanti, District III Supervisor**  
1400 E. Ash St., Globe, AZ 85501  
(928)425-3231 Ext. 8511



**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**Don E. McDaniel Jr., County Manager,**  
Phone (928) 425-3231 Ext.8761

1400 E. Ash St.  
Globe, AZ 85501

#### **AMENDMENT NO. 4**

### **PROFESSIONAL ENGINEERING SERVICES CONTRACT NO. 6510.526.REC04/8-2010 PINE CREEK CANYON ROAD PROJECT**

#### **C. L. WILLIAMS CONSULTING, INC.**

Effective September 21, 2010, Gila County and C.L. Williams, Inc., entered into a contract whereby C.L. Williams agreed to provide a scope of services related to the final roadway and major drainage improvements for the Pine Creek Canyon Road Project located within the unincorporated area of Gila County known as Pine, Arizona, in the amount of \$68,382.

Amendment #1 dated June 28, 2011, extended the term of the contract to July 31, 2012, without a monetary increase.

Amendment #2 dated April 4, 2012, increased the contract value by \$10,000 for Construction and Post Design during construction services and extended the contract through June 30, 2013.

Amendment No. 3 dated September 04, 2012, increased the contract value by \$20,000 for potential supplemental professional services during construction that were not included in the original scope of work.

Amendment No. 4 will extend the term of the contract from June 30, 2013, as provided for in Amendment #2, to an expiration date of December 31, 2013. There have been numerous conflicts with utilities within the project, and there still may be some issues resulting from those conflicts, to be resolved. In addition to the contract extension, in the event C.L. Williams Consulting, Inc. services are required to aid in resolving the remaining issues on the Pine Creek Canyon Road project, Public Works also requests an increase to the contract by an amount, not to exceed \$15,000, to cover any potential costs incurred for C.L. Williams Consulting, Inc. services in resolving the remaining issues. Contractor shall bill any charges for services provided under Amendment No. 4, per the Fee Schedule, identified as Attachment "A" to Amendment No. 4 to Professional Engineering Services Contract No. 6510.526.REC04/8-2010.

Amendment No. 4 will extend the term of Professional Engineering Services Contract No. 6510.526.REC04/8-2010 from June 30, 2013 to December 31, 2013; and increase the contract value by \$15,000.

*IN WITNESS WHEREOF*, three (3) identical counterparts of amendment #4 to contract 6510.526.REC04/8-2010, each which shall include original signatures and for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

GILA COUNTY

\_\_\_\_\_  
Michael A. Pastor, Chairman, Board of Supervisors

C.L. WILLIAMS CONSULTING



\_\_\_\_\_  
Consultant Signature

JOSEPH M. ALWIN

\_\_\_\_\_  
Print Name

ATTEST

\_\_\_\_\_  
Marian Sheppard, Clerk of the Board

APPROVED AS TO FORM

\_\_\_\_\_  
Bryan Chambers, Deputy Attorney Principal

**ATTACHMENT "A" TO AMENDMENT NO. 4  
TO  
PROFESSIONAL ENGINEERING SERVICES CONTRACT NO. 6510.526.REC04/8-2010**

**PAGE 1 OF 1**

**2013**

**FEE SCHEDULE**

**(Same as Calendar Year 2008)**

**Professional**

Engineering Technician.....	\$ 45.00
CADD Draftsman.....	\$ 75.00
Designer.....	\$ 88.00
Planner.....	\$ 89.00
Hydrologist.....	\$ 94.00
Project Engineer.....	\$ 105.00
Project Manager.....	\$ 115.00
Project Principal .....	\$ 130.00

**Administrative**

Administrative Clerk.....	\$ 27.00
Word Processor/Admin. Support.....	\$ 42.00

Extraordinary reproduction, special printing and any other services performed by a subcontractor, will be billed at cost.

**Construction**

Construction Observer.....	\$ 70.00
Resident Engineer.....	\$ 105.00
Construction Manager.....	\$ 100.00

**Reimbursable In-House Costs (When Approved)**

Photo Copies (B & W).....	\$0.07/Each
Thermal Plots.....	\$0.45/S.F.
Color Copies (up to 8.5"x11").....	\$1.50/Each
Mileage(when approved).....	\$0.49/mile
Color Copies (up to 11"x17").....	\$2.50/Each

Court Appearances, Expert Witness Testimony, Depositions and Preparation for Testimony \$220.00 per hour.

**Tommy C. Martin, District I Supervisor**  
610 E. Highway 260, Payson, AZ 85541  
(928) 474-2029 Ext. 7100

**Michael M. Pastor, District II Supervisor**  
1400 E. Ash St. Globe, AZ 85501  
(928) 425-3231 Ext. 8753

**Shirley L. Dawson, District III Supervisor**  
1400 E. Ash St., Globe, AZ 85501  
(928)425-3231 Ext. 8511



**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**Don E. McDaniel Jr., County Manager,**  
Phone (928) 425-3231 Ext.8761

**Joseph T. Heatherly, Finance Director**  
1400 E. Ash St., Globe, AZ 85501  
(928)425-3231 Ext. 8743

1400 E. Ash St.  
Globe, AZ 85501

### **AMENDMENT NO. 3**

#### **PROFESSIONAL ENGINEERING SERVICES CONTRACT NO. 6510.526.REC04/8-2010 PINE CREEK CANYON ROAD PROJECT**

#### **C. L. WILLIAMS CONSULTING, INC.**

Effective September 21, 2010, Gila County and C.L. Williams, Inc., entered into a contract whereby C.L. Williams agreed to provide a scope of services related to the final roadway and major drainage improvements for the Pine Creek Canyon Road Project located within the unincorporated area of Gila County known as Pine, Arizona, in the amount of \$68,382.

Amendment #1 dated June 28, 2011, extended the term of the contract to July 31, 2012, without a monetary increase. Amendment #2 dated April 4, 2012, increased the contract value by \$10,000 for Construction and Post Design during construction services and extended the contract through June 30, 2013.

There have been numerous conflicts with utilities within the project as well as additional assistance needed and provided to the project General Contractor. There is currently \$438 remaining on the purchase order from the 2<sup>nd</sup> amendment; however, that amount will not cover any of the additional time or design amendments moving forward.

Amendment No. 3 to the contract will allow the increase of a not to exceed budgeted amount of \$20,000 for potential supplemental professional services during construction that were not included in the original scope of work. The Scope of Work tasks that are anticipated for this amendment that are not included in the original agreement are:

- Supplemental design for site specific conditions necessitated by Construction Activities
- Supplemental Construction Inspection and Administration
- Review of Contractor Material Submittals
- Review of Contractor Requests for Payment
- Response to Contractors and County's requests for information
- On-site inspection of sub surface site conditions revealed during Construction Activities

**IN WITNESS WHEREOF**, two (2) identical counterparts of amendment #3 to contract 6510.526.REC04/8-2010, each which shall include original signatures and for all proposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on this 4th day of September, 2012.

**GILA COUNTY**



Fommie C. Martin, Chairman, Board of Supervisors

Date: 9-4-12

**C.L. WILLIAMS CONSULTING**



Consultant Signature

CHARLES L. WILLIAMS  
Print Name

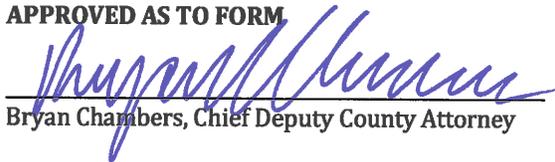
Date: 8-17-12

**ATTEST**



Marian Sheppard, Chief Deputy Clerk of the Board

**APPROVED AS TO FORM**



Bryan Chambers, Chief Deputy County Attorney

**Tommie C. Martin, District I Supervisor**  
610 E. Highway 260, Payson, AZ 85541  
(928) 474-2029 Ext. 7100

**Michael M. Pastor, District II Supervisor**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

**Shirley L. Dawson, District III Supervisor**  
1400 E. Ash St., Globe, AZ 85501  
(928)425-3231 Ext. 8511



**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**Don E. McDaniel Jr., County Manager,**  
Phone (928) 425-3231 Ext.8761

**Joseph T. Heatherly, Finance Director**  
1400 E. Ash St., Globe, AZ 85501  
(928)425-3231 Ext. 8743

1400 E. Ash St.  
Globe, AZ 85501

**PROFESSIONAL ENGINEERING SERVICES CONTRACT NO. 6510.526.REC04/8-2010  
PINE CREEK CANYON ROAD PROJECT**

**AMENDMENT NO. 2**

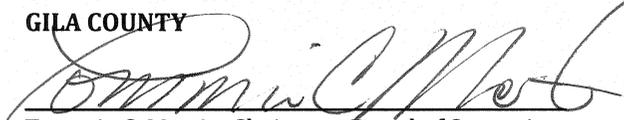
Effective September 21, 2010, Gila County and C.L. Williams, Inc., entered into a contract whereby C.L. Williams agreed to provide a scope of services related to the final roadway and major drainage improvements for Pine Creek Canyon Road project located within the unincorporated area of Gila County known as Pine, Arizona. Amendment #1 dated June 28, 2011, extended the term of the contract to July 31, 2012, without a monetary increase.

Amendment No. 2 to the contract will allow the increase of up to \$10,000.00 for potential supplemental professional services during construction that were not included in the original scope of work. Since the construction project is beginning on or around May 1, 2012, an extension for this contract may be necessary until June 30, 2013. The Scope of Work tasks that are anticipated for this amendment that are not included in the original agreement are:

- Supplemental design for site specific conditions necessitated by Construction Activities
- Supplemental design for areas where the County is not able to obtain easements
- Review of Contractor Material Submittals
- Review of Contractor Requests for Payment
- Response to Contractors and County's requests for information
- On-site inspection of sub surface site conditions revealed during Construction Activities

IN WITNESS WHEREOF, two (2) identical counterparts of amendment #2 to contract no. 6510.526.REC04/8-2010, each which shall include original signatures and for all proposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on this 1st day of May, 2012.

GILA COUNTY

  
Tommie C. Martin, Chairman, Board of Supervisors

Date: 5/1/12

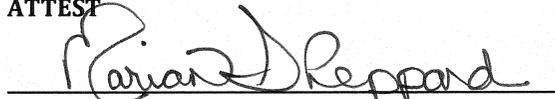
C.L. WILLIAMS CONSULTING

  
Consultant Signature

CHARLES L. WILLIAMS  
Print Name

Date: 4-19-12

ATTEST

  
Marian Sheppard, Chief Deputy Clerk of the Board

APPROVED AS TO FORM

  
Bryan Chambers, Chief Deputy County Attorney

**Tommie C. Martin, District I Supervisor**  
610 E. Highway 260, Payson, AZ 85541  
(928) 474-2029 Ext. 7100

**Michael M. Pastor, District II Supervisor**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

**Shirley L. Dawson, District III Supervisor**  
1400 E. Ash St., Globe, AZ 85501  
(928)425-3231 Ext. 8511



**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**Don E. McDaniel Jr., County Manager,**  
Phone (928) 425-3231 Ext.8761

**Joseph T. Heatherly, Finance Director**  
1400 E. Ash St., Globe, AZ 85501  
(928)425-3231 Ext. 8743

FAX ((28)425-8104  
TTY: 7-1-1

**PROFESSIONAL ENGINEERING SERVICES CONTRACT NO. 6510.526.REC04/8-2010**  
**PINE CREEK CANYON ROAD PROJECT**  
**AMENDMENT #1**

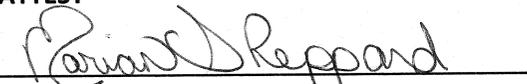
**Effective** September 21, 2010, Gila County and C.L. Williams, Inc., entered into a contract whereby C.L. Williams would provide a scope of services related to the final roadway and major drainage improvements for Pine Creek Canyon road located within the unincorporated area of Gila County known as Pine, Arizona.. The term of the contract will expire June 30, 2011.

**Amendment No. 1** to the contract will allow the contract period to be extended to July 31, 2012. There have been numerous conflicts with utilities and easements that have caused delays in completing the scope of work for this project. Extending to July 31, 2012 will allow for the engineering portion to be completed by C.L. Williams.

**IN WITNESS WHEREOF**, three (3) identical counterparts of this amendment, each which shall include original signatures and for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on this 28<sup>th</sup> day of June, 2011.

**GILA COUNTY:**  
**GILA COUNTY BOARD OF SUPERVISORS**  
  
Michael A. Pastor, Chairman, Board of Supervisors

**CONSULTANT:**  
**C.L. WILLIAMS CONSULTING**  
  
Consultant Signature

**ATTEST**  
  
Marian Sheppard, Chief Deputy Clerk of the Board

CHARLES WILLIAMS  
Print Name

**APPROVED AS TO FORM**  
  
Bryan B. Chambers, Chief Deputy County Attorney  
for Daisy Flores, County Attorney

Tommie C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

Shirley L. Dawson, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753



Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext.8761

Joe Heatherly, Finance Director  
Phone (928) 425-3231 Ext. 8743

**GILA COUNTY**

FAX (928) 425-0319  
TTY: 7-1-1

[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**PROFESSIONAL ENGINEERING SERVICES CONTRACT NO. 6510.526.REC04/8-2010**

**PINE CREEK CANYON ROAD PROJECT**

**THIS AGREEMENT**, made and entered into this 21<sup>st</sup> day of September, 2010, by and between the Gila County Board of Supervisors, a political subdivision of the State of Arizona, hereinafter designated the **COUNTY**, and C.L. Williams Consulting, Inc. of the City of Pinetop, County of Navajo State of Arizona, hereinafter designated the **ENGINEER**.

**WITNESSETH:** That the **Engineer**, for and in consideration of the sum to be paid him by the **County**, in the manner and at the time hereinafter provided, and of the other covenants and agreements herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE I – SCOPE OF SERVICES:** The County has requested the Engineer prepare a scope of services to provide engineering services related to final roadway and major drainage improvements for Pine Creek Canyon Road located within the unincorporated area of Gila County know as Pine, Arizona.

The roadway typical section will consist of no less than a 22-foot wide paved surface with improved shoulders where possible. Gila County has been working on the right of way throughout the project and will present all electronic linework to the Engineer on award of the contract. The design speed for this project will be 35 miles per hour but may be less to reduce possible conflicts with the existing right of way. The posted speed limit will be 25 miles per hour. No new additional right of way will be obtained as part of this project. In accordance with County Roadway Design Standards the pavement section for this project will be 3"AC over 8" ABC. Geotechnical studies will not be performed for this

project. Hydrologic analyses performed during the 2003 study (see below) will be used for this project and will assume that revisions to the previous analysis are not required.

### **Project History**

Evaluation of this roadway began during a 2003 study and entailed detailed right-of-way determination and conceptual level construction improvement plans for the entire roadway. During the 2003 project phase, roadway improvements considered two typical roadway sections: typical County rural collector and a modified section. Given the conflicts associated with the resulting right of way the County desires a new typical section to reduce potential conflicts. However, improvements must not extend (to the east) beyond the existing roadway prism. Given this added element design efforts will require greater detail and analysis as well as the associated effort when designed any driveway access improvements/adjustment/changes. Driveway access will be of critical concern as the existing relief of the area is mountainous and any adjustment to the main roadway grade can make for associated problematic driveway grades.

The limits of this project will commence at the intersection of SR 87 and Pine Creek Canyon Road and end just north of Trails End Drive. The length of this project is approximately 4,800 feet.

The previous contracts for this project were not completed due to County changes in project priorities.

### **Contract Timeline History**

<u>Contract Date</u>	<u>Contract Amount</u>	<u>Change Order</u>	<u>Change Amount</u>
April 20, 2004	\$ 61,490.00	#1: September 28, 2004	\$ 18,000.00
		#2: February 13, 2007	\$ 56,542.00

Contract Totals = \$136,032.00

Expensed To Date = \$ 71,360.00

New Contract = \$ 68,382.00

The Engineer proposes to complete the Pine Creek Canyon Road Improvement Project in accordance with the Scope of Services included in this Contract.

### **TASK 1: Data Collection, Coordination and Meetings**

The work under this task will include all necessary field reconnaissance to review any changes to the conditions existing during 2003 and today. Traffic counts will not be required for this project as the roadway typical section and design speed has been established by the County (e.g., county standards and staff direction).

Other data/information to be collected and reviewed, as provided by the County, are; aerial and topographic mapping if necessary and right of way linework/electronic file located on the same horizontal and vertical datum as that used for the aerial mapping.

Any necessary field survey data collection (locate surface features and subsurface utility systems via Bluestake methods, signing...etc.) will be provided by Gila County on written request of the Consultant.

Also included within this task are the following meetings:

1. Kickoff Meeting,
2. Up to (3) three Progress Meetings to discuss elements relative to this project (likely held at the 60- and 90-percent design level). The Progress Meetings may be held in Payson with a field visit afterward if necessary.

The Engineer Project Manager will attend all meetings and inform the County by telephone, fax or e-mail on progress relating to the project. E-mail correspondence will be followed by a letter informing the County concerning such matters that are of major and/or significant project elements. Additional meeting(s) including Public and/or BOS may be added by the County as an additional service if the County so desires. Utility coordination meetings are including within Task 5.

### **TASK 2: Drainage Design**

No additional hydrologic analysis will be performed for this project. The previous analysis included estimates of the 25- and 100-year rainfall recurrence events. Only existing hydraulic structures (i.e., culverts) will be improved under this project. Where possible, culverts will be improved to pass the discharge resulting from the 25-year event and no greater than 12" overtopping the roadway during the 100-year event. Any improvements will be made considering the effect on downstream property to ensure that diversion(s) of existing runoff does not occur.

Improved culverts will consist of corrugated metal pipe with metal end sections. Where practicable, outlet erosion (riprap catch basin per HEC-14, 2006 edition) control systems will be included within this project.

### **TASK 3: Roadway Improvement Plans**

Engineer will develop Construction Improvement Plans. Plan and profile sheets will be shown at a 1"=40' horizontal scale and 1"=4' vertical scale. Cross-section sheets for roadway improvements will be submitted for this project at 50 foot intervals or more frequently as determined by the Engineer. Intersection improvements, where necessary, will be shown within a plan view (grading sheets) scale of no greater than 1"=20' or other scale as determined by the Engineer or the County. There are currently about seven noted intersections within the project that may require special grading

consideration. The plans will also include details as necessary to complete the construction improvements. Detail sheets will include typical driveway and intersection treatment. However, non-typical treatment, if encountered, will be shown on each respective plan sheet or within a separate detail. Driveway and/or intersection solutions may extend outside the existing right of way, however, the improvements will be limited to within the existing right-of-way where practicable.

The plan and profile will show existing and proposed grade at the centerline of the design roadway alignment along with a super-elevation diagram.

Also included within this task will be signing and striping plans showing existing signing and any removals, relocations or new signing within or immediately outside of the project limits.

The typical roadway section for this project will be as directed by the County and may be modified during the design process (prior to the 90% design level). Where steeper slopes result, Engineer will evaluate the need for guardrail. Roadway cut slopes will be no steeper than 2:1 and embankment slopes no steeper than 3:1 but 4:1 preferable and where possible.

Potholing for utility systems are not included within this scope but may be added as an additional service if authorized by the County

Estimate of the sheets to be involved with plan set are:

1. Cover sheet; (1),
2. General Notes and Symbols sheet; (1),
3. Typical Section and Details sheets; (3-5),
4. Geometric sheet [1"=50'H]; (2),
5. Roadway Plan & Profile sheets [1"=40'H, 1"=4'V]; (5-6)
6. Signing and Striping sheet [1"=40'H]; (2), and
7. Roadway Cross Section sheets [1"=10'H, 1"=5'V]; (12-14).

#### **TASK 4: Bid Documents**

The Engineer will produce construction contract bidding documents using existing County Bidding "Boiler Plate" documents. The Engineer will develop necessary special provisions and technical specifications that will include items such as requiring the contractor to submit a traffic control plan to minimize interference with traffic during construction as this will likely be a major element of the project. The contractor will also be responsible for all other local, state and federal permits required. A storm water pollution prevention permit will be required by the ADEQ and therefore the contractor will be alerted to the need to prepare and submit the necessary permit for this element within the plans or specifications (the County will also be required to submit an NOI as the Owner of this project).

**TASK 5: Utility Coordination**

The Engineer will coordinate with all surrounding utility companies and supply them with reduced scale sets of preliminary plans for review and comment to insure that existing or future planned system conflicts are considered under this work. Any possible conflicts associated with the project such as relocation or removal either will be called out on the plans to be performed by the contractor or the affected utility company, as directed by the County. This task also includes sufficient time to review data obtained and to determine what, if any, conflicts would arise between the design and any existing or proposed utility systems/features. Any conflicts, if found to exist, will be resolved by each utility owner.

Also included within this task are the following meetings:

1. Up to (2) two Progress Meetings with utility owner representatives on-site to discuss elements and possible conflicts relative to this project (likely held at or just after the 60- and 90-percent design level is submitted to the County).

**TASK 6: Progress Submittals, Estimates and Deliverables**

Submittals will include one electronic submittal to the County and one set of prints to known utility companies for each submittal:

- **Initial Design Submittal (60% Design Level)**
  - Existing topography
  - Preliminary line and grade of roadway and drainage systems
  - Notable conflicts with right of way and/or utility system elements.
  - Existing right-of-way (linework provided to Engineer by the County)
  - Preliminary new right-of-way, if necessary
- **Pre-Final Plan Submittal (90% Design Level)**
  - 90% Level Design Plans
  - Revised line and grade of roadway and/or drainage systems
  - Preliminary Detail Sheets
  - Preliminary Construction Notes
  - Preliminary Construction Cost Estimate
  - Preliminary Contract Documents (may be submitted prior to this submittal stage)
- **Final Plan Submittal (100% Level)**
  - Final Excavation Plan
  - Final Construction Cost Estimate
  - Final Contract Documents

The final submittal will consist of: one reproducible (1) copy of the 24"x36" Final Construction Improvement Plan, one (1) sealed copy of the Final Construction Cost Estimate, and one master copy of the Contract Bidding Document (all copies to be done by Gila County).

**TASK 7: Bidding Assistance**

The Engineer shall provide assistance with the following post-design items.

- Preparation of Bid Addendum(s)
- Pre-bid meeting attendance,
- Bid tabulation and analysis,
- Bid Recommendation,
- Pre-Construction Meeting attendance and,
- Up to two (2) on-site progress meetings during construction.

***Assumptions Used in Developing Scope of Work***

The following assumptions were used by the Engineering to develop the above scope of this project.

1. Topography, in an AutoCAD 2004 3D format, including all necessary planimetrics and other aerial mapping products will be provided to the Engineer by the County if the previously developed 2003 product is found to have sufficient errors as determined by the County.
2. Attempts to contact an individual utility owner, for the purposes of determining what, if any, conflicts may exist between the proposed improvements and existing utility systems, will be limited to twice per week for no more than two weeks. Thereafter, the County will coordinate and obtain the necessary information from a given utility owner.
3. Geotechnical investigation is not required to be undertaken. Rock excavation or special removal and/or construction techniques will assume to not be required for this project.
4. Right of way information including the location of any property or construction benchmark monumentation will be provided to the Engineer by the County.
5. The location of utility systems within the study area, including any bluestake markings to be coordinated by County staff, will be provided to the Engineer by the County.
6. Floodplain and/or additional hydrologic analyses are not required.
7. The design vehicle to be used for roadway analysis and design will be a standard HS-20 type truck (i.e., heavy truck type) unless otherwise directed by the County.
8. The design of any utility relocation is not required.
9. Construction Management and other post design services (not listed within Task 7) such as major changes to the plans or bid document are not required. Minor changes to the plans that would occur during the bidding process are included within the fee. Additional post design services beyond those detailed within this proposal may be provided to the County as an additional service if desired.
10. All necessary environmental, FEMA, SHPO, ADEQ, EPA, U.S. Army of Corps...etc. permitting, planning and coordination will not be required of the Engineer for this project.

**ARTICLE II – SCHEDULE & FEES:** Upon receipt of the Notice to Proceed and all requested information (see Task 1 and assumptions) to be provided to the Engineer by the County, it is anticipated that completion of this study will take 120 calendar days, assuming a 14-calendar day agency/utility review period (including discussion meeting with County staff) for the 60-percent and 90-percent submittals. The estimated time from the NTP to the 60-percent submittal is approximately 45-60 calendar days.

Engineers Professional Fee Schedule for the tasks outlined in the Scope of Services is as follows:

Task Number	Task Description	Fee
1	Data Collection, Coordination and Meetings	\$6,350
2	Drainage Design	\$9,060
3	Roadway Improvement Plans	\$42,190
4	Bid Documents	\$2,020
5	Utility Coordination	\$2,200
6	Progress Submittals, Estimates and Deliverables	\$2,502
7	Post Design Services	\$4,060
<b>Total . . . . .</b>		<b>\$68,382</b>

Contract term shall be in effect from date approved by Board of Supervisors until June 30, 2011.

**ARTICLE III – INDEMNIFICATION CLAUSE:** Engineer shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Engineer or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Engineer to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Engineer from and against any and all claims. It is agreed that the Engineer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Engineer agrees to waive all rights of subrogation

against the County, its officers, officials, agents and employees for losses arising from the work performed by the Engineer for the County.

**ARTICLE IV - INSURANCE REQUIREMENTS:** Engineer and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Engineer, his agents, representatives, employees or subcontractors.

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

**A. MINIMUM SCOPE AND LIMITS OF INSURANCE:** Engineer shall provide coverage with limits of liability not less than those stated below.

**1. Commercial General Liability – Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Engineer".

**2. Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a waiver of subrogation against the County of Gila.

**3. Professional Liability (Errors and Omissions Liability)**

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

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Engineer warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- B. ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Engineer even if those limits of liability are in excess of those required by this Contract.
  2. The Engineer's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
  3. Coverage provided by the Engineer shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- C. NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to Birdie DeNero, Risk Management, 1400 E. Ash St., Globe, AZ 85501 and shall be sent by certified mail, return receipt requested.
- D. ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Engineer from potential insurer insolvency.
- E. VERIFICATION OF COVERAGE:** Engineer shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to Birdie DeNero, Risk Management, 1400 E. Ash St., Globe, AZ 85501. The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right

to require complete, certified copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Engineers' certificate(s) shall include all subcontractors as additional insured's under its policies or Engineer shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE V – LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Engineer's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Engineer shall further ensure that each subcontractor who performs any work for Engineer under this contract likewise complies with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Engineer and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Engineer's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Engineer to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Engineer shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, (subject to Engineer approval if MWBE preferences apply) as soon as possible so as not to delay project completion.

Engineer shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form:

"Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Engineer. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Engineer's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Engineer shall be entitled to an extension of time, but not costs.

**ARTICLE VI – LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Engineer shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Engineer. The Engineer shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE VII – ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. §35-397 the Engineer certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE VIII – CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. § 38-511. If this Agreement is terminated, the County shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination. The Engineer shall be considered in default of this contract and such default will be considered as cause to terminate the contract for any of the following reasons if the Engineer:

- a. Fails to perform the work under the contract within the time specified in the "Notice to Proceed"; or
- b. Fails to perform the work or fails to provide sufficient workers, equipment or data to assure completion of work in accordance with the terms of the contract; or
- c. Performs the work unsuitably or neglects or refuses to follow the Scope of Work; or
- d. Discontinues the prosecution of the work; or
- e. Fails to resume work which as been discontinued within a reasonable time after notice to do so; or
- f. Becomes insolvent or is declared bankrupt, or commits any act of bankruptcy or insolvency; or
- g. Makes assignment for the benefit of creditors.
- h. If it is found that gratuities were offered or given by the Engineer or any agent or representative of the Engineer, to any officer or employee of the County.

Compensation shall follow the guidelines of A.R.S. §34-221. Each invoice must include itemized task and dollar figure for each task completed. Each invoice must show a signature by the County representative confirming services rendered and authorizing payment.

**IN WITNESS WHEREOF**, three (3) identical counterparts of this contract, each which shall include original signatures and for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on the date and year first above written.

In return for the performance of the Contract by the Engineer, the County agrees to pay the amount of not more than \$ 68,382.00 including all applicable taxes through a payment schedule as described in the Contract documents and as may be modified and executed by change orders.

**PROFESSIONAL ENGINEERING SERVICES CONTRACT NO. 6510.526.REC04/8-2010  
PINE CREEK CANYON ROAD PROJECT**

**GILA COUNTY:**

**C.L. WILLIAMS CONSULTING, INC.**

**GILA COUNTY BOARD OF SUPERVISORS**

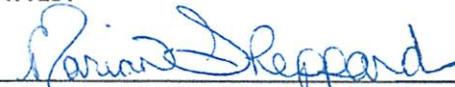
  
\_\_\_\_\_  
Michael A. Pastor, Chairman, Board of Supervisors

  
\_\_\_\_\_  
Signature of Engineer

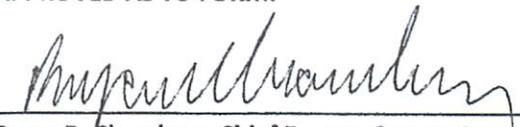
  
\_\_\_\_\_

Print Name

**ATTEST**

  
\_\_\_\_\_  
Marian Shepherd, Deputy Clerk of the Board

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Bryan B. Chambers, Chief Deputy County Attorney  
for Daisy Flores, County Attorney



## GILA COUNTY ATTORNEY Daisy Flores

Re: County Attorney's Office "approval as to form" of contract or agreement.

To whom it may concern:

The County Attorney's Office has reviewed the contract or agreement attached to this agenda item and has determined that it is in its proper form and is within the powers and authority granted under the laws of this state to the public agency requesting the County Attorney's Office review.

### **Explanation of the Gila County Attorney's Office "Approval as to Form" Review**

The Gila County Attorney's Office is often called upon to review contracts and other agreements between public entities represented by the County Attorney and private vendors, contractors, and individuals.

In performing this review, the County Attorney's Office reviews these contracts to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the contract. That approval is solely the province of the public agency through its elected body.

The public agency or department submitting the contract for review has the responsibility to read and understand the contract in order to completely understand its obligations under the contract if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the contract as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor contract compliance. Hence the public entity or

submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the contract will be necessary to monitor compliance.

Before signing a contract “approved as to form,” the County Attorney’s Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the contract for review to ask any specific questions or address any concerns it has about the contract to the County Attorney’s Office at the same time they submit the contract for review. Making such an inquiry also helps improve the County Attorney’s Office review of the contract because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney’s Office to meaningfully review the agreement.

**ARF-1900**

**Regular Agenda Item 3- E**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Dana Hlavac, Submitted By: Dana Sgroi, Contracts Support  
Interim Finance Director Specialist, Finance Department

Department: Finance Department

Fiscal Year: FY 2013-2014 Budgeted?: Yes

Contract Dates 6-26-13 to Grant?: No

Begin & End: 6-25-14

Matching No Fund?: Renewal

Requirement?:

---

Information

Request/Subject

Amendment No. 2 to Contract 040112-1 for Bulk Fuel and Lubricants with Western States Petroleum, Inc.

Background Information

Effective June 26, 2012, Gila County and Western States Petroleum, Inc. entered into a contract whereby Western States Petroleum, Inc. agreed to provide bulk fuel and lubricants to various locations in the County. Contract term ends June 25, 2013. The fuel and lubricants are used to run and maintain County equipment and vehicles.

On August 20, 2012, Amendment No. 1 was executed to add 5/20 crancase semi-synthetic lubricant to the contract, at a unit price of \$8.41 per gallon.

Evaluation

Per section 3.2 of Contract No. 040112-1, the contract period may be renewed for two additional one-year periods. Amendment No. 2 will extend the contract period for one year from June 26, 2013, to June 25, 2014.

Per Section 3.11, Special Terms and Conditions - Price Adjustment, "The County may review a fully documented request for a price increase only after the contract has been in effect for twelve (12) months. Fully documented means that the request shall present detailed information and calculations that make it clear how the claimed increase has an impact on the contract unit price. All assumptions regarding cost factors that have an impact on the requested increase shall also be clearly identified and justified. The requested price increase must be based upon a cost increase that was clearly unpredictable at the time of the offer and can be shown to directly affect the price of the item concerned. Any price adjustment will only be made at the time of contract extension and will be a factor in the extension review process. The County will determine whether the requested price increase or an alternate option, is in the best interest of the County".

Western States Petroleum is requesting a six percent price increase on the lubricants (only) portion of the contract. Gila County has reviewed this fully documented request and determines that it is in the best interest of the County. Western States Petroleum price increase on the Lubricants portion of the contract is identified by Attachment "A" to Amendment No. 2 to Contract 040112-1.

#### Conclusion

By extending Contract No. 040112-1 for one year, it will allow Western States Petroleum, Inc. to continue to provide bulk fuel and lubricants to various locations in Gila County for County vehicles and equipment.

#### Recommendation

The Interim Finance Director recommends that the Board of Supervisors approve Amendment No. 2 to Contract No. 040112-1, to extend the contract for one year, from June 26, 2013 to June 25, 2014, with Western States Petroleum, Inc. for bulk fuel and lubricants; and to allow a six percent (6%) price increase on the lubricants (only) portion of Contract No. 040112-1.

#### Suggested Motion

Information/Discussion/Action to approve Amendment No. 2 to Contract No. 040112-1 between Gila County and Western States Petroleum, Inc. which will extend the contract for one year, from June 26, 2013, to June 25, 2014, and will allow a six percent (6% ) price increase on the lubricants (only) portion of Contract No. 040112-1. **(Dana Hlavac)**

---

#### Attachments

Contract 040112-1 Western States Petroleum

Amendment #1 to Contract No. 040112-1

Amendment #2 to Contract No. 040112-1

Legal Explanation

**GILA COUNTY  
NOTICE OF  
INVITATION FOR BID**



**SOLICITATION NUMBER  
040112-1  
BULK FUEL AND LUBRICANTS**

<b>Content</b>	<b>Page</b>
Solicitation.....	1
Section 1: Specifications.....	2
Section 2: General Terms & Conditions.....	6
Section 3: Special Terms & Conditions.....	11
Section 4: Instructions to Submitters.....	17
Contract Forms:.....	Attachments "A-I"



**GILA COUNTY  
PROCUREMENT GROUP  
NOTICE OF INVITATION FOR BID**

1400 East Ash Street  
Globe, Arizona  
85501

**SOLICITATION NUMBER**  
**040112-1**

**BID DUE DATE:** May 18, 2012 **TIME:** 3:00 PM

**DESCRIPTION:** BULK FUEL & LUBRICANTS

**PRE-BID CONFERENCE:** "Not Applicable"

**Bid Opening and Submittal Location:** Gila County Procurement – Guerrero Building  
Opening: Board Conference Room #257  
1400 E. Ash Street, Globe, AZ 85501

In accordance with A.R.S. §41-2533, Invitation For Bid for the materials or services specified will be received by the Gila County Procurement Group at the above specified location until the time and date cited.

Request for submittals after the specified date and time to the Procurement Group shall not be considered. To receive bid documents contact the Procurement Group at (928)402-8612.

Additional instructions for preparing a bid are provided in Section 4, page 17, of the bid documents to Offerors as contained within this solicitation.

The Board of Supervisors reserves the right to reject any or all bids, or to accept any bid, or to waive any informality in any bid, or to withhold the award if deemed in the best interest of Gila County. All procurement activities conducted by Gila County are in conformance with the rules and regulations of the Gila County procurement code. A copy of the Code is available for review in the office of the Clerk of the Board, Gila County Courthouse, 1400 E. Ash St., Globe, AZ.

Advertisement Dates: May 2 and May 9, 2012

**BIDDERS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION.**

**Designated Department:** Gila County Public Works Division Consolidated Roads  
**Type of Contract:** Term  
**Term of Contract:** 12 months with 2 one year renewal options  
**Phone Number:** 928-402-8612

Signed: *Tommie C. Martin* Date: 5/11/12  
Tommie C. Martin, Chairman, Board of Supervisors

Signed: *Daisy Flores* Date: 5/12/12  
Bryan B. Chambers, Chief Deputy County Attorney  
for Daisy Flores, County Attorney

**SOLICITATION NO. 040112-1****SECTION 1  
SPECIFICATIONS****1. Purpose**

It is the intent of this Invitation for Bids to establish a contract with a qualified contractor to purchase and deliver Bulk Fuel and Lubricants for Gila County.

**2. Product Specifications*****Gasoline & Oxygenated Fuels***

All gasoline shall conform to the American Society for Testing and Materials (ASTM) Standard Specification #D4814-01a for the State of Arizona and any ASTM revision thereafter, subject to the rules, regulations and Clean Air Act waivers of the U.S. Environmental Protection Agency (EPA), and Arizona State Statutes which require the use of reformulated oxygenated gasoline and specify maximum vapor pressures for certain areas.

All regular grade unleaded gasoline fuel shall have a minimum octane (RON plus MON/2) 87. The State of Arizona Department of Environmental Quality (ADEQ) reserves the right to test fuels for compliance.

All oxygenated or blended fuels shall conform to the ASTM D4814 Standard Specifications for the State of Arizona and meet any EPA waivers for oxygenated or blended fuels.

All fuels shall be blended for climatic conditions and local requirements at each delivery site and have a maximum shelf life of one (1) year.

All gasoline fuel shall be guaranteed against any damage to equipment resulting from the proper use of the product.

***Diesel Fuel***

All diesel fuel shall conform to ASTM D975-02 Standard Specifications for No. 2 diesel fuel for the State of Arizona and any ASTM revisions thereafter, and EPA's Ultra Low Sulfur Diesel (ULSD) fuel standards.

All fuels shall be blended for climatic conditions and local requirements at each delivery site including winter/summer blends.

All fuels shall have a maximum shelf life of one (1) year.

All diesel fuel shall be guaranteed against any damage to equipment resulting from the improper use of the product.

Supplier(s) who agree to provide fuel to designated areas shall be considered for award. All fuel products, as specified, are to be delivered to all Gila County tank locations within a forty-eight (48) hour period from date/time of order.

**SOLICITATION NO. 040112-1*****Tank Location and Fuel Usage***

Tank locations and sizes are subject to change without notice. Other designated or alternate delivery sites may be necessary in the event of an emergency or major disaster; supplier may make an unscheduled delivery. All tanks are AST (Aboveground Tanks)

Fuel Tank Location	Unleaded Tank (gallons)	Diesel Tank (gallons)	Usage for 2011-2012		Estimated Usage for 2012-2013	
			Unleaded	Diesel	Unleaded	Diesel
Globe Shop 1001 Besich Blvd. Globe, Arizona 85501	10,000	10,000	0	0	107,400	35,000
Payson Maint. Yard 5324 East Highway 260 Payson, Arizona 85541	4,000	6,000	60,400	42,800	65,000	43,000
Tonto Basin Maint. Yard 127 South Old Highway 188 Tonto Basin, Arizona 85553	3,000	3,000	20,266	12,867	18,500	13,000
Young Maint. Yard Highway 288 Milepost 305 Young, Arizona 85554	2,000	4,000	4,940	8,710	5,000	8,800
Courthouse 1400 E. Ash St., Globe, Arizona 85501	5,000	---	214,800	30,000	107,400	0

***Lubricants***

All products shall be approved for year round use under all load conditions common to normal fleet operations. All products shall meet or exceed the equipment manufacturer's specification, American Petroleum Institute (API) Service Requirements (latest revision) and shall meet all requirements for manufacturer's warranties as outlined by the manufacturer.

Lubricant specifications packaged as non-bulk, i.e., fifty-five (55) gallon drums will be included but not limited for delivery to Gila County and shall be:

**Metered Products:**

- Crankcase 15/40
- Crankcase Synthetic 5/20
- HT4-30 & HT4-50
- Gear Lube 80W – 90W multipurpose
- Hydraulic AW68
- ATF (Dexron 3)
- HTR/HYD 560
- Antifreeze

**Non-Metered Products:**

- Moly 7%
- Grease
- Solvent

**SOLICITATION NO. 040112-1**

<b>LUBRICANT ESTIMATED USAGE 2012</b>	
<b>Metered Products</b>	<b>Gallons</b>
Crankcase Lubricants (15/40)	400
Crankcase Synthetic (5/20)	1,375
HT 4-30	300
HT 4-50	440
Gear Lube 80W-90W	110
ATF (Dexron 3)	110
HTR/HYD 560	534
Antifreeze LLC Extended Life (Pink)	55
Antifreeze Standard (Green)	110
<b>Non-Metered Products</b>	
Moly 7% Moly Chassis Lub	800
Solvent	55

3. **Bulk Fuel Delivery Ticket**

A delivery ticket which delineates the Contractor's name, address, type of fuel, grade of fuel, and float gauge reading prior to unloading and following unloading, shall be provided at the time of each delivery and left at each fuel site. A copy of the same delivery ticket shall be submitted per instructions on page 11, item 5, invoicing.

4. **Equipment**

The Contractor shall provide and maintain during the entire period of this contract, the equipment sufficient in number, operational condition and capacity to efficiently perform the work and render the services required by this contract.

Fuel delivery trucks shall at all times comply with current State of Arizona and Federal regulations pertaining to fuel vapor control.

5. **Contractor Responsibility Concerning Fuel**

- Upon delivery, pump all fuels from containers into the using agency's storage tanks.
- Supply necessary pumps, hoses, etc. to appropriately pump the fuels to the storage tanks.
- Ensure delivery of correct quantities ordered. Any delivery of excess of actual quantities ordered shall be refused.
- Responsible for any damage to equipment resulting from the delivery of fuel and from fuel product.
- Responsible for all spillage, which may occur during transit, loading or unloading operations. Definition of spill is any amount of fuel that can puddle on the ground; also the spill bucket or spill box must be free of debris and fuel at completion of the delivery.
- Immediately report any spillage to the using agency.

Gila County

1400 E. Ash St.  
Globe, Arizona 85501

(928)425-3231

**SOLICITATION NO. 040112-1**

6. County Responsibility Concerning Fuel

- Ensure access to the fuel locations during normal business hours.
- Make an effort to ensure proper staff is on site when fuel is delivered in order to sign and date fuel delivery tickets.
- The State of Arizona Department of Environmental Quality (ADEQ) reserves the right to test fuels for compliance. Contractor's failure to meet fuel compliance may be cause for contract cancellation.

**SOLICITATION NO. 040112-1****SECTION 2  
GENERAL TERMS AND CONDITIONS****Award Contract**

1. The Gila County Board of Supervisors reserves the right to waive any immaterial defects or informalities, or reject any or all offers or portions thereof, or reissue an invitation for bid, whichever is deemed to be in the best interest and most advantageous to Gila County.
2. It is the responsibility of the Gila County Board of Supervisors to let the County contracts to the lowest responsive and responsible bidder(s). To ensure that all Contractors are experienced, reasonably equipped and adequately financed to meet their contractual obligations, a determination of responsibility shall be made by the Gila County Board of Supervisors prior to contract award.
3. Further, the County reserves the right to reject the Offers of any bidder(s) who has previously failed to perform adequately after having once been awarded a prior Bid for furnishing and installing materials similar in nature.
4. All submitted forms provided in this Invitation for Bid will be reviewed by the Gila County Board of Supervisors.
5. Those Offeror(s) who, in the opinion of the Gila County Board of Supervisors, are best qualified and whose offers are most advantageous of the County may be invited to appear before the Board for an oral review.
6. The apparent successful offeror(s) shall sign and file with the County, within ten (10) days after Notice of Intent to Award, all documents necessary to successfully execute the contract.

**Protests**

Only other bidders who have submitted a bid have the right to protest. A protest of a proposed award or of an award must be filed within ten (10) days after the award by the Board of Supervisors. A protest must be in writing and must include:

- A. The name, address and telephone number of the protester.
- B. The signature of the protester or its representative, and evidence of authority to sign.
- C. Identification of the contract and the solicitation or contract number.
- D. A detailed statement of the legal and factual grounds of protest including copies of relevant documents.
- E. The form of relief requested.
- F. All Protest shall be sent to the attention of the Gila County Board of Supervisors, 1400 East Ash Street, Globe, Arizona 85501.

**SOLICITATION NO. 040112-1****Laws and Ordinances**

This agreement shall be enforced under the laws of the State of Arizona and Gila County. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the act.

**OFFERORS AWARD AGREEMENT**

This exhibit shall serve as an example of the contract agreement to any Contractor; their agents, subcontractors and/or representatives, awarded this or any portion of this contract by the County, by submitting bids to this or any other solicitation requiring sealed bids, does hereby agree to the following provisions. Proof of acceptance of these provisions will be the Contractor's signature(s) appearing on Attachment "A", Offer and Contract Award, and Attachment "B", Contractors Qualification and Certification Form.

**Overcharges by Antitrust Violations**

The County maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the County any and all claims for such overcharges as to the goods or services used to fulfill the contract.

**Authority to Contract**

This contract shall be based upon the Invitation for Bid issued by the County and the offer submitted by the Contractor in response to the RFP. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the IFB. The county reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the County's Procurement Manager, shall be deemed non-responsive and the offer rejected. The contract shall contain the entire agreement between Gila County and the Contractor relating to these requirements and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreement in any form. The contract activity is issued under the authority of the Gila County Manager, after the Gila County Board of Supervisors approves the award. No alteration of any portion of the contract, any items or services awarded, or any other agreement that is based upon this contract may be made without express written approval of the Gila County Board of Supervisors in the form of an official contract amendment.

Any attempt to alter any documents on the part of the Contractor or any agency is a violation of the County Procurement Code. Any such action is subject to the legal and contractual remedies available to the County inclusive, but not limited to, contract cancellation, suspension and/or debarment of the Contractor.

**Contract Amendments**

The contract shall be modified only by a written contract amendment signed by the Gila County Board of Supervisors and persons duly authorized to enter into contracts on behalf of the Contractor.

**SOLICITATION NO. 040112-1****Contract Default**

- A. The County, by written notice of default to the Contractor, may terminate the whole or any part of this contract in any one of the following circumstances:
1. If the Contractor fails to make delivery of the supplies or to perform the services within the times specified; or
  2. If the Contractor fails to perform any of the other provisions of this contract; and fails to remedy the situation within a period of ten (10) days after receipt of notice.
- B. In the event the County terminates this contract in whole or part, the County may procure supplies or services similar to those terminated, and the Contractor shall be liable to the County for any excess costs for such similar supplies or services.

**Right to Assurance**

Whenever one party to this contract in good faith has reason to question the other party's intent to perform, the other party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation of this contract.

**Co-op Use of Contract – Intergovernmental Purchasing**

Gila County has entered into an active purchasing agreement with other political subdivisions, cities, and towns of the State of Arizona in order to conserve resources, reduce procurement costs and improve timely acquisition and cost of supplies, equipment and services. The vendor(s) to whom this contract is awarded may be requested by other parties of said interactive purchasing agreements to extend to those parties the right to purchase supplies, equipment and services provided by the vendor under this contract, pursuant to the terms and conditions stated herein. Any such usage by other entities must be in accord with the rules and regulations of the respective entity and the approval of the Contractor.

**Cancellation of County Contracts**

This contract is subject to the cancellation provisions of **A.R.S. §38-511**.

**Termination of Contract**

The County, with or without cause, may terminate this contract at any time by mutual written consent, or by giving **thirty (30) days** written notice to you. The County at its convenience, by written notice, may terminate this contract, in whole or in part. If this contract is terminated, the County shall be liable only for payment under the payment provisions of this contract for the services rendered and accepted material received by the County before the effective date of termination.

The County reserves the right to cancel the whole or any part of this contract due to failure of Contractor to carry out any term, promise, or condition of the contract. The County will issue a written ten (10) day notice of default to Contractor for acting or failing to act as in any of the following:

1. In the opinion of the County, Contractor fails to perform adequately the stipulations, conditions or services/specifications required in the contract.
2. In the opinion of the County, Contractor attempts to impose on the County material products, or workmanship, which is of unacceptable quality.

**SOLICITATION NO. 040112-1**

3. Contractor fails to furnish the required service and/or product within the time stipulated in the contract.
4. In the opinion of the County, Contractor fails to make progress in the performance of the requirements of the contract and/or give the County a positive indication that Contractor will not or cannot perform to the requirements of the contract.

Each payment obligation of the County created hereby is conditioned upon the availability of County, State and Federal funds, which are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the County and available for the continuance of service herein contemplated, the contract period for the service may be terminated by the County at the end of the period for which funds are available. The County shall notify the Contractor at the earliest possible time which service may be affected by a shortage of funds. No penalty shall accrue to the County in the event this provision is exercised, and the County shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

**Compensation and Method of Payment**

Gila County will pay the Contractor following the submission of itemized invoices for the materials requested. The County will not pay by Statement. No payment shall be issued prior to receipt of material or service. Each invoice must show the contract number, purchase order number, date of delivery, name and mailing address of Contractor.

**Payment of Taxes**

The Contractor shall be responsible for paying all applicable taxes.

1. **State and Local Transaction Privilege Taxes:** The County is subject to all applicable state and local transaction privilege taxes. Transaction Privilege taxes applying to the sale are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
2. **Tax Indemnification:** Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the County harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

**IRS W-9 Form**

In order to receive payment the Contractor shall have a current I.R.S. W-9 Form on file with the County, unless not required by law.

**Purchase Orders**

The Contractor shall, in accordance with all terms and conditions of the contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the County, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this contract.

**SOLICITATION NO. 040112-1****Force Majeure**

Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by governmental authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

Force Majeure shall not include the following occurrences:

- Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market.
- Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- Inability of either the contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract amendment for a period of time equal to the time that results or effects such delay prevent the delayed party from performing in accordance with the contract.
- Any delay or failure in performance by either party hereto shall not constitute default hereunder or given rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

**Warranties**

The Contractor warrants that the materials supplied under this contract are free of liens and shall remain free of liens.

**Arbitration**

The parties to this contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. §12-1518, except as may be required by other applicable statutes (Title 41).

**Contract Inception**

An Offer does not constitute a Contract nor does it confer any rights on the Offeror to award of a Contract. A Contract is not created until the Offer is accepted in writing by the Board of Supervisors on the offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the offer.

**SOLICITATION NO. 040112-1****SECTION 3  
SPECIAL TERMS AND CONDITIONS**

1. **Term of Contract**  
The term of the contract shall commence upon award and shall remain in effect for a period of twelve (12) months unless terminated, canceled or extended as otherwise provided herein.
2. **Contract Extension**  
The Contractor agrees that the County shall have the right, at its sole option, to renew the contract for two (2) additional one (1) year periods. In the event the County exercises such a right, all terms, conditions and provisions of the original contract shall remain the same and apply during the renewal period.
3. **Changes**  
The County reserves the right to revise the delivery schedule and make other changes within the general Scope of Work as may be deemed necessary to best serve the County. All changes shall be documented by formal amendments to the contract.
4. **Bid Evaluation**  
In accordance with A.R.S. §41-2533, Competitive Sealed Bidding, awards shall be made to the lowest responsible and responsive bidder whose bid conforms in all material respects to the requirements and criteria set forth in this Invitation of Bid.
5. **Invoicing**  
Separate invoices are required for each shipment of product. The contractor shall submit invoices to the Bill to Address listed on each purchase order document.

Each separate invoice shall include at a minimum.

- Description of items and listing of quantities
- Contractor Name and Address
- Date the items were purchased or delivered to the requested location
- Purchase Order and Contract Number
- Price per unit and total per unit
- Freight Charge (not combined with unit cost)
- Applicable taxes
- Total of invoice

All invoices must clearly outline: type of fuel, rack price, contracted price, (plus or minus rack), and applicable taxes.

Invoices not sent to the proper address, or not containing the necessary and required information may delay payment to the Contractor. A Contractor whose payments are delayed due to improper invoicing shall make no claim against the County for late or finance charges.

The County will make every effort to process payment for the purchase of product within thirty (30) calendar days after receipt by the Accounts Payable department. Delivery of the product to the County does not constitute acceptance, therefore, only the County invoice receipt date will be a valid date for starting the thirty (30) day payment period.

**SOLICITATION NO. 040112-1****6. Prompt Payment Discount**

Prompt payment discounts of thirty (30) days or more set forth in the Offer shall be deducted from the Offer for the purpose of evaluating that price. Refer to, Price Sheet, Attachment "C".

**7. Definitions**

- O.P.I.S.: A nationwide petroleum information system which monitors and reports fuel prices per gallon, and fluctuations thereto, at each terminal location, on a daily basis.
- O.P.I.S. Price: A fuel price per gallon as reported by O.P.I.S., DTN Energy or equivalent, for a specific terminal location, for a specific day.
- Rack Price: Same as O.P.I.S. Price, i.e., the price of fuel per gallon at a specific terminal location for a specific day.
- Terminal Location: The product distribution site where fuel is made available to the vendor for storage or resale purposes.

**8. Quantities**

Contractors specifically understand and agree that the quantities used for bidding purpose are estimates of County needs and in no event shall the County be obligated to purchase the exact quantities of any item set forth in the Bid. The County does not guarantee any maximum or minimum amounts of purchase. No commitment of any kind is made concerning quantities and that fact should be taken into consideration by each potential contractor.

**9. Price Reduction**

A price reduction may be offered at any time during the term of a contract and shall become effective upon notice.

**10. Price Proposal**

The contract price for gasoline and diesel fuel shall be the margin price (in cents, to a REQUIRED four decimal places) for each line item, to be added to, or subtracted from, the weekly average rack price for the type of fuel required, as published by the Oil Price Information Service (O.P.I.S.). The price published by O.P.I.S. each Monday shall be in effect for purchases through Saturday of that week. If O.P.I.S. does not publish a price for the type of fuel required in the current week, the most recent published price shall prevail.

Contract prices shall include all costs required to deliver and unload fuel into the requesting agency's AST storage tank.

No taxes are to be included in the contract prices. Applicable taxes are to be billed as a separate item on invoices.

The choice of O.P.I.S. rack (Arizona ) to be used as the contract pricing basis is to be identified on each line item and shall remain consistent for the life of the contract.

- **REGIONS:** Supplier must service all locations listed in the proposal.
  - Copper Region: Globe, Tonto Basin, Roosevelt
  - Timber Region: Payson, Young

**SOLICITATION NO. 040112-1**

Prices shall be in effect for the duration of the contract period at the unit prices bid, subject to the price adjustment in item no. 10. Negative margins are indicated with less than, more than symbols, or a minus dash. Supplier shall incorporate all freight, profit, and discount into their price. The exception will be any price reduction, which will be applied to the contract immediately upon the Supplier's or Gila County's discovery of any such price reduction.

**11. Price Adjustment**

The County may review a fully documented request for a price increase only after the contract has been in effect for twelve (12) months. Fully documented means that the request shall present detailed information and calculations that make it clear how the claimed increase has an impact on the contract unit price. All assumptions regarding cost factors that have an impact on the requested increase shall also be clearly identified and justified. The requested price increase must be based upon a cost increase that was clearly unpredictable at the time of the offer and can be shown to directly affect the price of the item concerned. Any price increase adjustment will only be made at the time of contract extension and will be a factor in the extension review process. The County will determine whether the requested price increase or an alternate option, is in the best interest of the County.

**12. Safety Standards**

All items and services supplied under this contract shall comply with the current applicable Occupational Safety and Health Standards of the State of Arizona Industrial Commission, the National Electric Code, the National Fire Protection Association Standards, and the Department of Environmental Quality.

**13. Ordering**

Gila County does not warrant the order quantity of any materials or services prior to actual need. Gila County's Fuel Management personnel may re-order fuels and lubricants as they become necessary to maintain optimum inventory levels based on the required needs for each site within the County.

**14. Delivery**

Prices shall be F.O.B. destination to the delivery location designated herein. Supplier shall retain title and control of all goods until they are delivered and the contract of coverage has been completed. All risks of transportation and all related charges shall be the responsibility of the Supplier. All claims for visible or concealed damage shall be filed by the Supplier.

The Board of Supervisors may designate other or alternate delivery sites at any time during the contract. These needs may be based on, but not limited to, seasonal, emergency, historical data.

**15. Warranty**

The Contractor warrants:

- That all services performed hereunder shall conform to the requirements of this contract and shall be performed by qualified personnel in accordance with the highest professional standards.
- That all items furnished hereunder shall conform to the requirements of this contract and shall be free from defects in design, materials and workmanship.

**SOLICITATION NO. 040112-1**

16. Multiple Award  
The County has ongoing requirements for the commodities specified in this solicitation. To provide adequate contract coverage for various locations, multiple awards may be made.
17. Vendor Registration  
Prior to issuance of a Purchase Order and subsequent payment, the Contractor shall have a completed W-9, Attachment "D" of Bid document, on file with the County Procurement Group. No payments shall be made until the form is on file.
18. Contract Administration  
For information regarding the General and Special Terms and Conditions referenced in the solicitation contact, Valrie Bejarano, (928)402-8612, for Product Specifications contact, Brent Cline, (928)402-8526.
19. Indemnification  
The Contractor agrees to indemnify and save harmless the County of Gila, its officers, agents and employees, and any jurisdiction or agency issuing permits for any work included in the project, their officers, agents and employees, hereinafter referred to as indemnitee, from all suits and claims, including attorney's fees and cost of litigation, actions, loss, damage, expense, cost or claims of any character or any nature arising out of the work done in fulfillment of the terms of this Contract or on account of any act, claim or amount arising or recovered under workers' compensation law or arising out of the failure of the Contractor to conform to any statutes, ordinances, regulation, law or court decree. It is agreed that the Contractor will be responsible for primary loss investigation, defense and judgment costs where this contract of indemnity applies. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.
20. Insurance Requirements  
**The Contractor shall furnish Certificate(s) of Insurance to the County within three (3) calendar days of notification of award and prior to all contract extensions.**

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract.

The County in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, his agents, representatives, employees, or subcontractors. Contractor is free to purchase such additional insurance as may be determined necessary.

**SOLICITATION NO. 040112-1****A. MINIMUM SCOPE AND LIMITS OF INSURANCE - Contractor shall provide coverage with limits of liability not less than those stated below:****1. Commercial General Liability – Occurrence Form**

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

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

The policy shall be endorsed to include the following additional insured language: "The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

**2. Automobile Liability**

Bodily injury and property damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

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

- a. The policy shall be endorsed to include the following additional insured language: "The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor, including automobiles owned, leased, hired or borrowed by the Contractor".

**3. Worker's Compensation and Employers' Liability**

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

- a. Policy shall contain a **waiver of subrogation** against the County of Gila.

**B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:**

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

**C. NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to the **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ**, and shall be sent by certified mail, return receipt requested.**

**SOLICITATION NO. 040112-1**

- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to the **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ**. The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

21. **Licenses, Permits, Certifications, Fees**

Contractor shall at their own expense, possess or obtain, and retain in force without any violations, complaints, or suspension during the term of the contract, all licenses, permits, certifications, or fees, which are required by law. They shall comply with all federal, state, local and tribal laws, statutes, ordinances, rules, and regulations and the acts, codes, orders, and decrees of any administrative bodies, councils, or tribunals in any manner affecting the performance of the contracted services herein.

**SOLICITATION NO. 040112-1****SECTION 4  
INSTRUCTIONS TO SUBMITTERS**

**IMPORTANT:** SECTION 4, INSTRUCTIONS TO CONTRACTORS AND SECTION 2, CONTRACTORS AWARD AGREEMENT ARE BASIC CONTENT TO GILA COUNTY BID PACKAGES. INDIVIDUAL BIDS MAY REQUIRE DIFFERENT LANGUAGE FOR INSTRUCTIONS AND AWARD AGREEMENTS. WHERE APPLICABLE, SUCH CHANGES WILL APPEAR IN SECTION 1, PRODUCT SPECIFICATIONS AND INFORMATION AND TAKE PRECEDENCE OVER THE LANGUAGE APPEARING IN SECTIONS 4 AND 2.

**Preparation of Bid**

- A. Sealed Bids will be received by the County Purchasing Department, from individuals and Contractors to deliver the product(s), goods and services contained to establish a contract for specified locations within Gila County. The County seeks sealed offers only from qualified, experienced Contractors able to provide service which is, in all respects, responsive to the specifications. All offers shall be on the forms provided in this Invitation for Bid package. It is permissible to copy these forms if required.
- B. Before submitting its Bid each Contractor shall familiarize itself with the Scope of Work, and laws, regulations and other factors affecting performance of work. It shall carefully correlate its observations with requirements of the Contract and otherwise satisfy itself of the expense and difficulties attending the performance of the work. The submission of an Offer will constitute a representation of compliance by the Contractor. There will be no subsequent financial adjustment, other than that provided for by the Contract, for lack of such familiarization.
- C. Contractors must complete the Attached Forms provided in this Invitation for Bid package in full, **original signature** in ink, by the person(s) authorized to sign the forms and to be submitted at the time of Bid opening, and made a part of this contract. The County will use the Attached Forms in evaluating the capacity of contractors to perform the Scope of Services as set forth in the Contract. Failure of any contractor to complete and submit the Price Sheet and the Offer and Contract Award Pages at time and place of opening shall be grounds for automatic disqualification of contractor from further consideration.
- D. The names of all persons authorized to sign the bid must also be legibly printed below the signature. Evidence of the authority of the person signing shall be furnished.
- E. The full name of each person or company interested in the Bid shall be listed on the offer.
- F. No alterations in Bids, or in the printed forms therefore, by erasures, interpolations, or otherwise will be acceptable unless each such alteration is signed or initialed by the Contractor; if initialed, the County may require the Contractor to identify any alteration so initialed.

**Amendments**

Any addendum issued as a result of any change in this Invitation for Bid must be acknowledged on the Contractor Check List and Addenda Acknowledgment Form, Attachment "G".

**SOLICITATION NO. 040112-1**

Failure to indicate receipt of addenda in one of the above manners may result in a Bid being rejected as non-responsive.

**Inquires**

- A. Any questions related to this Invitation for Bid must be directed to those whose names appear on the Notice. Questions should be submitted in writing when time permits. The Gila County Supervisors, at their sole discretion, may require all questions be submitted in writing. Any correspondence related to the Invitation for Bid should refer to the appropriate page and paragraph number. However, the Contractor(s) must not place the Invitation for Bid number on the outside of an envelope containing questions since such an envelope may be identified as a Sealed Bid and may not be opened until after the official Invitation for Bid due date and time. Questions received less than three (3) working days prior to the date for opening Bids will be answered only if time permits. Only questions answered by formal written addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.
- B. Bid results **ARE NOT** provided in response to telephone inquires'. Bidder must be present at bid opening for results. A tabulation of offers received is on file in the Gila County Board of Supervisors and Procurement offices and available for review after contract award.

**Offer Acceptance Period**

An Offeror submitting an Offer under this solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the solicitation. If the solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be on hundred twenty (120). If a best and final offer is requested pursuant to a request for proposals, an Offeror shall hold its Offer open for one hundred twenty (120) days from the best and final offer due date.

**Late Offers**

Globe is considered a "rural" area by many express delivery carriers and thus, they do not guarantee priority delivery (next day). Offerors are encouraged to keep this in mind when arranging delivery of their proposals and are advised herein that late proposals shall be rejected and returned to the bidder regardless of reason for being late. Any Bid received later than the date and time specified on notice for Sealed Bid shall not be considered.

**Contract****Submittal Bid Format**

**It is requested that One (1) Original and One (1) Copy (2 TOTAL), Original Signatures on all copies, of the Attached Forms, shall be submitted in the format specified in the Invitation for Bid.** The County will not be liable for any cost incident to the preparation of offers, materials, reproductions, presentations, copy-right infringements, etc. It is permissible to copy these forms if required. Facsimiles or mailgrams shall not be considered.

1. By signature in the Offer Section of the Offer and Contract Award Form, contractor certifies:
  - A. The submission of the offer did not involve collusion or other anti-competitive practices.
  - B. The contractor has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer.

**SOLICITATION NO. 040112-1**

- C. In order to conserve resources, reduce procurement costs, improve timely acquisition and cost of supplies and to improve efficiency and economy of procurement, any political subdivision, Stated, County, City, Town, etc., of the State of Arizona, will be allowed by Contractor awarded the contract to purchase the same products, goods and services, at the same prices stated in the Bid. Delivery charges may differentiate depending on geographical location.
2. Offers submitted early may be modified or withdrawn by notice to the party receiving offers at the place and prior to the time designated for receipts of offers.
  3. The County is not responsible for any Contractor's errors or omissions. Negligence in preparing an offer confers no right to the Contractor unless the Contractor discovers and corrects such errors prior to Bid deadline.

**REQUIRED ATTACHMENTS:****Offer and Contract Award**

Complete and submit all information requested on Attachment "A".

**Arizona State Transaction Privilege Tax License Number:** Please indicate your Arizona State Transaction Privilege Tax License Number on the Offer and Contract Award, Attachment "A".

- If you have indicated an Arizona State Transaction Privilege Tax License Number, you are authorized to do business in the State of Arizona and are responsible to pay taxes directly to the Department of Revenue (DOR).
- If you do not indicate an Arizona State Transaction Privilege Tax License Number, you will be considered an out-of-state vendor with no presence in the State of Arizona.

**Qualification and Certification**

Complete and submit all information requested on Attachment "B".

**Price Sheet**

Complete and submit all information requested on Attachment "C".

Do not add additional comments to the price sheet. Any additional comments may deem the bidder non-responsive.

**References**

Complete and submit all information requested on Attachment "D".

**I.R.S. W-9**

Complete and submit all information requested on Attachment "E".

In order to receive payment vendors must have a current W-9 form filed with Gila County, unless not required by law.

**Non-Collusion Affidavit**

Complete and submit all information requested on Attachment "F".

**Intentions Concerning Subcontracting**

Complete and submit all information requested on Attachment "G".

Gila County

1400 E. Ash St.  
Globe, Arizona 85501

(928)425-3231

**SOLICITATION NO. 040112-1**

**Legal Arizona Workers Act Compliance**

Complete and submit Attachment "H".

**Checklist and Addenda Acknowledgment**

Complete and submit all information requested on Attachment "I".

All addendum(s) received concerning the solicitation must be acknowledged on this form.

**Bid Submission**

Offers shall be submitted in a sealed envelope, a *minimum of Two (2) copies, all with original signatures* shall be provided by the Contractor.

The words "INVITATION FOR BID" with Bid Title "BULK FUEL & LUBRICANTS", Bid No., "040112-1", Date "MAY 18, 2012", and Time "3:00 PM" of Bid opening shall be written on the envelope.

The Contractor shall assume full responsibility for timely delivery at the location designated in the Notice.

ATTACHMENT "A"

OFFER AND CONTRACT AWARD



Gila County  
1400 E. Ash Street  
Globe, Arizona 85501  
(928)424-3236

Board of Supervisors

Tommie C. Martin, District I  
Michael A. Pastor, District II  
Shirley L. Dawson, District III

SOLICITATION NO. 040112-1

OFFER

TO GILA COUNTY:

The bidder hereby offers and agrees to perform in compliance with all terms, conditions, specifications, and amendments of this solicitation and any written exceptions in the offer. Signature also acknowledges receipt of all pages indicated in the Table of Contents.

Arizona State Transaction Privilege Tax License Number

No.: 07 168188-J

Federal Employer Identification

No.: 86-0295160

For clarification of this offer, contact:

STEVE TOUBOE

Printed Name

STEVE@WESTERNSTATESPETROLEUM.COM

Email Address

WESTERNSTATESPETROLEUM.COM

Company Email Address

WESTERN STATES PETROLEUM INC.

Offeror's (Company) Name

450 SO 15TH AVE

Address

PHOENIX AZ 85007

City

State

Zip

602-252-4011

Phone

602-340-9621

Facsimile

[Signature]

Signature of Person Authorized to Sign Offer

STEVE L TOUBOE 5/16/12

Printed Name

Date

SALES MANAGER

Title

In accordance with A.R.S. §35-397, the offeror hereby certifies that the offeror does not have scrutinized business operations in Iran and Sudan and are in compliance with the Export Administration Act and not on the Excluded Parties List.

ACCEPTANCE OF OFFER AND CONTRACT AWARD (FOR COUNTY USE ONLY)

Your bid is hereby accepted.

The contractor is now bound to perform based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the contractor's bid as accepted by the county.

This contract shall henceforth be referred to as Contract No. 040112-1

The contractor is hereby cautioned not to commence any billable work or provide any material, service or construction under this contract until contractor receives a purchase order document.

GILA COUNTY BOARD OF SUPERVISORS:

[Signature]  
Tommie C. Martin, Chairman, Board of Supervisors

Date: 6/26/12

ATTEST:

[Signature]  
Marian Sheppard, Chief Deputy Clerk of the Board

APPROVED AS TO FORM:

[Signature]  
Bryan B. Chambers, Chief Deputy County Attorney  
for Daisy Flores, County Attorney

ATTACHMENT "B"

QUALIFICATION & CERTIFICATION FORM

Gila County  
1400 East Ash Street  
Globe, Arizona 85501

SOLICITATION NO. 040112-1

**Purpose**

This exhibit shall serve as a requirement to enable the evaluation team to assess the qualifications of Contractors under consideration for final award. The information may or may not be a determining factor in award.

**Bulk Fuel & Lubricant**

The Contractor submitting this Bid warrants the following:

1. Name, Address, and Telephone Number of Principal Contractor:  
WESTERN STATES PETROLEUM, INC.  
450 50 15<sup>TH</sup> AVE PHOENIX, AZ. 85007  
602-252-4011
2. Had Contractor (under its present or any previous name) ever failed to complete a contract? \_\_\_\_\_ Yes  No. If "Yes", give details, including the date, the contracting agency, and the reasons Contractor failed to perform in the narrative part of this Contract.
3. Has Contractor (under its present or any previous name) ever been disbarred or prohibited from competing for a contract? \_\_\_\_\_ Yes  No. If "Yes", give details, including the date, the contracting agency, the reasons for the Contractors disqualification, and whether this disqualification remains in effect in the narrative part of this Contract.
4. Has a contracting agency ever terminated a contract with the Contractor prior to contract expiration (under your firm's present or any previous name)? \_\_\_\_\_ Yes  No. If "Yes", give details including the date, the contracting agency, and the reasons Contractor was terminated in the narrative part of this Contract.
5. Contractor Experience Modifier (e-mod) Rating in Arizona: \_\_\_\_\_ (If Applicable)  
A method the National Council on Compensation Insurance (NCCI) uses to measure a business' computed loss ratio and determine a factor, which when multiplied by premium, can reward policyholders with lower losses. E-mod rate may be a determining factor in bid award.
6. Current Arizona Contractor License Number: \_\_\_\_\_ (If Applicable)

Steve L Tolbor  
(If Applicable)  
Signature of Authorized Representative  
STEVE L TOLBOR  
Printed Name  
SALES MANAGER  
Title

Name: WESTERN STATES PETROLEUM INC Number: \_\_\_\_\_

**LUBRICANTS**

Metered Products	Price Per Gallon
Crank Lubricants (15/40) <u>WSP AF 15/40</u>	<u>\$9.94</u>
HT4-30 <u>LSUP 30</u>	<u>\$11.48</u>
HT4-50 <u>WMSA SA 450</u>	<u>\$13.25</u>
Gear Lube 80W - 90W <u>400/1LB</u>	<u>\$2.71 per LB</u>
ATF (Dexron 3) <u>WSP SUP 43 ATF</u>	<u>\$8.50</u>
ATR/HYD 560	<u>\$9.08</u>
Antifreeze LLC Extended Life (Pink)	<u>\$14.47</u>
Antifreeze Standard (Green)	<u>\$9.37</u>
<b>Non-Metered Products</b>	
Moly 7% - Moly Chassis Lube <u>WSP 100 MOLY 590 EP 2 120LB</u>	<u>\$4.50 per LB</u>
Solvent - 315 Solvent <u>360 SOLVENT</u>	<u>\$6.35</u>

Sales Tax, State of: ARIZONA  
Written Name of State

& City of: PHOENIX  
Written Name of City

Please indicate your tax status below, if applicable:

- Out-of-State vendor with a presence in Arizona
- Out-of-State vendor without a presence in Arizona

WESTERN STATES PETROLEUM, INC  
Company Name

[Signature]  
Company Representative

If payment is made within 0 days after receipt of goods or services, the above quoted price can be discounted by 0 %.

**ATTACHMENT "C"**

**PRICE SHEET**

Gila County  
1400 East Ash Street  
Globe, Arizona 85501

**SOLICITATION NO. 040112-1**

Contractor Name: WESTERN STATES PETROLEUM INC Number: \_\_\_\_\_

Indicate choice of O.P.I.S. Rack Location:  
(Location shall remain consistent for the life of the contract)

Phoenix       Tucson

**BULK FUEL**

*CMS Diesel*

Tank Location	O.P.I.S. Rack Price	Regular Unleaded Gas Unit Price	Diesel Unit Price	Delivery Charge to Location	Total Price for Fuel and Delivery	
<b>Copper Region</b>						
Globe Shop 1001 Besich Blvd., Globe	0750	3.302	3.003	.0500	3.427	3.128
Courthouse 1400 E. Ash St., Globe	0750	3.302	3.003	.0500	3.427	3.128
Tonto Basin Maintenance Yard 127 S. Old Hwy 188, Tonto Basin	0750	3.302	3.003	.1200	3.497	3.198
<b>Timber Region</b>						
Payson Maintenance Yard 5324 E. Hwy 260, Payson	0750	3.302	3.003	.0520	3.429	3.130
Young Maintenance Yard Hwy 288 Milepost 305, Young	0450	3.302	3.003	.1760	3.553	3.254

No Taxes are to be included in the price.  
Prices shall include all costs required to deliver and unload fuel at the requested location.

**DELIVERY**

	YES ✓	NO ✓
Contractor agrees to provide service to all locations listed in proposal.	✓	

ATTACHMENT "D"

REFERENCES

Gila County  
1400 East Ash Street  
Globe, Arizona 85501

SOLICITATION NO. 040112-1

These references are required to enable the evaluation team to assess the qualifications of the Contractor under consideration for final award. The information may be a determining factor in award.

Please list a minimum of three (3) organizations for which your company has provided services of similar size and scope within the past 12 months.

1. Company: CITY OF AVONDALE  
Contact: STEVE WELLS  
Phone: 623-932-4290  
Address: 4800 S DYSART ROAD, AVONDALE

2. Company: CITY OF SCOTTSDALE  
Contact: TERE  
Phone: 480-312-5721  
Address: 9191 EA SAN SALVADORE DRIVE

3. Company: CITY OF COOLIDGE  
Contact: ROBERT FIATLEY  
Phone: 520-723-7910  
Address: 395 W PALO VERDE RD COOLIDGE

WESTERN STATES PETROLEUM, INC.

Company Name

[Signature]  
Signature of Authorized Representative

SALES MANAGER  
Title

ATTACHMENT "F"

NON-COLLUSION AFFIDAVIT

Gila County  
1400 East Ash Street  
Globe, Arizona 85501

SOLICITATION NO. 040112-1

NON-COLLUSION AFFIDAVIT

STATE OF ARIZONA )  
 )ss  
COUNTY OF: Maricopa )

STEVE TOLBOE

(Affiant)

the

SALES MANAGER

of

Western States Petroleum, Inc.

(Contractor)

and

the persons, corporation, or company who makes the accompanying Proposal, having first been duly sworn, deposes and says:

That such Proposal is genuine and not a sham or collusive, not made in the interest or behalf of any person not herein named, and that the Bidder, has not directly or indirectly induced or solicited any other Bidder to put in a sham bid, or any other person, firm, or corporation to refrain from bidding, and that the Bidder has not in any manner sought by collusion to secure for itself an advantage over any other Bidder.

[Signature]  
(Signature)  
SALES MANAGER  
(Title)

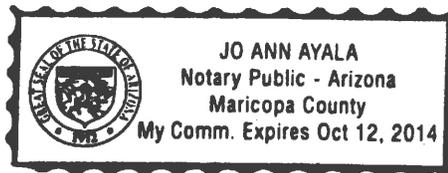
Subscribed and sworn before me this

17 Day of May, 2012

Signature of Notary Public in and for

the County of Maricopa

State of Arizona



ATTACHMENT "G"

**INTENTIONS CONCERNING SUBCONTRACTING**

Gila County  
1400 East Ash Street  
Globe, Arizona 85501

**SOLICITATION NO. 040112-1**

At the time of submission of bids for Invitation for Bid No. 040112-1 Bulk Fuel & Lubricants, my intention concerning subcontracting a portion of the work is as indicated below.

In indicating that it is my intention to subcontract a portion of the work, this will acknowledge that such subcontractors will be identified and approved by the County prior to award of the contract; and that documentation, such as copies of letters, requests for quotations, quotations, etc., substantiating the actions taken and the responses to such actions is on file and available for review.

A list of any subcontractors (if applicable) to be used in performing the service must accompany the Bid. The list must include the subcontractors name, address, phone number, and ROC number.

- It is my intention to subcontract a portion of the work.
- It is not my intention to subcontract a portion of the work.

WESTERN STATES PETROLEUM INC

Name of Firm

[Handwritten Signature]

By: (Signature)

SALES MANAGER

Title

ATTACHMENT "H"

**LEGAL ARIZONA WORKERS ACT COMPLIANCE**

Gila County  
1400 East Ash Street  
Globe, Arizona 85501

**SOLICITATION NO. 040112-1**

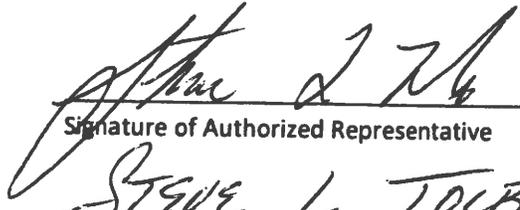
Firm hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Firm shall further ensure that each subcontractor who performs any work for Firm under this contract likewise complies with the State and Federal Immigration Laws.

Gila County shall have the right at any time to inspect the books and records of Firm and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Firm's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Firm to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Firm shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, (subject to County approval if MWBE preferences apply) as soon as possible so as not to delay project completion.

Firm shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Firm. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Firm's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Firm shall be entitled to an extension of time, but not costs.

  
Signature of Authorized Representative

STEVE L TOUBOE  
Printed Name

SALES MANAGER  
Title

**ATTACHMENT "I"**

**CHECKLIST AND ADDENDA ACKNOWLEDGEMENT**

Gila County  
1400 East Ash Street  
Globe, Arizona 85501

**SOLICITATION NO. 040112-1**

**NOTICE IS HEREBY GIVEN** that all Bid Documents shall be completed and/or executed and submitted with this Invitation for Bid. If Contractor fails to complete and/or execute any portion of the Bid Documents, this IFB will be determined to be "non-responsive" and rejected.

**CHECKLIST:**

**REQUIRED DOCUMENT**

**COMPLETED / EXECUTED**

Offer & Contract Award (attachment A)	✓
Qualification & Certification Form (attachment B)	✓
Price Sheet (attachment C)	✓
References (attachment D)	✓
IRS W-9 Form (attachment E)	✓
Non-Collusion Affidavit (attachment F)	✓
Intentions Concerning Subcontractors (attachment G)	✓
Legal Arizona Works Act Compliance (attachment H)	✓

**ACKNOWLEDGMENT OF RECEIPT OF ADDENDA:**

	#1	#2	#3	#4	#5
Initials	<u>ST</u>	<u>ST</u>	_____	_____	_____
Date	<u>5/14</u>	<u>5/15</u>	_____	_____	_____

Signed and dated this 16<sup>th</sup> day of MAY, 2012

WESTERN STATES PETROLEUM, INC.  
CONTRACTOR:  
STEVE TOCBOC  
BY:

Each proposal shall be sealed in an envelope addressed to the Gila County Procurement Group and bear the following statement on the outside of the envelope: Offeror Name, Bid No. 040112-1 Bulk Fuel & Lubricants, Date 5-18-12, 3:00 pm. All bids shall be filed with the Gila County Procurement Group at 1400 E. Ash St., Globe, AZ, on or before May 18, 2012, 3:00 PM.



## **AMENDMENT NO. 1**

The following amendments are hereby incorporated into the bid documents for the below stated project:

May 14, 2012

### **Invitation for Bids No. 040112-1 Bulk Fuel and Lubricants**

#### **Changes to Bid Document/Clarifications**

**Item No. 16, Multiple Award, page 14, of the bid documents has been removed:**

**16. Multiple Award**

~~The County has ongoing requirements for the commodities specified in this solicitation. To provide adequate contract coverage for various locations, multiple awards may be made.~~

**Item No. 10, Price Proposal, page 12, paragraph 4, of the bid documents has been revised as follows:**

10. The choice of O.P.I.S. rack (Arizona ~~or New Mexico~~) to be used as the contract pricing basis is to be identified on teach line item and shall remain consistent for the life of the contract.

**Page 2, item no. 1, additional information *added*:**

It is the intent of this Invitation for Bids to establish a contract with a qualified contractor to purchase and deliver Bulk Fuel and Lubricants for Gila County. *The awarded Contractor shall supply both bulk fuel and lubricants and deliver to all locations in the bid documents.*

-----

#### **Questions/Answers**

1. Can you do better than 30 days for payment terms, i.e. Net 10 or Net 15?  
The County pays at net 30 for goods/products unless the offeror will supply a discount for a net 10 or 15. See Attachment C of bid forms, Price Sheet, page 2, and bid documents page 12, item #6, Prompt Payment Discount.
2. Have any addendums been released for this bid?  
No
3. Will you accept up to 5% bio diesel in your diesel fuel?  
No bio fuel, straight fuel.
4. Are you requesting Reformulated Gasoline or is just 10% ethanol ok?  
Regular Unleaded Fuel with no blends.

5. From the invoices, which location is the Globe Yard?  
The Globe Shop is a new yard that has just recently opened.
6. There are gas and diesel invoices for the Globe Shop but the usage for them on page 3 is zero. Is this an error?  
The Globe Shop is a new yard that has just recently opened. There is no past usage report to supply.
7. You asked for OPIS Rack (Arizona or New Mexico) on page 12 section 10. On the price sheet "Attachment C" under indicate choice of OPIS rack location, you ask for Phoenix or Tucson. Can you clarify the choice the bidder makes?  
Please see changes to bid document/clarification information above in Addenda #1.
8. When is the award date?  
Before the end of June.
9. When is the first board meeting after the opening?  
June 5, 2012, but there is no guarantee the request to award will go to the Board at that time.
10. Will the decision be made before or at the board meeting?  
The recommendation to award will be presented at the Board meeting and reviewed by the Board.
11. What are the delivery hours?  
7:00 am to 4:00 pm, Monday through Friday
12. Can we please have a list of bidders invited to submit a proposal?  
List attached to Addendum.
13. What information will you be reading out loud at the bid opening?  
Name of bidder and proposed bid amounts.
14. Can deliveries be split between locations?  
If capacity is available.
15. Will a firm fixed price be considered? If not, why?  
Only those that respond to what is requested in the bid documents will be considered.

16. If we were to insert any conditions into our alternate firm fixed bid, would they be taken into consideration or rejected? Sample attached, please indicate which clauses would be acceptable and which clause would be cause for ejection?  
See item #15.
17. Will you split the award by tank wagon and transport?  
Must bid all locations, delivery method is determined by supplier.
18. How many consecutive years has the current vendor been awarded?  
Two consecutive bids.
19. Do you consider common carriers to be subcontractors?  
Yes
20. If we do not attend the bid opening when can we receive a copy of the bid tabulations  
Once awarded by the Board of Supervisors the bid tabulation information is posted on the Gila County web site; [www.gilacountyaz.gov](http://www.gilacountyaz.gov).  
Refer to bid documents page 18, Item B, Inquires.
21. If we attend the bid opening, will we be able to review other submitted bids?  
Each bidder's proposal is read aloud to all in attendance at the opening but the proposals are not available for review until after award.
22. When will we know who the low bidder is?  
If you attend the bid opening you will know at that time, otherwise the information is not posted again until awarded by the Board of Supervisors.  
Refer to bid documents page 18, Item B, Inquires.



## **ADDENDUM NO. 2**

The following amendments are hereby incorporated into the bid documents for the below stated project:

May 15, 2012

### **Invitation for Bids No. 040112-1 Bulk Fuel and Lubricants**

#### **Questions/Answers**

##### ***Clarification to question no. 16 in addendum #1.***

1. If we were to insert any conditions into our alternate firm fixed bid, would they be taken into consideration or rejected? Sample attached, please indicate which clauses would be acceptable and which clause would be cause for ejection?

##### **Attachment:**

- 1) Payment terms will be Net 30 days with no discount.
- 2) Petroleum Traders Corporation reserves the right to adjust our submitted firm prices with the current NYMEX settlement until the date a written receipt of award or the intent to award is received. Your letter of intent is considered a binding commitment to purchase these gallons. If no contract can be made until a board approves, then the gallonage and price protection cannot begin until we have a signed contract. Notice may be faxed or emailed.
- 3) Any notice of award or intent to award received must include a firm commitment to a specific amount of gallons for each product to be purchased at the firm fixed price awarded during the contract. Any additional gallons purchased over or in addition to the contracted volume will be priced at a negotiated rate prior to delivery. Any unused contract gallons will be billed to you if there is a loss in the underlying futures contracts. As an example, if Petroleum Traders Corporation purchased futures contracts at \$2.5000 per gallon for the specified product and month and a year later the price of these futures is \$2.4000 per gallon, then if you did not use all of your contract gallons, you would be billed \$.1000 per gallon times the number of unused gallons.
- 4) Contract cannot be terminated for convenience.
- 5) Any extension of this contract beyond the original contract period for the firm fixed pricing format will be by mutual agreement only.
- 6) This response to your bid invitation is given with the understanding that our exceptions/clauses contained herein shall prevail over any bid invitation conflicting requirements.

##### **Response:**

- 1) Gila County is net 30 for tangible goods and products.
- 2) Proposal would be rejected.
- 3) Proposal would be rejected.
- 4) Proposal would be rejected.
- 5) Gila County extends contracts only upon mutual agreements of both parties but this contract would be for indexed price not a firm fixed price.
- 6) Proposal would be rejected.



**AMENDMENT NO. 1**

The following amendments are hereby incorporated into the contract documents for the below stated project:

**CONTRACT NO. 040112-1  
BULK FUEL AND LUBRICANTS**

Effective June 26, 2012, Gila County and Western States Petroleum entered into a contract whereby Western States Petroleum agreed to provide Bulk Fuel and Lubricants to Gila County for a term of 12 months ending June 25, 2013.

Currently the Fleet/Fuel Department uses the 15/40 crankcase lubricant in county vehicles. It has been found that the 15/40, which is a thicker lubricant, will not allow vehicles newer than 2010 with dual overhead cams to perform properly. The cam shaft sensor cannot pick up the reading when using the thicker lubricant. The 5/20 crankcase semi-synthetic lubricant is thinner and will allow the cam shaft sensor in the newer vehicles the ability to run at their full potential.

Amendment No. 1 to the contract will add the 5/20 crankcase semi-synthetic lubricant to the contract at a price of \$8.41 per gallon. The estimated required amount for the term of the contract will be 1,375 gallons at a cost of \$11,563.75.

All other terms and conditions of the original contract shall remain the same and in full effect for the term of the contract.

IN WITNESS WHEREOF, two (2) identical counterparts of amendment no. 1 to contract 040112-1, each which shall include original signatures and for all purposes be deemed a original thereof, have been duly executed by the parties hereinabove named, on this 18th day of September, 2012.

**GILA COUNTY**

Tommie C. Martin  
Tommie C. Martin, Chairman

**WESTERN STATE PETROLEUM**

Steve Tolboe  
Steve Tolboe, Sales Manager

Date: 8/20/12

**ATTEST**

Marian Sheppard  
Marian Sheppard, Chief Deputy Clerk of the Board

**APPROVED AS TO FORM**

Bryan B. Chambers  
Bryan B. Chambers, Chief Deputy County Attorney



## **AMENDMENT NO. 2**

The following amendments are hereby incorporated into the contract documents for the below stated project:

---

### **CONTRACT 040112-1 BULK FUEL AND LUBRICANTS**

### **WESTERN STATES PETROLEUM**

Effective June 26, 2012, Gila County and Western States Petroleum entered into a contract whereby Western States Petroleum agreed to provide Bulk Fuel and Lubricants to Gila County for a term of twelve (12) months, ending June 25, 2013.

The contract expires June 25, 2013. Per Section 3.2 – Contract Extension, of the contract, the County shall have the right, at its sole option, to renew the contract for two (2) additional one (1) year periods. The parties hereby agree to exercise this option and agree to extend the contract term for one (1) year from June 26, 2013, to June 25, 2014.

Per Section 3.11, Special Terms and Conditions - Price Adjustment, "The County may review a fully documented request for a price increase only after the contract has been in effect for twelve (12) months. Fully documented means that the request shall present detailed information and calculations that make it clear how the claimed increase has an impact on the contract unit price. All assumptions regarding cost factors that have an impact on the requested increase shall also be clearly identified and justified. The requested price increase must be based upon a cost increase that was clearly unpredictable at the time of the offer and can be shown to directly affect the price of the item concerned. Any price adjustment will only be made at the time of contract extension and will be a factor in the extension review process. The County will determine whether the requested price increase or an alternate option, is in the best interest of the County".

Western States Petroleum is requesting a six percent price increase on the Lubricants (only) portion of the contract. Gila County has reviewed this fully documented request and determines that it is in the best interests of the County. Western States Petroleum price increase on the Lubricants portion of the contract is identified by "Attachment A to Amendment No. 2 to Contract 040112-1".

Amendment No. 1 was executed on August 20, 2012 to add 5/20 crankcase semi-synthetic lubricant to the contract at a price of \$8.41 per gallon.

Amendment No. 2 will extend the term of the contract for one (1) year, from June 26, 2013 to June 25, 2014; and allow increases in the price of Lubricants in amounts not to exceed six percent (6%) as substantiated by written proof of the specific product and percentage increase on each product from Western States Petroleum supplier (s).

Contractor will continue to bill for services pursuant to Attachment "C" Price Sheet of the original contract, but in no event shall charges for the June 26, 2013 to June 25, 2014 extension exceed \$800,000.00 without prior written agreement of the County.

All other terms and conditions of the original agreement shall remain in full force and affect during the term of the contract.

IN WITNESS WHEREOF, three (3) identical counterparts of this amendment, each which shall include original signatures and for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

**GILA COUNTY**

**BOARD OF SUPERVISORS**

\_\_\_\_\_  
Michael A. Pastor, Chairman Board of Supervisors

**ATTEST**

\_\_\_\_\_  
Marian Sheppard, Clerk

**APPROVED AS TO FORM**

\_\_\_\_\_  
Bryan B. Chambers, Deputy Attorney Principal  
for Bradley D. Beauchamp, County Attorney

**CONTRACTOR**

**WESTERN STATES PETROLEUM**

Peter D. Stevens  
Authorized Signature

PETER SIVERS  
Print Name

**Attachment "A" to Amendment No. 2 to Contract 040112-1**

Contractor Name: Western States Petroleum Number: \_\_\_\_\_

**LUBRICANTS**

Metered Products	Price Per Gallon
Crank Lubricants (15/40) <u>WSR 15/40</u>	<u>\$ 10.59</u>
HT4-30 <u>CSP 30</u>	<u>\$ 12.21</u>
HT4-50 <u>LISA 50</u>	<u>\$ 14.07</u>
Gear Lube 80W - 90W <u>400 15</u>	<u>\$ 2.87 16</u>
ATF (Dexron 3) <u>Super 3</u>	<u>\$ 9.08</u>
ATR/HYD 560	<u>\$ 8.64</u>
Antifreeze LLC Extended Life (Pink)	<u>\$ 15.35</u>
Antifreeze Standard (Green)	<u>\$ 9.99</u>
<b>Non-Metered Products</b>	
Moly 7% - Moly Chassis Lube <u>596 moly</u>	<u>\$ 4.77 15</u>
Solvent - 315 Solvent <u>360</u>	<u>\$ 6.82</u>

Sales Tax, State of: Arizona  
Written Name of State

& City of: Phoenix  
Written Name of City

Please indicate your tax status below, if applicable:

- Out-of-State vendor with a presence in Arizona
- Out-of-Sate vendor without a presence in Arizona

Western States Petroleum  
 Company Name

Peter D. Stumm  
 Company Representative

If payment is made within 0 days after receipt of goods or services, the above quoted price can be discounted by 0 %.



Shell Lubricants - US  
PO Box 4427  
Houston, TX 77210-4427

March 11<sup>th</sup>, 2013.

Dear Valued Customer:

In the coming weeks, SOPUS Products will implement a price increase. This letter provides a summary of the details.

Prices will generally increase up to 4% with an effective date of April 15<sup>th</sup>. In certain instances, the effective date of change and the amount of the price change for specific products may be at a later date and/or an amount outside of this range. This adjustment is due in part to increasing costs of raw materials used in the production and delivery of our products.

SOPUS Products maintains the right to limit or allocate customer purchase quantities to the SKU level at our discretion to ensure equal supply opportunity across our customer base. SOPUS Products also reserves the right to cancel any orders exceeding **110%** of the customer's monthly average over the last twelve months. This applies to orders placed from March 11<sup>th</sup>, 2013 up to the date of the increase. To ensure timely delivery, large order quantities placed just prior to the price increase implementation date are strongly discouraged.

Please note:

- Orders received after the standard order cutoff time (4pm local customer time) on April 15<sup>th</sup> will receive the new pricing.
- Orders must be for immediate shipment and confirmed for shipment to be valid. The requested delivery date cannot exceed the normal lead-time for any item on the order.
- Further, please be advised that acceptance of a purchase order will be effective upon all of the following conditions being met: 1) assignment of a reference number by SOPUS Products; 2) availability and shipment of product; and 3) issuance of a bill of lading or shipping notification evidencing shipment of product. Invoicing price is the price in effect at the time of order.

Your SOPUS Products sales representative will be contacting you shortly to personally discuss details of this price increase with you. We thank you for your continued business and support.

Best regards,

A handwritten signature in black ink, appearing to read "Russell Barron", written in a cursive style.

Russell Barron  
NA Brand Marketing GM



**Wayne Ederer**  
Manager,  
Lubrication Marketers,  
Sales

**Chevron Lubricants**  
Chevron Products Company  
55 S Main Street  
Suite 390  
Naperville, IL 60540  
Tel 630-388-4004  
Fax 630-388-4001  
wayneederer@chevron.com

April 5, 2013

Dear Valued Chevron Lubrication Marketer:

Chevron is announcing a general price increase to be effective May 16, 2013. Chevron will increase the prices of all lubricating oils by 3% - 6%. In certain instances, specific products may increase in amounts that are outside of this general increase.

We understand and appreciate the efforts required by our Marketers to communicate this increase to your customers. Our posted price changes by product and sku will be available on Business Point by April 12, 2013.

Please note:

- The new prices will be effective on May 16, 2013.
- To manage our order fulfillment and to provide the ability to meet the needs of all of our customers, we would appreciate that you place your orders consistent with historical order patterns
- Please plan accordingly, as large order quantities placed the week prior to the increase will be reviewed and may not be accepted by Chevron in order to better meet all customers' needs.

The Chevron Lubricants sales staff is committed to meeting your needs. Your Business Consultant will contact you with more details and supporting information.

As always, thank you for your business.

Sincerely,

A handwritten signature in cursive script that reads "WR Ederer".

Wayne Ederer  
Manager - Lubrication Marketers

This document may contain confidential information and is intended only for the use of the parties to whom it is addressed. If you are not an intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any information in this document is strictly prohibited. If you have received this document in error, please notify the sender immediately at the e-mail address indicated above.



## **GILA COUNTY ATTORNEY**

*Bradley D. Beauchamp*

Re: County Attorney's Office "approval as to form" of contract or agreement.

To whom it may concern:

The County Attorney's Office has reviewed the contract or agreement attached to this agenda item and has determined that it is in its proper form and is within the powers and authority granted under the laws of this state to the public agency requesting the County Attorney's Office review.

### **Explanation of the Gila County Attorney's Office "Approval as to Form" Review**

The Gila County Attorney's Office is often called upon to review contracts and other agreements between public entities represented by the County Attorney and private vendors, contractors, and individuals.

In performing this review, the County Attorney's Office reviews these contracts to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the contract. That approval is solely the province of the public agency through its elected body.

The public agency or department submitting the contract for review has the responsibility to read and understand the contract in order to completely understand its obligations under the contract if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the contract as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor contract compliance. Hence the public entity or

submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the contract will be necessary to monitor compliance.

Before signing a contract "approved as to form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the contract for review to ask any specific questions or address any concerns it has about the contract to the County Attorney's Office at the same time they submit the contract for review. Making such an inquiry also helps improve the County Attorney's Office review of the contract because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the agreement.

**ARF-1907**

**Regular Agenda Item 3- F**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013  
**Submitted For:** Malissa Buzan, Community Services Division Director  
**Submitted By:** Cecilia Bejarano, Executive Administrative Assistant, Community Services Division  
**Department:** Community Services Division  
**Division:** Comm. Action Program/Housing Servs.  
**Fiscal Year:** 2013-2014  
**Budgeted?:** Yes  
**Contract Dates** June 1, 2013  
**Grant?:** No  
**Begin & End:**  
**Matching Requirement?:** No  
**Fund?:** New

---

Information

Request/Subject

Lease Agreement with St. Paul's United Methodist Church

Background Information

Gila Employment and Special Training (GEST) coordinates with county, state and federal governments in a joint effort to better serve the citizens of Gila County.

The Demonstration Project began in 1975 and was founded on the principle of "acceptance". Establishing community acceptance of the individuals with disabilities is and always will be our priority. In 1996, the program name was changed to Gila Employment and Special Training, but our goal remains the same as we provide daily living skills and employment supports to all GEST clients.

Evaluation

As part of the contract requirements with Arizona Department of Disabilities (DDD) the Gila Employment and Special Training Program is obligated to provide day treatment adult services to clients enrolled in its DDD program. The process for providing these services requires the use of numerous supplies. Currently services are provided at different locations and staff must transport supplies for use on projects. By having one designated location, staff will be able to leave supplies and reduce the need to transport from location to location.

If approved by the Board of Supervisors, contract will become effective June 1, 2013, in the amount of \$500.00 per month and continue on a month-to-month basis ending with a 30-days notice from either party.

Conclusion

By approving this lease agreement, the GEST program will have a designated site to be used for program activities.

Recommendation

The Community Services Director recommends the Board approve this lease agreement.

Suggested Motion

Information/Discussion/Action to approve a Lease Agreement between St. Paul's United Methodist Church (Church) and the Gila County Division of Community Services, Gila Employment and Special Training Program, whereby the Church will lease the building commonly known as the Tuffy Tiger Building to Gila County at a cost of \$500 per month for use as an adult day treatment center to provide services to clients enrolled in the Arizona Department of Developmental Disabilities Program, effective June 1, 2013.

**(Malissa Buzan)**

---

Attachments

St. Paul's United Methodist Church lease agreement

Legal Explanation

## LEASE AGREEMENT

This Lease Agreement is made this 1<sup>st</sup> day of June, 2013 by and between St. Paul's United Methodist Church (hereinafter "Landlord") and Gila County dba Gila Employment and Special Training (GEST) (hereinafter "Tenant"). In consideration for the mutual promises and covenants contained herein, and for other good and valuable consideration, the parties hereby agree as follows:

1. Landlord leases to the Tenant, and the Tenant rents from the Landlord the following described premises: 250 E. Cedar Street, Globe, Arizona 85501 (Commonly known as the Tuffy Tiger Building)
2. The term of the Lease Agreement shall be for month to month commencing and ending with 30 days notice from either party.
3. The Tenant shall pay to Landlord as rent \$500.00 per month, payable on the 1<sup>st</sup> day of month.
4. This Lease is subject to all present or future mortgages affecting the premises.
5. Tenant shall use and occupy the premises only as an Adult Day Treatment Center\* subject at all times to the approval of the Landlord.
6. The Tenant shall not make any alteration, additions or improvements to the premises without prior written consent of the Landlord.
7. The Landlord, at his own expense, shall furnish the following utilities or amenities for the benefit of the Tenant: water, gas, electric, garbage pickup, and sewer.
8. The Tenant, at his own expense, shall furnish the following: All other equipment and supplies as needed.
9. The Tenant shall purchase at his own expense public liability insurance in the minimum amount of \$1,000,000 as well as fire and hazard insurance in the amount of \$1,000,000 for the premises and shall provide satisfactory evidence thereof to the Landlord and shall continue in same force and effect throughout the Lease term hereof.
10. The Tenant shall not permit or commit waste to the premises.
11. The Tenant shall comply with all rules, regulations, ordinances codes and laws of all governmental authorities having jurisdiction over the premises.
12. The Tenant shall not permit or engage in any activity that will affect an increase in the rate of insurance for the Building in which the premises is contained nor shall the Tenant permit or commit any nuisance thereon.
13. The Tenant shall not sublet or assign the premises nor allow any other person or business to use or occupy the premises without prior written consent of the landlord, which consent may not be unreasonably withheld.
14. At the end of the term of this Lease Agreement, the Tenant shall surrender and deliver up the premises in the same condition (subject to any additions, alterations or improvements, if any) as presently exists, reasonable wear and tear excluded.
15. Upon default in any term or condition of this Lease Agreement, the Landlord shall have the right to undertake any or all other remedies permitted by Law.
16. This Lease Agreement shall be binding upon, and inure to the benefit of, the parties, their heirs, successors, and assigns.
17. Trustees have given permission for wheelchair access to be made in (1) one bathroom at the Tenants expense. Other handicapped modifications will be at the Tenants own expense.

IN WITNESS WHEREFORE, the parties hereto have executed this AGREEMENT.

St. Paul's United Methodist Church

By: Thomas J. Moody  
Board of Trustees

Date: 6-9-13

Thomas J. Moody  
Printed Name

Gila County

\_\_\_\_\_  
Chairman, Board of Supervisors

Date: \_\_\_\_\_

Michael Pastor  
Printed Name

Approved as to form:

\_\_\_\_\_  
Deputy Attorney Principal

Date: \_\_\_\_\_

Bryan B. Chambers  
Printed Name

\*Adult Day Treatment Center is defined as premises which are used to provide Day Treatment Adult (D.T.A.) services as defined by the Arizona Department of Developmental Disabilities (D.D.D.). Only adults who are currently receiving D.T.A. services through the D.D.D. Program will be eligible to receive Adult Day Treatment Center services at this facility.



## **GILA COUNTY ATTORNEY**

*Bradley D. Beauchamp*

Re: County Attorney's Office "approval as to form" of contract or agreement.

To whom it may concern:

The County Attorney's Office has reviewed the contract or agreement attached to this agenda item and has determined that it is in its proper form and is within the powers and authority granted under the laws of this state to the public agency requesting the County Attorney's Office review.

### **Explanation of the Gila County Attorney's Office "Approval as to Form" Review**

The Gila County Attorney's Office is often called upon to review contracts and other agreements between public entities represented by the County Attorney and private vendors, contractors, and individuals.

In performing this review, the County Attorney's Office reviews these contracts to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the contract. That approval is solely the province of the public agency through its elected body.

The public agency or department submitting the contract for review has the responsibility to read and understand the contract in order to completely understand its obligations under the contract if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the contract as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor contract compliance. Hence the public entity or

submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the contract will be necessary to monitor compliance.

Before signing a contract "approved as to form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the contract for review to ask any specific questions or address any concerns it has about the contract to the County Attorney's Office at the same time they submit the contract for review. Making such an inquiry also helps improve the County Attorney's Office review of the contract because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the agreement.

**ARF-1896**

**Regular Agenda Item 3- G**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted For:** Don McDaniel Jr., County Manager  
**Submitted By:** Don McDaniel Jr., County Manager, County Manager

**Department:** County Manager

**Fiscal Year:** 2012/2013 & 2013/2014  
**Budgeted?:** Yes

**Contract Dates** June 1, 2013 to **Grant?:** No

**Begin & End:** July 31, 2013

**Matching** No  
**Fund?:** Renewal

**Requirement?:**

---

Information

Request/Subject

One-time lump sum performance payment for employees

Background Information

The Adopted FY2013 Budget anticipates a one-time lump sum performance payment for employees to be funded out of a Special Projects line item in the Budget (page 17-Uses). A portion of that line item was also to fund any pay increases resulting from the classification and compensation study. Since the performance payment is actually proposed to be made in FY2013/2014 (July 5, 2013), these funds have been carried over into that budget. The actual payment will be made on July 5, 2013 which is in FY 2014. However, since it is payment for a performance period (1 year) ending on or before June 30, 2013, the payment will be taken out of the FY 2013 Budget.

Evaluation

Prior to the one-time lump sum payment in November 2012, County employees had not received a pay increase since January of 2008 or about 5 years. The former merit system method of providing employees a 2.5 % increase on their anniversary or annually on a given date was suspended at that time. The employees have stepped up and continued to provide dedicated, high quality service to the citizens of Gila County. In many cases new and increased services have been provided without additional people or any increase in pay.

Each year for the last three (3) years employees have received performance appraisals to assist them and their supervisors in more efficiently and effectively performing their responsibilities for the county. This year, each employee's performance will be recognized with a one-time lump sum performance payment based upon their individual performance appraisal score. The plan going forward is to offer two opportunities each year for employees to receive financial recognition for their efforts. One time in December based upon the change in the Consumer Price Index and one time in June based upon the employee's performance appraisal score.

### Conclusion

The appraisal scores ranged from 1.00 to 3.62 with the average being 2.39. The Administrative Team has aggregated the scores of all appraisals throughout the county and is recommending that based upon their individual score, the highest 2% of employees will receive a payment of 3.5% of their annual income, the next 14% will receive a payment of 3.0%, the middle 68% will receive a payment of 2.5% , the next 14% will receive a payment of 2.0% and the lowest 2% will receive a payment of 1.5%. The average percent payment is 2.5%. Regular payroll deductions apply and will be subtracted accordingly. The total cost to the County will be approximately \$634,000 including employee related expenses (ERE).

This one-time lump sum performance payment is proposed to be made to all active, full-time and part time employees who were hired on or before January 2, 2013, who are still employed by Gila County the week ending June 30, 2013, and for whom the Human Resources Department has received a valid 2013 Performance Appraisal. The payment would be made in the paycheck of July 5, 2013. Unlike the November 2012 payment it will not be a separate check issued in an off payday week.

### Recommendation

The Administrative Team recommends that the Board of Supervisors approve a one-time lump sum performance payment ranging from 3.5% to 1.5% to each qualified employee based upon the employee's performance appraisal score as described in the conclusion section of the staff report.

### Suggested Motion

Information/Discussion/Action to approve a one-time lump sum performance payment ranging from 3.5% to 1.5% to each qualified employee based upon the employee's performance appraisal score and instruct staff to implement the payment as described in the conclusion section of the staff report, at a cost of approximately \$634,000. **(Don McDaniel)**

---

**ARF-1898**

**Regular Agenda Item 3- H**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Don McDaniel Jr., County Manager  
Submitted By: Dana Sgroi, Contracts Support Specialist, Finance Department

Department: County Manager

Fiscal Year: 2013/2014      Budgeted?: No

Contract Dates 05/16/13 to      Grant?: No

Begin & End: 09/30/13

Matching No      Fund?: New

Requirement?:

---

Information

Request/Subject

Professional Services Contract No. 060613 with Terry Doolittle, Consultant

Background Information

On November 20, 2012, Gila County entered into a contract with Terry Doolittle to provide operational review consulting services to Gila County in the Community Services Department. Gila County found the results from the operational review to be beneficial not only in identifying opportunities to leverage funds and administer and track funds within grant funded programs, but also in overall management improvements that are currently being implemented.

Evaluation

Based on the results produced in the November 20, 2012, contract with Terry Doolittle, the County has determined it to be in the County's best interest to enter into a Professional Services Contract as an Operational Review Consultant, with Terry Doolittle, to provide general consulting services for Gila County departments, including management audits, departmental performance reviews, employee training, employee performance reviews and analysis of County affiliated organizations, as directed by the County Manager.

A specific need arose recently and as a result, Mr. Doolittle was contacted and he is currently reviewing the situation. The Board of Supervisors previously authorized the County Manager to enter into contracts up to \$50,000 without the Board's prior approval with a condition that a monthly report of all contracts is to be presented to the Board of Supervisors.

Due to the nature of the original contract with Mr. Doolittle, the County Manager presented the contract to the Board of Supervisors for review and approval; therefore, this new contract is also being presented to the Board for their approval regarding the County Manager's decision to proceed with this engagement of Mr. Doolittle.

Conclusion

The Consultant will evaluate data obtained, recommend changes and corrective actions to achieve efficiencies and improve operations, and assist the County Manager in identifying areas that need improvement. Mr. Doolittle is a former County Manager in Arizona and has extensive education and experience in governmental financial matters, including previous employment with the Arizona State Auditor General's Office. He is eminently qualified for this assignment.

#### Recommendation

The County Manager recommends that the Board of Supervisors approve the attached Professional Services Contract No. 060613 with Terry Doolittle, Operational Review Consultant, for the period of May 16, 2013, to September 30, 2013, in an amount not to exceed \$20,000 to perform various operational reviews for Gila County departments as determined by the County Manager.

#### Suggested Motion

Information/Discussion/Action to approve Professional Services Contract No. 060613 between Gila County and Terry Doolittle, Consultant, to perform various operational reviews of Gila County departments as determined by the County Manager for a sum not to exceed \$20,000 for the period of May 16, 2013, to September 30, 2013. **(Don McDaniel)**

---

#### Attachments

Professional Services Contract No. 060613

Legal Explanation

PROFESSIONAL SERVICES CONTRACT NO. 060613

OPERATIONAL REVIEW CONSULTANT

This Agreement is made by and between Terry Doolittle, hereinafter referred to as "Consultant," whose address is 9268 East Mogollon Trail, Gold Canyon, Arizona, 85118 and Gila County, a political subdivision of the State of Arizona, hereinafter referred to as "County," whose main offices are located at 1400 E. Ash Street, Globe, AZ 85501. Consultant and County together shall be referred to as "Parties".

RECITALS

The Parties recite and declare:

- A. County is desirous of employing Consultant as an independent consultant based on Consultant's education and work experience in the field of county management, program administration, finance, and delivery of county services.
- B. Consultant is desirous of acting as an independent consultant for County.

For the reasons cited above, and in consideration of the mutual covenants contained within this Agreement, Consultant and County agree as follows:

SECTION ONE EMPLOYMENT AS  
CONSULTANT

- A. Consultant shall provide services to the County on an as needed basis. Consultant shall spend time on site in County offices as needed to do research, collect information, interview County staff and present findings and recommendations to County. Consultant may do research, data analysis and report preparation off site. Consultant shall respond to reasonable requests for advice, consultation and take action on matters of concern to County whether Consultant is physically located at the county offices or elsewhere. When not physically at the county offices, Consultant shall be available for consultation by electronic communications technology.
- B. County, acting by and through its Manager, shall have the power to determine the specific duties to be performed by Consultant and the terms for performance of such duties. These duties include the following:
  - Provide general consulting services for Gila County Departments including management audits, departmental performance reviews, employee training, employee performance reviews and analysis of county affiliated organizations as directed by the County Manager;
  - Identify the Gila County Department's internal performance and operational strengths and weaknesses;

- Evaluate the data obtained for evidence of possible deficiencies such as: insufficient internal controls, duplicative effort, wasteful or unnecessary spending, fraud, lack of compliance with federal, state or local laws/regulations and failure to follow management policies and procedures;
- Recommend changes and corrective actions to achieve efficiencies and improve operations;
- Assist the County Manager in identifying the ideal qualifications and characteristics of the ideal candidate for the Director of the Department;
- Review other areas as deemed necessary or as requested by the County Manager.

## SECTION TWO RELATIONSHIP

- A. The relationship of Consultant to County is that of an independent contractor.
- B. Nothing contained in this Agreement shall be deemed to create any association, partnership, joint venture, or relationship of principal and agent or employer and employee between the parties hereto or to provide either party with the right, power or authority, whether express or implied, to create any such duty or obligation on behalf of the other party.
- C. Consultant shall be solely responsible to pay all required taxes or deductions associated with Consultant's performance under this Agreement, including but not limited to, all withholding, social security, and worker's compensation.

## SECTION THREE COMPENSATION

- A. For services under and pursuant to this Agreement, Consultant shall be paid \$100 for each hour worked (billable hours), whether on site or off site.
- B. Consultant shall be paid mileage, including from Consultant's home to County offices, at the federal mileage rate allowance for business, which is set for this Agreement at 55.5 cents per mile.
- C. Consultant shall be reimbursed for hotel lodging, only if necessary and pre-approved by the County Manager.
- D. Payment for Consultant's services and associated expenses shall be made monthly in accordance with all of the provisions hereof and upon receipt of a properly completed invoice of billable hours, demand for payment of mileage accompanied by odometer mileage records and demand for payment of lodging expenses accompanied by receipts evidencing same.
- E. The total contract cost shall not exceed \$20,000.00

- F. County reserves the right to withhold any or all payments or portions thereof for Consultant's failure to perform in accordance with any provision of this Agreement or any modifications hereof.

#### SECTION FOUR DURATION AND TERMINATION

- A. This Agreement shall commence upon May 16, 2013, and shall terminate September 30, 2013, provided that the parties may mutually agree, in writing, to extend the term.
- B. In addition to terminating at the end of such period, this Agreement may be terminated as follows:
- (i) By County or Consultant upon five (5) day written notification.
  - (ii) By mutual agreement of the parties.
  - (iii) If, through any cause, Consultant shall fail to fulfill in a timely and proper manner his or her obligations under this Agreement, or if the Consultant shall violate any of the covenants, agreements, or stipulations of this contract, County shall thereupon have the right to terminate, specifying the effective date thereof at least five (5) days before the effective date of such termination.
  - (iv) This Contract may be terminated in whole or in part by County in accordance with this clause if funding of County under a federal, state, or local grant or budgetary allocation is discontinued. Termination for convenience shall be effected by delivery to the Consultant at least five (5) working days prior to the termination date of a Notice of Termination for Convenience specifying the extent to which performance shall be terminated and the date upon which termination becomes effective.

#### SECTION FIVE CONFIDENTIALITY

- A. For the purposes of this Agreement, the term "Confidential Information" means all information disclosed to, or acquired by, the Consultant, its employees or agents in connection with, and during the term of this Agreement, including, without limiting the generality of the foregoing:
- (i) all items and documents prepared for, or submitted to, the Consultant in connection with this Agreement, and
  - (ii) all information specifically designated by the County as confidential;

(iii) but shall not include any information which was known to the Consultant, its employees or agents prior to the date hereof, or which was publicly disclosed otherwise than by breach of this Agreement.

B. Consultant acknowledges that pursuant to the performance of its obligations under this Agreement, it may acquire Confidential Information. The Consultant covenants and agrees, during the Term and following any termination of this Agreement, to hold and maintain all Confidential Information in trust and confidence for the County and not to use Confidential Information other than for the benefit of the County. Except as authorized in writing by the County, the Consultant covenants and agrees not to disclose any Confidential Information, by publication or otherwise, to any person other than those persons whose services are contemplated for the purposes of carrying out this Agreement, provided that such persons may agree in writing to be bound by, and comply with the provisions of this paragraph. The Consultant shall obtain similar covenants and agreements to those contained in this paragraph for the benefit of the County from each of its employees or agents who are, or may be, exposed to Confidential Information.

#### SECTION SIX WARRANTIES

Consultant represents and warrants as follows:

- A. That Consultant is under no obligation or restriction, nor will Consultant assume any such obligation or restriction, which would in any way interfere or be inconsistent with, or present a conflict of interest concerning, the services to be furnished by Consultant under this Agreement.
- B. That all items delivered to the Consultant pursuant to this Agreement are original and that no portion of such items, or their use or distribution, violates or is protected by any copyright or similar right of any third party.
- C. That any information disclosed by the Consultant to the County is not confidential and/or proprietary to the Consultant and/or any third party.
- D. That all work and services performed under this Agreement shall be done in a good and workmanlike manner in accordance with the standards in the trade or industry.

#### SECTION SEVEN COMPLIANCE WITH LAWS.

- A. Consultant agrees to comply with all applicable federal, state and local, laws, ordinances, rules, regulations, codes and executive orders in the performance of its obligations under this Agreement, including those governing equal

employment opportunity, immigration, nondiscrimination, affirmative action and the following:

- (i) AMERICANS WITH DISABILITIES ACT REQUIREMENTS: County is fully committed to the Americans with Disabilities Act (ADA) which guarantees non-discrimination and equal access for persons with disabilities in employment, public accommodations, transportation, and all County programs, activities and services. County Consultants, subconsultants, vendors, and/or suppliers are subject to this ADA policy. All individuals having a County contractual agreement must make the same commitment. Your acceptance of this Contract acknowledges your commitment and compliance with ADA.
- (ii) WRITTEN ACKNOWLEDGEMENT OF FEDERAL OR STATE FUNDING (IF APPLICABLE): All published materials, including printed products, publications, articles, media events, news releases, written material related to public appearances or interviews, public service announcements or other activity related to this project shall reflect the relationship between County and the Federal or State awarding agency, and shall reflect the following statement in legible, easily readable print: *"This is being funded by a Contract under a grant to County from \_\_\_\_\_ . Funding is not an endorsement of any products, opinions, or services. All \_\_\_\_\_ funded programs are extended to the public on a non-discriminatory basis."*
- (iii) NON-DISCRIMINATION REQUIREMENTS: The Consultant, in compliance with Title VI of the Civil Rights Act of 1964, its amendments and other applicable regulations, statutes and executive orders, agrees that it shall not discriminate against any employee, subconsultant, applicant for employment or subconsultant bidder because of race, color, religion, sex, age, national origin, or disability.
- (iv) EQUAL EMPLOYMENT OPPORTUNITY: Consultant agrees to comply with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity", and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
- (iv) COPELAND "ANTI-KICKBACK" ACT (18 U.S.C. 874 AND 40 U.S.C. 276C): If this Contract exceeds all Contracts and sub grants of \$2,000 for construction or Consultant agrees to the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Consultants and Subconsultants 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 Consultant or sub recipient shall 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 is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal awarding agency.
- (vi) CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. 327-333): If this Contract is in excess of \$2,000 for construction or in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers, the Consultant agrees to comply with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each Consultant shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1-1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surrounding or under working conditions, which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market or Contracts for transportation or transmission of intelligence.
- (vii) CLEAN AIR ACT (42 U.S.C. 7401 et seq.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. 1251 et seq.) AS AMENDED: If this Contract is in excess of \$100,000 the Consultant agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- (viii) BYRD ANTI-LOBBYING AMENDMENT (31 U.S.C. 1352): Consultants who apply or bid for an award of \$100,000 or more complete the attached required certification. The Consultant certifies to the tier above that it will not and has not 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. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.
- (ix) DEBARMENT AND SUSPENSION (E.O.'S 12549 AND 12689): No Contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or

Nonprocurement Programs in accordance with E.O.'s 12549 and 12 689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and Consultants declared ineligible under statutory or regulatory authority other than E.O. 12549. If this Contract exceeds \$25,000.00, the Consultant shall complete the attached required certification regarding its exclusion status and that of its Consultant employees.

- (x) DAVIS-BACON ACT: As amended (40 U.S.C. 276a to a-7) - When required by Federal program legislation, all construction contracts awarded by the recipients and sub recipients of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, Consultants shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, Consultants shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the Federal awarding agency.

- B. Consultant further agrees to hold harmless and indemnify the County against any loss or damage to include reasonable attorney's fees that may be sustained by reason of the failure of the Consultant or its employees, agents or subconsultants to comply with said laws, ordinances, rules, regulations, codes and executive orders.

#### SECTION EIGHT NOTICES

All notices, requests, demands or other communications required by this Agreement or desired to be given or made by either of the parties to the other hereto shall be given or made by personal delivery or by mailing the same in a sealed envelope, postage prepaid, certified or registered mail, return receipt requested, and addressed to the parties at their respective addresses set forth above or to such other address as may, from time to time, be designated by notice given in the manner provided in this paragraph. Any notice or communication mailed as aforesaid shall be deemed to have been given and received on the third business day next following the date of its mailing. Any notice or writing delivered to a party hereto shall be deemed to have it been given and received on the day it is delivered, provided that if such day is not a business day, then the notice or communication shall be deemed to have been given and received on the business day next following such date.

#### SECTION NINE INSURANCE

- A. The Consultant will be responsible for its work and every part thereof, and for all materials, tools, equipment, appliances, and property of any and all description used in connection therewith whether owned by the Consultant or by County. The Consultant assumes all risks of direct and indirect damage or injury to any person or property wherever located, resulting from any action, omission, commission or operation under the Contract, in connection in any way whatsoever with the contracted work. The Consultant shall, during the continuance of all work under this Agreement maintain appropriate insurance required by federal, state and local laws.

- B. Consultant shall maintain, throughout the performance of its obligations under this Agreement, adequate general liability insurance providing coverage against liability for bodily injury, death and property damage which may arise out of or based upon any act or omission of the Consultant or any of its employees, agents or subconsultants under this Agreement. Upon written request, the Consultant shall promptly provide certificates from its insurers indicating the amount of insurance coverage, the nature of such coverage and the expiration date of each applicable policy.

#### SECTION TEN INDEMNIFICATION.

Consultant shall indemnify, keep and save harmless County, its agents, officials, employees and volunteers against claims of injuries, death, damage to property, patent claims, suits, liabilities, judgments, cost and expenses which may otherwise accrue against County in consequence of the granting of this Agreement or which may otherwise result there from, if it shall be determined that the act was caused through negligence or error, or omission of the Consultant or his or her employees, or that of a subcontractor or his or her employees, if any; and the Consultant shall, at his or her own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising there from or incurred in connection therewith; and if any judgment shall be rendered against County in any such action, the Consultant shall, at his or her own expense, satisfy and discharge the same. Consultant expressly understands and agrees that any performance bond or insurance protection required by this Agreement, or otherwise provided by the Consultant, shall in no way limit the responsibility to indemnify, keep and save harmless and defend County as herein provided.

#### SECTION ELEVEN MISCELLANIOUS.

Arbitration. Pursuant to Section 12-1518 of the Arizona Revised Statutes, the parties acknowledge and agree that they will be required to make use of mandatory arbitration of any legal action that is filed in the Arizona Superior Court concerning a controversy arising out of this Agreement if required by Section 12-133 of the Arizona Revised Statutes.

Assignment. The rights of each party to this Agreement may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior express and written consent of the other party.

Cancellation. This Agreement is subject to cancellation as provided in A.R.S. § 38-511 if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of County is, at any time while this Agreement or any extension thereof is in effect, an employee or agent of the other party to this Agreement in any capacity or a consultant to any other party with respect to the subject matter of this Agreement.

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

Audits/access to records. Consultant shall maintain books, records, and documents of all costs and data in support of the services provided. County or its authorized representative shall have the right to audit the books, records, and documents of the Consultant. These provisions for an audit shall give County unlimited access during normal working hours to the Consultant's books and records under the conditions stated above. Unless otherwise provided by applicable statute, the Consultant, from the effective date of final payment or termination hereunder, shall preserve and make available to County for a period of three (3) years thereafter, at all reasonable times at the office of the Consultant but without direct charge to County, all its books, records, documents, and other evidence bearing on the costs and expenses of the services relating to the work hereunder. In addition, if this Agreement is funded under a grant from a Federal agency, the Federal awarding agency, the comptroller, General of the United States, or any of their duly authorized representative, shall have access to any books, documents, papers, and works of the Consultant, which are directly pertinent to a specific Federally funded program for the purpose of making audits, examinations, excerpts and transcriptions.

**Construction.** In this Agreement, except as otherwise expressly provided, all words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case require and the verb shall be read and construed as agreeing with the required word and pronoun.

**Costs of Enforcement.** In the event any action is commenced by a party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorney fees and costs from the party not prevailing.

**Entire Agreement.** This Agreement sets forth the entire Agreement between the parties hereto in connection with the subject matter hereof and supersedes all previous understandings, communications, arrangements and discussions, whether oral or written, with respect to the subject matter hereof.

**Equitable Remedies.** Consultant and County each expressly acknowledge that damages alone will be an inadequate remedy for any breach or violation of any of the provisions of this Agreement, and that either of them, in addition to all other remedies hereunder, shall be entitled, as a matter of right, to injunctive relief, including specific performance in any court of competent jurisdiction.

**E-verify Requirements.** To the extent applicable under A.R.S. § 41-4401, the Parties warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under A.R.S. § 23-214(A). The Parties or their subconsultant's breach of the above-mentioned warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by either entity. The Parties retain the legal right to randomly inspect the papers and records of the other Party or subconsultant employee to ensure that the Party and its subconsultants are complying with the above-mentioned warranty. The Parties and their subconsultants warrant to keep the papers and records open for random inspection during normal business hours by the Parties. The Parties and any subconsultant and its subconsultants shall cooperate with Party's random inspections including granting a Party entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential. The Parties shall include the foregoing paragraph in all contracts with its subconsultants under this Agreement.

**Force majeure.** Consultant shall be excused for failure to perform services herein if such services are prevented by acts of God, strikes, labor disputes or other forces over which the Consultant has no control.

**Further assurances.** The parties hereto covenant and agree that each shall and will, upon reasonable request of the other, make, do, execute or cause to be made, done or executed, all such further and other lawful acts, deeds, things, devices and assurances whatsoever for the better or more perfect and absolute performance of the terms and conditions of the this Agreement.

**Governing law.** This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Arizona, and any and all actions instituted for enforcement of this Agreement, or any portion thereof, shall be brought in the courts of the State of Arizona.

**Headings.** The division of this Agreement into paragraphs and the use of headings are for convenience of reference only and shall not modify or affect the interpretation or construction of this Agreement or any of its provisions.

**Modification.** No alteration, modification, extension, amendment, waiver or qualification of this Agreement shall be valid unless it is in writing and is executed by both of the parties hereto or an authorized representative thereof.

**News release.** As a matter of policy, County does not endorse the products or services of a Consultant or Consultant. News releases concerning this Agreement or consultant services hereunder will not be made by Consultant without the prior written approval of County

**Records retention.** To the extent required by Section 35-214 of the Arizona Revised Statutes, Consultant agrees to retain all records relating to this Agreement and to make those records available at all reasonable times for inspection and audit by County or the Auditor General of the State of Arizona during the term of this Agreement and for a period of five (5) years after the completion of this Agreement. The records shall be provided at a location designated by County upon reasonable notice to Consultant.

**Severability.** If any paragraph of this Agreement or any portion thereof is determined to be unenforceable or invalid by the decision of any court by competent jurisdiction, which determination is not appealed or appealable, for any reason whatsoever, such unenforceability or invalidity shall not invalidate the whole Agreement, but the Agreement shall be construed as if it did not contain the particular provision held to be invalid and the rights and obligations of the parties shall be construed and enforced accordingly.

**Scrutinized Business Operations.** Pursuant to A.R.S. § 35-391.06 and § 35-393.06, the Parties certify that they do not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in A.R.S. § 35-391 or § 35-393, as applicable. If a Party determines that the other Party submitted a false certification, the Party may impose remedies as provided by law including terminating this Agreement.

**Survival of terms.** Those provisions of this Agreement that, by their nature, are intended to survive any expiration or termination of this Agreement shall so survive.

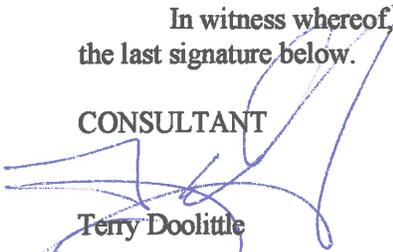
**Title to and return of property.** It is understood that any and all written or descriptive matter or electronic media which has been developed, maintained, prepared, submitted and/or copied by the Consultant in furtherance of this Agreement, or which may contain confidential information, including, but not limited to, all finished or unfinished work or work product, files, lists, papers, documents, data, plans, studies, surveys, drawings, maps, models, reports, tapes, CDs or other such media shall be the sole property of County and that upon any termination of this Agreement for any reason, the Consultant shall promptly deliver same to County without exception or reservation.

Use of Trade Marks, Trade Names, seals, insignia. Consultant shall have no right to use the Trade Marks, Trade Names, seals, insignia, or other like or similar property of the Consultant or to refer to this Agreement or the services provided hereunder, directly or indirectly, in connection with any product, service, promotion or publication without the prior written approval of the County.

Waiver. A waiver by either party to this Agreement of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach or violation thereof.

In witness whereof each party to this agreement has caused it to be executed as of the date of the last signature below.

CONSULTANT

  
Terry Doolittle

Date: 6-11-13

GILA COUNTY

Michael A. Pastor, Chairman  
Board of Supervisors

Date:

ATTEST:

Marian Sheppard  
Clerk of the Board  
of Supervisors

APPROVED AS TO FORM:

Bryan Chambers  
Deputy Attorney Principal



## **GILA COUNTY ATTORNEY**

*Bradley D. Beauchamp*

Re: County Attorney's Office "approval as to form" of contract or agreement.

To whom it may concern:

The County Attorney's Office has reviewed the contract or agreement attached to this agenda item and has determined that it is in its proper form and is within the powers and authority granted under the laws of this state to the public agency requesting the County Attorney's Office review.

### **Explanation of the Gila County Attorney's Office "Approval as to Form" Review**

The Gila County Attorney's Office is often called upon to review contracts and other agreements between public entities represented by the County Attorney and private vendors, contractors, and individuals.

In performing this review, the County Attorney's Office reviews these contracts to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the contract. That approval is solely the province of the public agency through its elected body.

The public agency or department submitting the contract for review has the responsibility to read and understand the contract in order to completely understand its obligations under the contract if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the contract as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor contract compliance. Hence the public entity or

submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the contract will be necessary to monitor compliance.

Before signing a contract "approved as to form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the contract for review to ask any specific questions or address any concerns it has about the contract to the County Attorney's Office at the same time they submit the contract for review. Making such an inquiry also helps improve the County Attorney's Office review of the contract because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the agreement.

**ARF-1899**

**Regular Agenda Item 3- I**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted By:** Marian Sheppard, Clerk, BOS,  
Clerk of the Board of  
Supervisors

**Department:** Clerk of the Board of Supervisors

---

Information

Request/Subject

A Sealed Bid for Assessor's Tax Parcel No. 206-21-068-A

Background Information

On July 8, 2003, the Board of Supervisors adopted Resolution No. 03-06-07, which established a policy regarding sales of real property tax deeded to the State of Arizona. Any parcels of land not sold at the Supervisors' annual property tax sale for the year in which the property was deeded to the State of Arizona is added to the County's "Back Tax Land List." This list of available properties is advertised on the County's website for purchase through the County's sealed bid process. Anyone may submit a sealed bid to the Clerk of the Board of Supervisors Department. The parcel information will be reviewed by the Clerk, Assessor and Treasurer and ultimately placed on a Board of Supervisors' meeting agenda at which time the sealed bid envelope will be opened during a public meeting. The Board will then accept or deny the bid. If the bid is accepted, the successful bidder must submit payment to the Clerk of the Board of Supervisors Department within 48 hours of being notified of the winning bid. A quit claim deed will then be issued to the successful bidder transferring ownership of the property.

Evaluation

It is in the County's best interest to make every attempt to sell these parcels of land which have been deeded to the State of Arizona in order to get the parcels back on the County tax rolls and to relieve the County of the administrative oversight for each parcel of land.

The subject parcel of land is located at 850 W. Smith Street in Miami and it has a run-down, abandoned home with a dilapidated carport upon the lot. The County Treasurer deeded this property to the State of Arizona in 2012. The total tax lien amount is \$2,659.79.

Conclusion

It is in the County's best interest for the Board of Supervisors to consider the offer for this parcel of State-owned land.

Recommendation

It is recommended that the Board of Supervisors consider the offer for the purchase of this property.

Suggested Motion

Information/Discussion/Action to consider a sealed bid for the purchase of Assessor's tax parcel number 206-21-068-A. **(Marian Sheppard)**

---

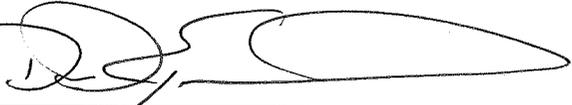
Attachments

Bid Form for 206-21-068-A

Info on 206-21-068-A

## BID TO PURCHASE LANDS HELD BY THE STATE UNDER TAX DEED

GENERAL INFORMATION		
DATE OF PROPOSAL	6/4/2013	
BIDDER NAME	David James Ellegard	
BIDDER MAILING ADDRESS	21720 N. 61 <sup>st</sup> Ave Glendale, AZ 85308	
PHONE NUMBER	719-243-8323	
TAX PARCEL NUMBER	206-21-068-A	
GENERAL LOCATION	850 W. Smith St. Miami, AZ	
NAME(S) TO BE PLACED ON DEED & MARITAL STATUS (Disclaimer <b>must</b> be filled out by husband & wife if person is married and wants in one name only.)		
David James Ellegard - single		
SEALED ENVELOPE CONTAINING BID OFFER	Initials of person presenting envelope to Deputy Clerk:	Initials of Deputy Clerk receiving bid offer envelope:
		MS
<b>IF PLACING A BID THAT IS LESS THAN THE TOTAL LIEN AMOUNT: DOCUMENTATION MUST BE ATTACHED TO THIS FORM SHOWING OWNERSHIP OF ADJOINING PROPERTY.</b>		
TREASURER'S REPORT		
FORM RECEIVED AT TREASURER'S OFFICE - DATE:		Initials: <i>mg</i>
TAXES DUE	1616.08	
INTEREST/PENALTIES	793.71	
PUBLICATION FEES	200.00	
RECORDING FEES		
TOTAL DUE	2609.79	
ASSESSOR'S REPORT		
FORM RECEIVED AT ASSESSOR'S OFFICE - DATE: 6-6-13		Initials: <i>DH</i>
<b>PLEASE ATTACH PROPERTY STATUS INQUIRY REPORT FCU \$ 17,522-</b>		
REVIEWED BY: <i>Deborah Hughes</i>		
BOARD OF SUPERVISORS ACTION		
APPROVED	REJECTED	OTHER
DATE OF SALE	AMOUNT DUE (Cash, Cashier's Check or Money Order only)	
<b>WITHIN 48 HOURS OF SALE, PAYMENT MUST BE SUBMITTED TO THE CHIEF DEPUTY CLERK OF THE BOARD - PAYABLE TO THE GILA COUNTY TREASURER</b>		
DATE PAYMENT RECEIVED	AMOUNT	

I HAVE READ AND UNDERSTAND THIS PROCESS.	
Date: 6/4/2013	Signature: 



WHEN RECORDED RETURN TO:  
GILA COUNTY TREAS.



TREASURER'S DEED  
A.R.S. 42-18267

KNOW ALL MEN BY THESE PRESENTS;

WHEREAS, on the **4 th** day of **April, 2012** notice according to law was published in the **Arizona Silver Belt**, a newspaper of general circulation in the County of Gila, State of Arizona, that application for a Treasurer's Deed to the premises hereinafter described had been made by the grantee named herein, and that unless the tax lien is redeemed before the **10 th** day of **August, 2012**, a Treasurer's Deed will issue to the said grantee, and

WHEREAS, said property tax lien not having been redeemed from such sale, I therefore, pursuant to said notice and in conformity with law have conveyed, and do hereby foreclose the right to redeem and convey, unto said **State of Arizona**, the following described premises situated in the County of Gila, State of Arizona, to-wit:

PARCEL NUMBER : **206-21-068-A**

DESCRIBED AS : **LOT 904 & PT LOT 906 IN BLK 9 LIVE OAK ADDITION TO THE ORIG TWNST OF MIAMI, PLAT 37, BEG SE COR LT 94; TH S 44°33' W 66.67'; TH N 45°27' W 85.59'; TH N 0°10'34"W, 6.29'; TH N 44°33' E, 62.19'; TH S 45°27' E, 90' POB SE¼ SW¼ SEC 30 T1N R15E=0.14 AC**

IN WITNESS WHEREOF, I, **Debora Savage**, Treasurer of the County of Gila, State of Arizona, by virtue of law, have hereunto set my hand and seal this **10 th** day of **August, 2012**



*Debora Savage*  
Treasurer of Gila County

STATE OF ARIZONA  
COUNTY OF GILA

This instrument was acknowledged before me this **10 th** day of **August, 2012** by **Debora Savage** as Treasurer of the County of Gila, State of Arizona, who then and there stated to me that **SHE** executed the same for the purpose and consideration therein expressed



PEGGY DENISE COX  
Notary Public - Arizona  
Gila County  
My Commission Expires  
January 21, 2014

*Peggy Denise Cox*  
Notary Public  
My Commission Expires: **1-21-2014**

ADVERTISE FOR TWO CONSECUTIVE WEEKS  
A.R.S. 42-18265

# TREASURER'S OFFICE

Gila County, Arizona

April 2, 2012

Notice is hereby given that **STATE OF ARIZONA**  
has applied for a Treasurer's Deed to the following described real property  
owned by:

**CHANNELL MARK SHANE & DEBRA LYNN**

and situated in Gila County, Arizona:

**PARCEL # 206-21-068-A**

**Legal Description: LOT 904 & PT LOT 906 IN BLK 9 LIVE OAK ADDITION  
TO THE ORIG TWNST OF MIAMI SEC 30 T1N R15E; BEG SE COR LT 94; TH  
S 44D33' W 66.67'; TH N 45D27' W 85.59'; TH N 0D10'34W 6.29'; TH N  
44D33' E 62.19'; TH S 45D27' E 90' POB; APPROX 0.14 AC M/L**

which on the **9 th** day of **February 2007**, was sold to

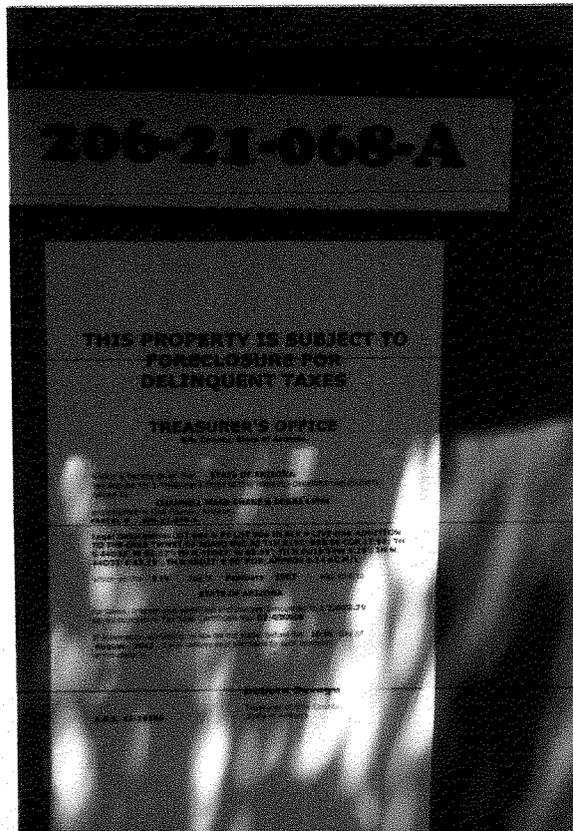
**STATE OF ARIZONA**

for taxes, interest and penalties and charges amounting to **2609.79** *+50<sup>00</sup> clerks*  
as represented in Tax Sale Certificate No. **07-030908** *admin fee = 2659.79*

If redemption according to law be not made before the **10 th** day of  
**August , 2012** . I will convey said premises to such applicant  
or his assigns.

**Debora Savage**

Treasurer of Gila County, Arizona



June 19, 2012

206-21-068-A

Miami

850 W. Smith Street

*this is an abandoned  
house w/ dilapidated  
carport*

**ARF-1928**

**Regular Agenda Item 3- J**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Bryan  
Chambers,  
Chief Deputy  
County Attorney

Submitted By:  
Bryan Chambers, Chief Deputy County  
Attorney, County Attorney

Department: County Attorney

Fiscal Year: 2013-2014      Budgeted?: Yes

Contract Dates 2013-2014      Grant?: No

Begin & End:

Matching No      Fund?: New

Requirement?:

---

Information

Request/Subject

AJP Electric has filed a Summons and Complaint against Gila County alleging breach of contract, unjust enrichment, and violation of state statute in regards to a construction contract. The County Attorney's Office requests the opportunity to update the Board of Supervisors and provide legal advice to the Board regarding the lawsuit. Pursuant to A.R.S. § 38-431.03(A)(3), the Board may vote to go into executive session to receive legal advice from its attorney on this matter. Additionally, the County Attorney's Office requests that the Board consider its position in the litigation, direct its attorneys on how they should proceed in the litigation, and direct its attorneys on how or whether to engage in settlement discussions. Pursuant to A.R.S. § 38-431.03(A)(4), the Board may vote to go into executive session to consider its position in the litigation, direct its attorneys on how they should proceed in the litigation, and direct its attorneys on how or whether to engage in settlement discussions.

Background Information

AJP Electric has filed a Summons and Complaint against Gila County alleging breach of contract, unjust enrichment, and violation of state statute in regards to a construction contract. The contract involved a paving project for the Public Works Division complex in Globe.

Evaluation

Since this item involves pending litigation, and it is necessary to get the Board's direction on how to proceed to resolve the litigation, the County Attorney's Office recommends that the Board go into executive session pursuant to A.R.S. § 38-421.03(A)(3)-(4).

Conclusion

The County Attorney's Office recommends that pursuant to A.R.S. § 38-431.03(A)(3), the Board vote to go into executive session to receive legal advice from its attorney on this matter. Additionally, the County Attorney's Office recommends that pursuant to A.R.S. § 38-431.03(A)(4), the Board vote to go into executive session to consider its position in the litigation, direct its attorneys on how they should proceed in the litigation, and direct its attorneys on how or whether to engage in settlement discussions.

#### Recommendation

Since this item involves pending litigation, and it is necessary to get the Board's direction on how to proceed to resolve the litigation, the County Attorney's Office recommends that the Board go into executive session pursuant to A.R.S. § 38-421.03(A)(3)-(4).

#### Suggested Motion

Information/Discussion/Action to vote to go into executive session pursuant to A.R.S. § 38-431.03(A)(3), to receive legal advice from its attorney on a Summons and Complaint filed against Gila County by AJP Electric, and pursuant to A.R.S. § 38-431.03(A)(4), to consider its position in the litigation, direct its attorneys on how to proceed in the litigation, and direct its attorneys on how or whether to engage in settlement discussions. **(Bryan Chambers)**

---

#### Attachments

Notice of Claim

AJP Claim

Date 4-29-13  
Time of Service 4:05  
Name of Process Server Lois Jacott  
Process Server's License Number PS-20000001  
Your Name Laurie Kline

1 **LANG BAKER & KLAIN, PLC**  
2 8767 E. VIA DE COMMERCIO, SUITE 102  
3 SCOTTSDALE, ARIZONA 85258  
4 TELEPHONE (480) 947-1911  
5 FilingKAL@lang-baker.com

6 KENT A. LANG, #010041  
7 MICHAEL W. THAL, #023843  
8 *Attorneys for Plaintiff*

9 **SUPERIOR COURT OF ARIZONA**  
10 **GILA COUNTY**

11 AJP ELECTRIC, INC., an Arizona  
12 corporation,  
13 Plaintiff,  
14 v.  
15 GILA COUNTY, a political subdivision of  
16 the State of Arizona,  
17 Defendant.

Case No. CV 201300086  
**SUMMONS**

18 THE STATE OF ARIZONA TO THE DEFENDANT:

19 **GILA COUNTY, a political subdivision of the State of Arizona**

20 YOU ARE HEREBY SUMMONED and required to appear and defend, within the  
21 time applicable, in this action in this Court. If served within Arizona, you shall appear and  
22 defend within 20 days after the service of the Summons and Complaint upon you, exclusive  
23 of the day of service. If served out of the State of Arizona - whether by direct service, by  
24 registered or certified mail, or by publication - you shall appear and defend within 30 days  
25 after the service of the Summons and Complaint upon you is complete, exclusive of the day  
26 of service. Where process is served upon the Arizona Director of Insurance as an insurer's  
27 attorney to receive service of legal process against it in this state, the insurer shall not be  
28 required to appear, answer or plead until expiration of 40 days after date of such service  
upon the Director. Service by registered or certified mail without the State of Arizona is  
complete 30 days after the date of filing the receipt and affidavit of service with the Court.  
Service by publication is complete 30 days after the date of first publication. Direct service  
is complete when made. Service upon the Arizona Motor Vehicle Superintendent is  
complete 30 days after filing the Affidavit of Compliance and return receipt or Officer's  
Return. **RCP 4, A.R.S. §§20-222, 28-502, 28-503.**

YOU ARE HEREBY NOTIFIED that in case of your failure to appear and defend  
within the time applicable, judgment by default may be rendered against you for the relief

1 demanded in the Complaint.

2 YOU ARE CAUTIONED that in order to appear and defend, you must file an Answer  
3 or proper response in writing with the Clerk of this Court, accompanied by the necessary  
4 filing fee, within the time required, and you are required to serve a copy of any Answer or  
5 response upon the Plaintiffs' attorney. RCP 10(d); A.R.S. §12-311; RCP 5.

6 Requests for reasonable accommodation for persons with disabilities must be made to  
7 the Court by parties at least three working days in advance of a scheduled court proceeding.

8 The name and address of Plaintiff's attorneys are:

9 Kent A. Lang  
10 Michael W. Thal  
11 Lang Baker & Klain, P.L.C.  
12 8767 Via De Commercio, Suite 102  
13 Scottsdale, Arizona 85258  
14 (480) 947-1911

15 SIGNED AND SEALED this date: 4/22/13



16 ANITA ESCOBEDO, Clerk

17 By *Patricia Rudman*  
18 Deputy Clerk

19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1 **LANG BAKER & KLAIN, PLC**

2 8767 E. VIA DE COMMERCIO, SUITE 102  
3 SCOTTSDALE, ARIZONA 85258  
4 TELEPHONE (480) 947-1911  
5 FilingKAL@lang-baker.com

6 KENT A. LANG, #010041  
7 MICHAEL W. THAL, #023843

8 *Attorneys for Plaintiff*

Copy of Original Filed  
In Gila County Superior Court

APR 22 2013

ANITA ESCOBEDO, Clerk

9 **SUPERIOR COURT OF ARIZONA**

10 **GILA COUNTY**

11 AJP ELECTRIC, INC., an Arizona  
12 corporation,

13 Plaintiff,

14 v.

15 GILA COUNTY, a political subdivision of  
16 the State of Arizona,

17 Defendant.

Case No. *CV201300086*

**COMPLAINT**

**(Breach of Contract, Unjust Enrichment,  
Violation of A.R.S. § 34-221, et seq.)**

18 Plaintiff AJP Electric, Inc., for its Complaint against Defendant Gila County, states and  
19 alleges as follows:

20 **PARTIES, VENUE, AND JURISDICTION**

21 1. Plaintiff AJP Electric, Inc. ("AJP") is, and was at all times relevant hereto, an  
22 Arizona corporation with its principal place of business in Maricopa County, Arizona.

23 2. AJP is, and was at all times relevant hereto, a duly licensed contractor holding the  
24 following Arizona contractor's licenses: Class A-17 Electrical and Transmission Lines  
25 License No. 101195, Class L-11 Electrical License No. 101196 and Class A General  
26 Engineering License No. 146006.

27 3. Upon information and belief, Defendant Gila County ("Gila County") was, at all  
28 times relevant hereto, a political subdivision of the State of Arizona, and existed as such  
under the laws of the State of Arizona.

4. The amount in controversy exceeds this Court's minimum jurisdictional

1 requirement.

2 5. This Court has jurisdiction over this matter on the basis that the activities  
3 complained of herein occurred in Gila County, Arizona.

4 6. Venue is proper in this Court pursuant to A.R.S. § 12-401.

5 **GENERAL ALLEGATIONS**

6 7. AJP incorporates by reference all previous allegations.

7 8. In or around Fall 2011, Gila County entered into a contract (the "Contract") with  
8 AJP to procure and place asphalt at the project called "PWD Complex – Roadyard Shop  
9 Paving Phase" (the "Project") located at approximately 1001 W. Besich Blvd. in Globe,  
10 Arizona.

11 9. Pursuant to the Project Specifications, Gila County was responsible for quality  
12 control on the Project, and the County hired ATL, Inc. ("ATL") to fulfill that role.

13 10. On or about February 7, 2012, AJP placed the asphalt with representatives from  
14 Gila County and ATL present.

15 11. Shortly after AJP placed the asphalt at the Project, ATL purported to test it and  
16 indicated that it was within standards at that time.

17 12. Based on ATL's indication that the asphalt was within standards, AJP allowed the  
18 asphalt to cure.

19 13. On June 28, 2012, AJP was contacted by Gila County's consultant, C.L. Williams  
20 Consulting, Inc., who claimed that the asphalt was deficient.

21 14. Gila County withheld payment to AJP based on the alleged deficiency of the  
22 asphalt.

23 15. AJP provided the County with evidence that the deficiency was due to ATL's  
24 faulty and incomplete testing of the asphalt and failure to take core samples at or near the  
25 time the asphalt was placed, as is standard in the industry.

26 16. AJP invoiced Gila County on October 8, 2012 (the "Invoice") in the amount of  
27 \$30,691.25.

28 17. Despite AJP's repeated demands, Gila County has failed and refused to pay the

1 invoice without excuse.

2 **COUNT ONE**

3 **(Breach of Contract)**

4 18. AJP incorporates by reference all previous allegations.

5 19. AJP fully performed its work under the Contract, and all conditions precedent to  
6 AJP's right to receive payment have occurred or otherwise been satisfied.

7 20. Despite repeated demand therefor, Gila County has failed and refused to pay AJP  
8 for its work on the Project.

9 21. Gila County's failure and refusal to pay AJP the sums due and owing constitutes a  
10 material breach of the Contract.

11 22. Gila County is indebted to AJP in the principal amount stated in the Invoice,  
12 \$30,691.25.

13 23. This matter arises out of contract within the meaning of A.R.S. § 12-341.01.

14 WHEREFORE, AJP requests that this Court enter judgment in its favor and against Gila  
15 County as follows:

16 A. For damages in the amount of \$30,691.25;

17 B. For pre-judgment and post-judgment interest thereon at the rate of 12 percent  
18 (12%) per annum from the due date until paid in full pursuant to A.R.S. § 34-221(C), or,  
19 alternatively, at the highest rate allowed by law;

20 C. For AJP's reasonable attorneys' fees incurred herein pursuant to A.R.S. § 12-  
21 341.01;

22 D. For AJP's costs incurred herein and hereafter accruing pursuant to A.R.S. § 12-  
23 341;

24 E. For interest on all attorneys' fees and costs awarded at the rate of ten percent  
25 (10%) per annum from the date of the judgment until paid in full; and

26 F. For such other and further relief as this Court may deem just under the  
27 circumstances.

28



1 (10%) per annum from the date of the judgment until paid in full; and

2 F. For such other and further relief as this Court may deem just under the  
3 circumstances.

4 **COUNT THREE**

5 **(Violation of A.R.S. § 34-221, et seq.)**

6 31. AJP incorporates by reference all previous allegations.

7 32. Pursuant to A.R.S. § 34-221, et seq., AJP is entitled to payment from Gila County  
8 for the work it performed under the Contract.

9 33. AJP provided Gila County with a billing for the work that AJP performed on the  
10 Project on October 8, 2012 by submitting the Invoice.

11 34. Pursuant to A.R.S. § 34-221(C)(2), a billing for a progress payment shall be deemed  
12 certified and approved seven days after its receipt by the owner, unless before that time, the  
13 owner provides a written statement explaining why the billing is not certified or approved.

14 35. Gila County did not make a written objection to the Invoice within seven days of its  
15 receipt of same.

16 36. By failing to pay the Invoice within 14 days of its certification and approval, Gila  
17 County violated A.R.S. § 34-221, et seq.

18 WHEREFORE, AJP requests that this Court enter judgment in its favor and against Gila  
19 County as follows:

20 A. For damages in the amount of \$30,691.25;

21 B. For pre-judgment and post-judgment interest thereon at the rate of 12 percent  
22 (12%) per annum from the due date until paid in full pursuant to A.R.S. § 34-221(C), or,  
23 alternatively, at the highest rate allowed by law;

24 C. For AJP's reasonable attorneys' fees incurred herein pursuant to A.R.S. § 12-  
25 341.01;

26 D. For AJP's costs incurred herein and hereafter accruing pursuant to A.R.S. § 12-  
27 341;

28 E. For interest on all attorneys' fees and costs awarded at the rate of ten percent

1 (10%) per annum from the date of the judgment until paid in full; and

2 F. For such other and further relief as this Court may deem just under the  
3 circumstances.

4 DATED this 19<sup>th</sup> day of April, 2013.

5 LANG BAKER & KLAIN, PLC

6  
7  
8 By: 

9 Kent A. Lang  
10 Michael W. Thal  
11 *Attorneys for Plaintiff*  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

APR 22 2013

ANITA ESCOBEDO, Clerk

1 **LANG BAKER & KLAIN, PLC**

2 8767 E. VIA DE COMMERCIO, SUITE 102  
3 SCOTTSDALE, ARIZONA 85258  
4 TELEPHONE (480) 947-1911  
5 FilingKAL@lang-baker.com

6 KENT A. LANG, #010041  
7 MICHAEL W. THAL, #023843

8 *Attorneys for Plaintiff*

9 **SUPERIOR COURT OF ARIZONA**

10 **GILA COUNTY**

11 AJP ELECTRIC, INC., an Arizona  
12 corporation,

13 Plaintiff,

14 v.

15 GILA COUNTY, a political subdivision of  
16 the State of Arizona,

17 Defendant.

Case No. *CN 201300096*

**CERTIFICATE OF COMPULSORY  
ARBITRATION**

18 Plaintiffs AJP Electric, Inc., an Arizona corporation, through counsel, certifies that it  
19 knows the dollar limits and any other limitations set forth by the local rules of practice for the  
20 applicable Superior Court, and further certifies that this case *is* subject to compulsory  
21 arbitration, as provided by Rules 72 through 76 of the Arizona Rules of Civil Procedure.

22 DATED this 19<sup>th</sup> day of April, 2013.

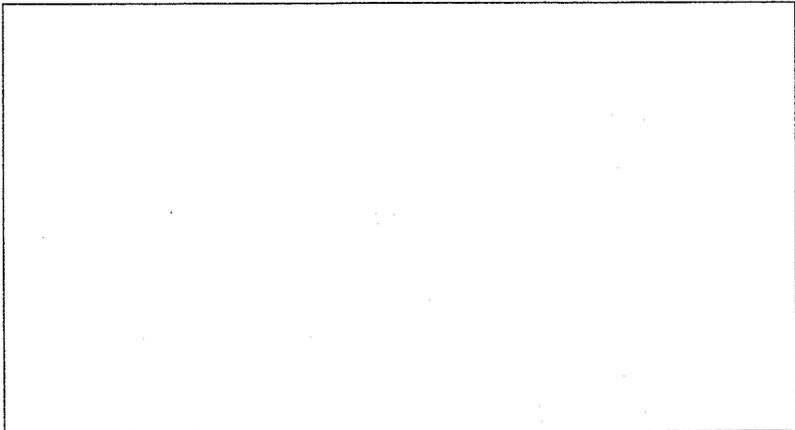
23 LANG BAKER & KLAIN, PLC

24 By: 

25 Kent A. Lang  
26 Michael W. Thal  
27 *Attorneys for Plaintiffs*  
28

In the Superior Court of the State of Arizona  
In and For the County of Gila

Case Number CV20130008/p



**CIVIL COVER SHEET- NEW FILING ONLY**  
(Please Type or Print)

Plaintiff's Attorney: (1) **Kent A. Lang**  
(2) **Michael W. Thal**  
Attorney Bar Number: (1) **023843**  
(2) **010041**

Plaintiff's Name(s): (List all)

**AJP Electric, Inc.**

Plaintiff's Address:

**c/o Lang Baker & Klain, PLC**  
**8767 East Via de Commercio, Ste. 102**  
**Scottsdale, AZ 85258**

(List additional plaintiffs on page two and/or attach a separate sheet).

Defendant's Name(s): (List All)

**Gila County**

(List additional defendants on page two and/or attach a separate sheet)

EMERGENCY ORDER SOUGHT:  Temporary Restraining Order  Provisional Remedy  OSC  
 Election Challenge  Employer Sanction  Other \_\_\_\_\_  
(Specify)

RULE 8(i) COMPLEX LITIGATION DOES NOT APPLY. (Mark appropriate box under **Nature of Action**)

RULE 8(i) COMPLEX LITIGATION APPLIES. Rule 8(i) of the Rules of Civil Procedure defines a "Complex Case" as civil actions that require continuous judicial management. A typical case involves a large number of witnesses, a substantial amount of documentary evidence, and a large number of separately represented parties.  
(Mark appropriate box on page two as to complexity, **in addition** to the Nature of Action case category).

**NATURE OF ACTION**

(Place an "X" next to the **one** case category that most accurately describes your primary case.)

**TORT MOTOR VEHICLE:**

- Non-Death/Personal Injury
- Property Damage
- Wrongful Death

**TORT NON-MOTOR VEHICLE:**

- Negligence
- Product Liability – Asbestos
- Product Liability – Tobacco
- Product Liability – Toxic/Other
- Intentional Tort
- Property Damage
- Legal Malpractice
- Malpractice – Other professional
- Premises Liability
- Slander/Libel/Defamation
- Other (Specify) \_\_\_\_\_

**MEDICAL MALPRACTICE:**

- Physician M.D.  Hospital
- Physician D.O.  Other

**CONTRACTS:**

- Account (Open or Stated)
- Promissory Note
- Foreclosure
- Buyer-Plaintiff
- Fraud
- Other Contract (i.e. Breach of Contract)
- Excess Proceeds-Sale
- Construction Defects (Residential/Commercial)
  - Six to Nineteen Structures
  - Twenty or More Structures

**OTHER CIVIL CASE TYPES:**

- Eminent Domain/Condemnation

- Eviction Actions (Forcible and Special Detainers)
- Change of Name

**OTHER CIVIL CASE TYPES : (Continued)**

- Transcript of Judgment
- Foreign Judgment
- Quiet Title
- Forfeiture
- Election Challenge
- NCC- Employer Sanction Action (A.R.S. §23-212)
- Injunction against Workplace Harassment
- Injunction against Harassment
- Civil Penalty
- Water Rights(Not General Stream Adjudication)
- Real Property
- Sexually Violent Person (A.R.S. §36-3704)  
(Except Maricopa County)
- Minor Abortion (See Juvenile in Maricopa County)
- Special Action Against Lower Courts  
(See lower court appeal cover sheet in Maricopa)
- Immigration Enforcement Challenge (§§1-501, 1-502,  
11-1051)

**UNCLASSIFIED CIVIL:**

- Administrative Review  
(See lower court appeal cover sheet in Maricopa)
- Tax Appeal  
(All other tax matters must be filed in the AZ Tax Court)

- Declaratory Judgment
- Habeas Corpus
- Landlord Tenant Dispute- Other
- Restoration of Civil Rights (Federal)
- Clearance of Records (A.R.S. §13-4051)
- Declaration of Factual Innocence (A.R.S. §12-771)
- Declaration of Factual Improper Party Status
- Vulnerable Adult (A.R.S. §46-451)
- Tribal Judgment
- Structured Settlement (A.R.S. §12-2901)
- Attorney Conservatorships (State Bar)
- Unauthorized Practice of Law (State Bar)
- Out-of-State Deposition for Foreign Jurisdiction
- Secure Attendance of Prisoner
- Assurance of Discontinuance
- In-State Deposition for Foreign Jurisdiction
- Eminent Domain– Light Rail Only
- Interpleader– Automobile Only
- Delayed Birth Certificate (A.R.S. §36-333.03)
- Employment Dispute- Discrimination
- Employment Dispute-Other
- Other \_\_\_\_\_  
(Specify)

**COMPLEXITY OF THE CASE**

If you marked the box on page one indicating that Complex Litigation applies, place an “X” in the box of no less than one of the following:

- Antitrust/Trade Regulation
- Construction Defect with many parties or structures
- Mass Tort
- Securities Litigation with many parties
- Environmental Toxic Tort with many parties
- Class Action Claims
- Insurance Coverage Claims arising from the above-listed case types
- A Complex Case as defined by Rule 8(i) ARCP

Additional Plaintiff(s)

---



---



---

Additional Defendant(s)

---



---



---

**RECEIVED**

Lang Baker & Klain, PLC

APR 11 2013

**PUBLIC WORKS**

Kent A. Lang  
(480) 947-1911 (f) (480) 970-5034  
klang@lang-baker.com

8767 E. Via de Commercio, Suite 102  
Scottsdale, Arizona 85258  
www.lang-baker.com  
LBK File No: 2477-002

April 10, 2013

*Via Certified Mail—Return Receipt Requested*

Marian E. Sheppard  
Gila County  
Clerk of the Board  
1400 E. Ash Street  
Globe, AZ 85501

Roland Boyer  
Gila County  
Public Works Division  
1400 W. Ash Street  
Globe, AZ 85501

Chuck Williams  
Joseph Alwin  
C.L. Williams Consulting, Inc.  
621 S. Hillside Lane  
Pinetop, AZ 85935

**NOTICE OF CLAIM**

**PURSUANT TO A.R.S. § 12-821.01, CLAIMANT AJP ELECTRIC SENDS THIS NOTICE OF CLAIM TO GILA COUNTY AND ANY OTHER PUBLIC ENTITIES AND EMPLOYEES REGARDING ANY AND ALL POSSIBLE CAUSES OF ACTION SUPPORTED BY THE FACTS STATED BELOW**

**Re: *AJP Electric, Inc. ("AJP") v. Gila County  
Gila County PWD Complex – Roadyard Shop Paving Phase (the "Project")  
Outstanding Balance of \$30,691.25***

To Whom It May Concern:

Please let this correspondence serve as a formal Notice of Claim to Gila County from AJP through undersigned counsel. This Notice shall extend to any and all agents, employees, or other representatives of Gila County responsible for AJP's damages detailed herein.

In or around Fall 2011, Gila County contracted with AJP to procure and place asphalt at the Project. Pursuant to the Project Specifications, Gila County was responsible for quality control on the Project, and the County hired ATL, Inc. ("ATL") to fulfill that role. On or about February 7, 2012, AJP placed the asphalt with representatives from Gila County and ATL present. According to ATL at the time, the asphalt density was well within standards.

On June 28, 2012, AJP was contacted by the County's consultant, C.L. Williams Consulting, Inc., who claimed that core samples showed that the asphalt was deficient. Gila County withheld payment to AJP based on this deficiency.

Lang Baker & Klain, PLC

Gila County  
April 10, 2013  
Page 2

AJP responded with ample evidence that the deficiency was due to ATL's faulty and incomplete testing of the asphalt and failure to take core samples at or near the time the asphalt was placed, as is standard in the industry. Put simply, the County did not fulfill its quality-control duties under the Project Specifications. AJP was entitled to rely on the County to fulfill those duties, and therefore, AJP is not liable for the deficient asphalt.

Despite this fact, AJP has worked diligently to help remedy the issue, including performing substantial remedial work at its own cost. AJP even offered to share the cost of additional repairs with ATL and Gila County. Despite this attempt at compromise, the county has steadfastly refused to accept any responsibility for the current situation. Accordingly, AJP has been left no choice but to demand payment in full, and to move forward with litigation unless Gila County makes payment immediately.

AJP invoiced Gila County on October 8, 2012 (the "Invoice") in the amount of \$30,691.25. Be advised that, under A.R.S. § 34-221(C)(2), the Invoice was deemed "certified and approved" once the County failed to object to the Invoice in writing within seven days. As such, the County was legally required to pay the Invoice by October 31, 2012, at the latest.

Understand that, should AJP be forced to sue the County, AJP will be entitled to recover its attorneys' fees and costs, plus 18% interest per annum pursuant to the terms of the Invoice. Note that AJP's attorneys' fees already exceed \$5,000.00, a figure that will increase dramatically once suit is filed.

However, AJP is willing to forgo collection of those fees and, instead, settle all of its claims against Gila County stemming from the Project in exchange for payment of \$30,691.25, to be paid to AJP no later than 7 days from the date of this letter. If payment is not received by then, AJP will immediately file the draft lawsuit attached hereto as Exhibit A.

It is believed that you are the individual(s) whom AJP was required to serve this Notice. However, if this is not the case, or if any further information or documentation is required to process this Notice, please notify me immediately.

All further correspondence regarding this matter should be directed to Lang Baker & Klain, PLC at the address stated above. Please do not hesitate to contact our office should you have any questions or wish to further discuss this matter.

Sincerely,

LANG BAKER & KLAIN, PLC



Kent A. Lang

**EXHIBIT A**

1 **LANG BAKER & KLAIN, PLC**

8767 E. VIA DE COMMERCIO, SUITE 102

2 SCOTTSDALE, ARIZONA 85258

TELEPHONE (480) 947-1911

3 FilingKAL@lang-baker.com

4 KENT A. LANG, #010041

MICHAEL W. THAL, #023843

5 *Attorneys for Plaintiff*

7 **SUPERIOR COURT OF ARIZONA**

8 **GILA COUNTY**

9 AJP ELECTRIC, INC., an Arizona  
corporation,

10 Plaintiff,

11 v.

12 GILA COUNTY, a political subdivision of  
13 the State of Arizona,

14 Defendant.

Case No.

**COMPLAINT**

**(Breach of Contract, Unjust Enrichment,  
Violation of A.R.S. § 34-221, et seq.)**

16 Plaintiff AJP Electric, Inc., for its Complaint against Defendant Gila County, states and  
17 alleges as follows:

18 **PARTIES, VENUE, AND JURISDICTION**

19 1. Plaintiff AJP Electric, Inc. ("AJP") is, and was at all times relevant hereto, an  
20 Arizona corporation with its principal place of business in Maricopa County, Arizona.

21 2. AJP is, and was at all times relevant hereto, a duly licensed contractor holding the  
22 following Arizona contractor's licenses: Class A-17 Electrical and Transmission Lines  
23 License No. 101195, Class L-11 Electrical License No. 101196 and Class A General  
24 Engineering License No. 146006.

25 3. Upon information and belief, Defendant Gila County ("Gila County") was, at all  
26 times relevant hereto, a political subdivision of the State of Arizona, and existed as such  
27 under the laws of the State of Arizona.

28 4. The amount in controversy exceeds this Court's minimum jurisdictional

1 requirement.

2 5. This Court has jurisdiction over this matter on the basis that the activities  
3 complained of herein occurred in Gila County, Arizona.

4 6. Venue is proper in this Court pursuant to A.R.S. § 12-401.

5 **GENERAL ALLEGATIONS**

6 7. AJP incorporates by reference all previous allegations.

7 8. In or around Fall 2011, Gila County entered into a contract (the "Contract") with  
8 AJP to procure and place asphalt at the project called "PWD Complex – Roadyard Shop  
9 Paving Phase" (the "Project") located at approximately 1001 W. Besich Blvd. in Globe,  
10 Arizona.

11 9. Pursuant to the Project Specifications, Gila County was responsible for quality  
12 control on the Project, and the County hired ATL, Inc. ("ATL") to fulfill that role.

13 10. On or about February 7, 2012, AJP placed the asphalt with representatives from  
14 Gila County and ATL present.

15 11. Shortly after AJP placed the asphalt at the Project, ATL purported to test it and  
16 indicated that it was within standards at that time.

17 12. Based on ATL's indication that the asphalt was within standards, AJP allowed the  
18 asphalt to cure.

19 13. On June 28, 2012, AJP was contacted by Gila County's consultant, C.L. Williams  
20 Consulting, Inc., who claimed that the asphalt was deficient.

21 14. Gila County withheld payment to AJP based on the alleged deficiency of the  
22 asphalt.

23 15. AJP provided the County with evidence that the deficiency was due to ATL's  
24 faulty and incomplete testing of the asphalt and failure to take core samples at or near the  
25 time the asphalt was placed, as is standard in the industry.

26 16. AJP invoiced Gila County on October 8, 2012 (the "Invoice") in the amount of  
27 \$30,691.25.

28 17. Despite AJP's repeated demands, Gila County has failed and refused to pay the

1 invoice without excuse.

2 **COUNT ONE**  
3 **(Breach of Contract)**

4 18. AJP incorporates by reference all previous allegations.

5 19. AJP fully performed its work under the Contract for all Phases, and all conditions  
6 precedent to AJP's right to receive payment have occurred or otherwise been satisfied.

7 20. Despite repeated demand therefor, Gila County has failed and refused to pay AJP  
8 for the work that AJP did on the Project.

9 21. Gila County's failure and refusal to pay AJP the sums due and owing constitutes a  
10 material breach of the Contract.

11 22. Gila County is indebted to AJP in the principal amount stated in the Invoice,  
12 \$30,691.25.

13 23. This matter arises out of contract within the meaning of A.R.S. § 12-341.01.

14 WHEREFORE, AJP requests that this Court enter judgment in its favor and against Gila  
15 County as follows:

16 A. For damages in the amount of \$30,691.25;

17 B. For pre-judgment and post-judgment interest thereon at the rate of 12 percent  
18 (12%) per annum from the due date until paid in full pursuant to A.R.S. § 34-221(C), or,  
19 alternatively, at the highest rate allowed by law;

20 C. For AJP's reasonable attorneys' fees incurred herein pursuant to A.R.S. § 12-  
21 341.01;

22 D. For AJP's costs incurred herein and hereafter accruing pursuant to A.R.S. § 12-  
23 341;

24 E. For interest on all attorneys' fees and costs awarded at the rate of ten percent  
25 (10%) per annum from the date of the judgment until paid in full; and

26 F. For such other and further relief as this Court may deem just under the  
27 circumstances.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**COUNT TWO**

**(Unjust Enrichment)**

24. AJP incorporates by reference all previous allegations.

25. To the extent that the Contract may be determined to be unenforceable, AJP has no adequate remedy at law and pleads unjust enrichment in the alternative.

26. AJP conferred a benefit on Gila County by providing services, materials, equipment, fixtures, and tools for the benefit of the Project at Gila County's request. Said benefit has enriched Gila County, which has not compensated AJP for the benefit it conferred with respect to the Project.

27. AJP did not provide the benefits gratuitously, but at the express request of Gila County, and with the reasonable expectation of compensation.

28. There is no justification for Gila County's enrichment at AJP's expense, or, conversely, for AJP's impoverishment for the benefit of Gila County.

29. It would be unjust and inequitable for Gila County to retain the benefits conferred by AJP without paying AJP therefor.

30. This matter arises out of contract within the meaning of A.R.S. § 12-341.01.

WHEREFORE, AJP requests that this Court enter judgment in its favor and against Gila County as follows:

A. For the reasonable value of the benefit conferred by AJP, in such amount as may be proven at trial;

B. For pre-judgment and post-judgment interest thereon at the rate of 12 percent (12%) per annum from the due date until paid in full pursuant to A.R.S. § 34-221(C), or, alternatively, at the highest rate allowed by law;

C. For AJP's reasonable attorneys' fees incurred herein pursuant to A.R.S. § 12-341.01;

D. For AJP's costs incurred herein and hereafter accruing pursuant to A.R.S. § 12-341;

E. For interest on all attorneys' fees and costs awarded at the rate of ten percent

1 (10%) per annum from the date of the judgment until paid in full; and

2 F. For such other and further relief as this Court may deem just under the  
3 circumstances.

4 **COUNT THREE**

5 **(Violation of A.R.S. § 34-221, et seq.)**

6 31. AJP incorporates by reference all previous allegations.

7 32. Pursuant to A.R.S. § 34-221, et seq., AJP is entitled to payment from Gila County  
8 for the work it performed under the Contract.

9 33. AJP provided Gila County with a billing for the work that AJP performed on the  
10 Project on October 8, 2012 by submitting the Invoice.

11 34. Pursuant to A.R.S. § 34-221(C)(2), a billing for a progress payment shall be deemed  
12 certified and approved seven days after its receipt by the owner, unless before that time, the  
13 owner provides a written statement explaining why the billing is not certified or approved.

14 35. Gila County did not make a written objection to the Invoice within seven days of its  
15 receipt of same.

16 WHEREFORE, AJP requests that this Court enter judgment in its favor and against Gila  
17 County as follows:

18 A. For damages in the amount of \$30,691.25;

19 B. For pre-judgment and post-judgment interest thereon at the rate of 12 percent  
20 (12%) per annum from the due date until paid in full pursuant to A.R.S. § 34-221(C), or,  
21 alternatively, at the highest rate allowed by law;

22 C. For AJP's reasonable attorneys' fees incurred herein pursuant to A.R.S. § 12-  
23 341.01;

24 D. For AJP's costs incurred herein and hereafter accruing pursuant to A.R.S. § 12-  
25 341;

26 E. For interest on all attorneys' fees and costs awarded at the rate of ten percent  
27 (10%) per annum from the date of the judgment until paid in full; and

28 F. For such other and further relief as this Court may deem just under the

1 circumstances.

2 DATED this 10<sup>th</sup> day of April, 2013.

3 LANG BAKER & KLAIN, PLC



5 **DRAFT**

6 By: \_\_\_\_\_

7 Kent A. Lang  
8 Michael W. Thal  
9 *Attorneys for Plaintiff*

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**ARF-1874**

**Consent Agenda Item 4- A**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013  
**Submitted For:** Lorraine Dalrymple, Health Services Program Manager  
**Submitted By:** Lorraine Dalrymple  
Health Services Program Manager  
Health & Emergency Services Division  
**Department:** Health & Emergency Services Division  
**Division:** Health Services  
**Fiscal Year:** 2013-2014  
**Budgeted?:** Yes  
**Contract Dates Begin & End:** July 1, 2013 through June 30, 2014  
**Grant?:** Yes  
**Matching Requirement?:** No  
**Fund?:** Renewal

---

Information

Request/Subject

Intergovernmental Agreement Contract No. HP961245-003 Amendment #3 for Community Health Nursing with the Arizona Department of Health Services

Background Information

Gila County has been providing Community Health Nursing visits to residents of Gila County, including the San Carlos Reservation, who need assistance with their infants who were placed in Neonatal Intensive Care. The Community Health Nurse provides support to families during the transition of the infant from the hospital to home; conducts developmental, physical and environmental assessments; screens mother for post partum wellness; and provides support services to those needy families.

Evaluation

This funding will allow Gila County to continue to provide home nursing services to those families whose children spent time in the Neonatal Intensive Care Unit and need extra assistance in transitioning from the hospital to home.

Conclusion

Without this funding, Gila County would not be able to provide this service to residents of Gila County.

Recommendation

It is the recommendation of the Director of the Division of Health and Emergency Services that the Board of Supervisors approve the Intergovernmental Agreement Contract No. HP961245-03 Amendment #3 with the Arizona Department of Health Services on a fee for service basis for the period of July 1, 2013, through June 30, 2014.

Suggested Motion

Approval of Amendment No. 3 to an Intergovernmental Agreement (Contract No HP96145-003) to renew the contract between the Arizona Department of Health Services and Gila County to provide Community Nursing Services on a fee for service basis for the period of July 1, 2013, through June 30, 2014.

---

Attachments

Amendment #3

Amendment #2

Amendment #1

Original Offering Accepted

Legal Explanation



# CONTRACT AMENDMENT

**ARIZONA DEPARTMENT  
OF HEALTH SERVICES**  
1740 W. Adams, Room  
303  
Phoenix, Arizona 85007  
(602) 542-1040

Contract No: HP961245-003

Amendment No: 3

Tracy Chisler

## HRPP/NICP Community Nursing

It is mutually agreed that the Contract referenced is amended as follows:

- Effective July 1, 2013**, pursuant to Special Terms and Conditions, Provision C., Contract Extensions 5 Year Maximum, the Contract is hereby extended through **June 30, 2014**. This is the final year of the Contract.

**All other provisions shall remain in their entirety.**

Contractor hereby acknowledges receipt and acceptance of above amendment and that a signed copy must be filed with the Procurement Office before the effective date.

The above referenced Contract Amendment is hereby executed this \_\_\_\_\_ day of \_\_\_\_\_, 2013 at Phoenix, Arizona

\_\_\_\_\_  
Signature / Date

\_\_\_\_\_  
Signature/Date  
Bryan Chambers, Deputy Attorney Principal

Authorized Signator's Name and Title:  
Michael A. Pastor, Chairman

Procurement Officer

Contractor's Name:  
Gila County Division of Health & Emergency Services



# CONTRACT AMENDMENT

**ARIZONA DEPARTMENT  
OF HEALTH SERVICES**  
1740 W. Adams, Room  
303  
Phoenix, Arizona 85007  
(602) 542-1040

Contract No: HP961245-003

Amendment No: 2

Tracy Chisler/am

## HRPP/NICP Community Nursing

It is mutually agreed that the Contract referenced is amended as follows:

1. **Effective July 1, 2012**, pursuant to Page Nineteen (19), Special Terms and Conditions, Provision C., Contract Extensions 5 Year Maximum, the Contract is hereby extended through June 30, 2013.
2. Uniform Terms and Conditions, Page Twelve (12), Provision C., Contract administration and operation, Item C.2.; Non-Discrimination language is hereby revised and replaced with:  
  
Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules, and regulations, including Americans with Disabilities Act.
3. Uniform Terms and Conditions, Page Twelve (12), Provision C., Contract administration and operation, is hereby revised and adds the following:
  8. Federal Immigration and Nationality Act. The Contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the Contract. Further, the Contractor shall flow down this requirement to all subcontractors utilized during the term of the Contract. The State shall retain the right to perform random audits of Contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the Contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the Contractor.
  10. E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.
  11. Scrutinized Businesses. In accordance with A.R.S. § 35-391 and A.R.S. § 35-393, Contractor certifies that the Contractor does not have scrutinized business operations in Sudan or Iran.

**All other provisions shall remain in their entirety.**

Contractor hereby acknowledges receipt and acceptance of above amendment and that a signed copy must be filed with the Procurement Office before the effective date.

The above referenced Contract Amendment is hereby executed this 10 day of May, 2012 at Phoenix, Arizona

  
Signature / Date 5/11/12

  
Procurement Officer

Authorized Signatory's Name and Title:  
Tommie Cline Martin,  
Chairman of the Board

Contractor's Name:  
Gila County Division of Health and  
Emergency Services



## CONTRACT AMENDMENT

ARIZONA DEPARTMENT  
OF HEALTH SERVICES  
1740 W. Adams, Room  
303  
Phoenix, Arizona 85007  
(602) 542-1040

Contract No: HP961245-003

Amendment No: 2

Tracy Chisler/am

12. Offshore Performance of Work Prohibited.

Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the Contract. This provision applies to work performed by subcontractors at all tiers.

4. Uniform Terms and Conditions, Page Sixteen (16), Provision G., Warranties, Item G.5, "Year 2000" is hereby deleted.

**The following changes to Special Terms and Conditions will be effective upon execution of Amendment Two (2).**

5. Delete in its entirety, Special Terms and Conditions, Page Twenty-One (21), Provision S., Compliance Requirements for A.R.S. § 41-4401, Government Procurement: E-Verify Requirement, from the Contract.
6. Delete in its entirety, Special Terms and Conditions, Page Twenty-Two (22), Provision T. Offshore Performance of Work Prohibited, from the Contract.
7. Delete in its entirety, Special Terms and Conditions, Page Twenty-Four (24), Provision V., Insurance Requirements, Paragraph Six (6), Approval, and replace it with the following:

**APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract must have prior approval from the State of Arizona Department of Administration, Risk Management Division, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.

8. Special Terms and Conditions, Page Twenty-Five (25), Provision W., Health Insurance Portability and Accountability Act of 1996 is hereby revised and replaced with:

The Contractor warrants that it is familiar with the requirements of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009, and accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the Arizona Department of Health Services (ADHS) in the course of performance of the Contract so that both ADHS and Contractor will be in compliance with HIPAA, including cooperation and coordination with the Government Information Technology Agency (GITA), Statewide Information Security and Privacy Office (SISPO) Chief Privacy Officer and HIPAA Coordinator and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep ADHS and Contractor in compliance with HIPAA, including, but not limited to, business associate agreements.

If requested by the ADHS Procurement Office, Contractor agrees to sign a "Pledge To Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in HIPAA training offered by ADHS or to provide written verification that the Contractor has attended or participated in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the GITA/SISPO Chief Privacy Officer and HIPAA Coordinator.



## CONTRACT AMENDMENT

**ARIZONA DEPARTMENT  
OF HEALTH SERVICES**  
1740 W. Adams, Room  
303  
Phoenix, Arizona 85007  
(602) 542-1040

Contract No: HP961245-003

Amendment No: 2

Tracy Chisler/am

9. Special Terms and Conditions, Page Twenty-Five, Provision X., Pandemic Contractual Performance, hereby adds the following:
  3. The State, at any time, may request to see a copy of the written plan from the Contractor. The Contractor shall produce the written plan within seventy-two (72) hours of the request.



# CONTRACT AMENDMENT

ARIZONA DEPARTMENT  
OF HEALTH SERVICES  
1740 W Adams, Room  
303  
Phoenix, Arizona 85007  
(602) 542-1040

Contract No: HP961245-003

Amendment No: 1

Najwa Stuck

## HRPP/NICP Community Nursing

It is mutually agreed that the Contract referenced is amended as follows:

1. Add to Page Twenty-six (26), Special Terms and Condition the following Provision:

**Z. Discretionary Use of State Funded Positions**

In the event that the State experiences an indefinite threat to the health, welfare or safety to the citizens of the State, including but not limited to, a bioterrorism act, pandemic outbreak or other emergency, ADHS will authorize the use of State funded staff to assist in addressing the public health emergency. ADHS will provide authorization to the Contractor in writing to proceed. Upon the written notification that the threat or incident has been officially declared to be over, the State funded staff shall return to support State funded programs, Payments from ADHS to the Contractor will continue as per the Price Sheet without interruption.

2. Add to Page Thirty (30), Scope of Work, Provision H DELIVERABLES, the following line item;

8 Submit a narrative report to ADHS Program Manager which includes activities conducted, and time dedicated when staff redirected to support activities related to ADHS authorized health, welfare or safety threat Report due within thirty (30) days of end of assignment.

3. Replace Price Sheet, Page Thirty-eight (38), with Price Sheet, Page Two (2), Amendment One (1), reflecting the following additional line item:

Professional Nursing Services in support of declared threat with a Unit Rate of \$75 00.

**All other provisions shall remain in their entirety.**

Contractor hereby acknowledges receipt and acceptance of above amendment and that a signed copy must be filed with the Procurement Office before the effective date.

In accordance with A.R.S. 35-393 06, the Contractor hereby certifies that the Contractor does not have scrutinized business operations in Iran

In accordance with A.R.S. 35-391 06, the Contractor hereby certifies that the Contractor does not have any scrutinized business operations in Sudan

Shirley Dawson 12/15/09  
Signature / Date

The above referenced Contract Amendment is hereby executed this \_\_\_\_\_ day of \_\_\_\_\_, 2009 at Phoenix, Arizona

Authorized Signatory's Name and Title:

Shirley Dawson, Chairman, B.O.S.

Procurement Officer

Contractor's Name:

Gila County Division of Health & Community Services

Approved as to form:

Brydn B. Chambers  
Brydn B. Chambers  
Chief Deputy County Attorney



## CONTRACT AMENDMENT

ARIZONA DEPARTMENT  
OF HEALTH SERVICES  
1740 W Adams, Room  
303  
Phoenix, Arizona 85007  
(602) 542-1040

Contract No: HP961245-003

Amendment No: 1

Najwa Stuck

### Price Sheet

#### FIXED PRICE

SERVICE DESCRIPTION	UNIT RATE	UNIT OF MEASURE
Regular Home Visit	\$150 00	Per Visit
Out of Town Home Visits (All class of visit) (Thirty (30) or more miles from start point (home/office))	\$175 00	Per Visit
Out of County Home Visits (All class of visits)	\$175 00	Per Visit
Interim Local Home Visits	\$85 00	Per Visit
Shadowing Local Home Visits	\$75 00 Local \$85 00 Non Local	Per Visit
Family Local Home Visits	\$185.00	Per Visit
Multi-Disciplinary Staffing Local Home Visits	\$185.00	Per Visit
NICP/ Other Sponsored Training – Local	\$0 N/A	Per Person/Per Day
NICP/ Other Sponsored Training - Non Local	\$300.00	Per Person/Per Day
Newborn Screening Follow-up	\$125.00	Per Visit
Low Risk Letter	\$25 00	Per Letter
Professional nursing services in support of declared threat	\$75 00	Per hour

Prices are inclusive of all costs to provide the service. No Additional Costs shall be accepted by ADHS.



**OFFER AND ACCEPTANCE  
SOLICITATION NO: HP961245**

ARIZONA ADHS  
OF HEALTH SERVICES  
1740 West Adams Street  
Phoenix, Arizona 85007  
(602) 542-1040  
(602) 542-1741 Fax

Submit this form with an original signature to the:

Arizona DEPARTMENT of Health Services  
Office of Procurement  
1740 West Adams, Room 303  
Phoenix, Arizona 85007

The Undersigned hereby Offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the solicitation.  
In accordance with A.R.S. 35-393.06, the Offeror hereby certifies that the Offeror does not have scrutinized business operations in Iran.  
In accordance with A.R.S. 35-391.06, the Offeror hereby certifies that the Offeror does not have any scrutinized business operations in Sudan.

Arizona Transaction (Sales) Privilege Tax License No: \_\_\_\_\_

For Clarification of this Offer. Contact:

Federal Employer Identification No: 86-6000444

Name: David H. Fletcher  
Telephone: 928-425-3189 ext. 8801  
FAX: 928-425-0794

Gila County Division of Health & Community Services  
Company Name  
315 S. Apache Ave. Suite 100  
Address  
Globe, Arizona 85501  
City, State, ZIP Code

Shirley Dawson  
Signature of Person Authorized to Sign Offer  
Ms. Shirley Dawson  
Printed Name  
Chairman, Board of Supervisors  
Title

**OFFER ACCEPTANCE AND CONTRACT AWARD** (For State of Arizona Use Only)

Your Offer is hereby accepted as described in the Notice of Award. The Contractor is now bound to perform based upon the Solicitation and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract Number: HP961245 - 003

The Contractor is hereby cautioned not to commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed purchase order or contract release document or written notice to proceed, if applicable.

State of Arizona

Awarded this 30th day of June, 2009

Elizabeth Pyle  
DEPUTY CHIEF PROCUREMENT OFFICER

**SOLICITATION NO: HP961245**



**SOLICITATION AMENDMENT ONE (1)**

ARIZONA DEPARTMENT OF  
HEALTH SERVICES  
1740 West Adams, Room 303  
Phoenix, AZ 85007  
(602) 542-1040  
(602) 542-1741 fax

Solicitation Due Date: April 8, 2009 at

3:00 P.M

Contact: Christine Ruth

A signed copy of this amendment must be submitted with your Solicitation Response This Solicitation is amended as follows:

Solicitation HP961245 is amended as follows:

- 1 The Scope of Work, Page Twenty-eight (28), Paragraph One (1), Tasks, Section 1 2 is replaced in its entirety to read as follows:
  - 1 2 Provide a program that recruits, hires, trains, and supervises community health nurses. If early interventionists and/or social workers are part of the home based visitation program, they shall also be recruited, hired, trained and supervised.
- 2 Replace the Price Sheet, Page Thirty-two (32) in its entirety with the Price Sheet, Page Two (2) of this Solicitation Amendment

Vendor hereby acknowledges receipt and understanding of above amendment

*Shirley Dawson*  
Signature \_\_\_\_\_  
3/30/09  
Date

The above referenced Solicitation Amendment is hereby executed this 23rd day of March, 2009 in Phoenix, Arizona.

*Christine Ruth*

Name and Title:

Shirley Dawson, Chairman, Board  
Name of Company: of Supervisors  
Gila County

Signature

Title: Christine Ruth, Chief Procurement Officer

**UNIFORM TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

**A. Definition of Terms** As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

1. *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.
2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
3. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract
4. *"Contractor"* means any person who has a Contract with the State.
5. *"Days"* means calendar days unless otherwise specified
6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
7. *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received
8. *"Materials"* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space
9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
10. *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
11. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
12. *"State"* means the State of Arizona and ADHS or Agency of the State that executes the Contract.
13. *"State Fiscal Year"* means the period beginning with July 1 and ending June 30,

**B Contract Interpretation**

1. **Arizona Law.** The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
2. **Implied Contract Terms.** Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it
3. **Contract Order of Precedence.** In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
  - 3.1 Special Terms and Conditions;
  - 3.2 Uniform Terms and Conditions;

**UNIFORM TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

- 3.3 Statement or Scope of Work;
- 3.4 Specifications;
- 3.5 Attachments;
- 3.6 Exhibits; and
- 3.7 Documents referenced or included in the Solicitation

- 4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract
- 6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding
- 7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

**C. Contract administration and operation.**

- 1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.

**UNIT FORM TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

- 7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 9 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, ADHS, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, ADHS, division, board or commission of the State of Arizona requesting the issuance of this contract.

**D. Costs and Payments**

1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
3. Applicable Taxes.
  - 3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes
  - 3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes
  - 3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
  - 3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.
4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
  - 5.1 Accept a decrease in price Offered by the Contractor;

**UNIT FORM TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

5.2 Cancel the Contract; or

5.3 Cancel the contract and re-solicit the requirements.

**E. Contract Changes**

1. **Amendments.** This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
2. **Subcontracts.** The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
3. **Assignment and Delegation.** The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

**F. Risk and Liability**

1. **Risk of Loss.** The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
2. **Indemnification**
  - 2.1 **Contractor/Vendor Indemnification (Not Public Agency)** The parties to this contract agree that the State of Arizona, its' Departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.
  - 2.2 **Public Agency Language Only** Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers."
3. **Indemnification - Patent and Copyright.** The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
4. **Force Majeure.**
  - 4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure

**UNIT FORM TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence

4.2 Force Majeure shall not include the following occurrences:

4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

**G. Warranties**

1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens

2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

2.1 Of a quality to pass without objection in the trade under the Contract description;

2.2 Fit for the intended purposes for which the materials are used;

2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

2.4 Adequately contained, packaged and marked as the Contract may require; and

2.5 Conform to the written promises or affirmations of fact made by the Contractor.

3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract

4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

**UNIFORM TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

5. Year 2000

5.1 Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.

5.2 Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.

6 Compliance with Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.

7. Survival of Rights and Obligations after Contract Expiration or Termination

7.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

7.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

**H. State's Contractual Remedies**

1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

2. Stop Work Order.

2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

**UNIFORM TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive
4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

**I. Contract Termination**

1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511
2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was Offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity Offered by the Contractor.
3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an Offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
5. Termination for Default.
  - 5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory

**UNIFORM TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand

5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor

6. Continuation of Performance through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

**J. Contract Claims**

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

**K. Arbitration.** The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes.

**L. Comments Welcome**

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15<sup>th</sup> Avenue, Suite 104, Phoenix, Arizona, 85007

**SPECIAL TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

**A. Purpose**

Pursuant to provisions of the Arizona Procurement Code, A.R.S. 41-2501 Et Seq., the State of Arizona, Department of Health Services (ADHS) intends to establish a contract for the materials or services as listed herein.

**B. Term of Contract (3 Years)**

The term of any resultant contract shall commence on July 1, 2009, and shall continue for a period of three (3) years thereafter, unless terminated, canceled or extended as otherwise provided herein

**C. Contract Extensions 5 Year Maximum**

The initial contract term is for a three (3) year period subject to additional successive periods of twelve (12) months per extension with a maximum aggregate including all extensions not to exceed five (5) years

**D. Contract Type**

Fixed Price

**E. Licenses**

The Contractor shall maintain in current status, all federal, state and local licenses and permits required for the operation of the business conducted by the contractor.

**F. Information Disclosure**

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the State or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of contractor as needed for the performance of duties under the contract, unless otherwise agreed to in writing by the State

**G. Key Personnel**

It is essential that the Contractor provide adequate experienced key and essential personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor shall agree to assign specific individuals to the key positions. "Key Personnel" is defined as directors, managers and supervisors that shall be responsible for the complete delivery of services, schedule, supervision of staff and preparation and delivery of reports. "Essential personnel" is defined as the staff required to perform the assigned tasks, including but not limited to, graphic design artists, customer service representatives, printing experts, warehouse fulfillment staff and shipping clerks.

At a minimum key personnel shall include a Project Manager with the technical qualifications to fully support the ADHS Program Unit Managers and ensure Contractor performance throughout the term of the Contract, as described in the Special Instructions

1. The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to the State.
2. If key personnel are not available for work under this Contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the ADH Program Unit Manager, and shall, subject to the concurrence of ADHS, replace such personnel with personnel of substantially equal ability and qualifications.

**SPECIAL TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

**H. Price Adjustment**

Contractor prices accepted and subsequently awarded by a Contract shall remain in effect for a minimum of one (1) year. The Contractor may request a price adjustment, but the State will not review or approve an increase until the Contract has been in effect for one (1) year. The ADHS Procurement Office will review any requested rate increase to determine whether such request is reasonable in relation to increased supplier or material costs. Contractor shall provide written justification for any price adjustment requested, including information contained in the Consumer Price Index or similar official cost analysis to support any requested price increase. Any price increase adjustment, if approved, will be effective upon execution of a written Contract amendment. Likewise, the Contractor shall offer the State a price adjustment reduction concurrent with reduced costs from their suppliers. Price reductions will become effective upon execution of a Contract amendment.

**I. Non-Exclusive Contract**

Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary, or when determined to be in the best interest of the State.

**J. Volume of Work**

ADHS does not guarantee a specific amount of work either for the life of this Contract or on an annual basis ADHS anticipates activity. However, all work to be performed under this Contract will be authorized by a Purchase Order issued by the Program placing the order. Quantities will be provided for each item to be produced and delivered by the Contractor.

**K. Information Disclosure**

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the State or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

**L. Employees of the Contractor**

All employees of the Contractor employed in the performance of work under the Contract shall be considered employees of the Contractor at all times, and not employees of the ADHS or the State. The Contractor shall comply with the Social Security Act, Workman's Compensation laws and Unemployment laws of the State of Arizona and all State, local and Federal legislation relevant to the Contractor's business.

**M. Order Process**

The award of a contract shall be in accordance with the Arizona Procurement Code. Any attempt to represent any material and/or service not specifically awarded as being under contract with ADHS is a violation of the Contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the state inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the Contractor.

**N. Contractor Performance Reports**

Program management shall document Contractor performance, both exemplary and needing improvements where corrective action is needed or desired. Copies of corrective action reports will be forwarded to the ADHS Procurement Office for review and any necessary follow-up. The Procurement Office may contact the Contractor upon receipt of the report and may request corrective action. The Procurement Office shall discuss the Contractor's suggested corrective action plan with the Procurement Specialist for approval of the plan.

**SPECIAL TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

**O. Payment Procedures**

ADHS accounting will not make payments to any Entity, Group or individual other than the Vendor with the Federal Employer Identification (FEI) Number identified in the Contract. Vendor invoices requesting payment to any Entity, Group or individual other than the contractually specified Vendor shall be returned to the Vendor for correction.

The Vendor shall review and insure that the invoices for services provided show the correct Vendor name prior to sending them to the ADHS Accounting Office for payment.

If the Vendor Name and FEI Number change, the Vendor must complete an "Assignment and Agreement" form transferring contract rights and responsibilities to the new Vendor. ADHS must indicate consent on the form. A written Contract Amendment must be signed by both parties and a new W-9 form must be submitted by the new Vendor and entered into the system prior to any payments being made to the new Vendor.

**P. Financial Management**

For all contracts, the practices, procedures, and standards specified in and required by the Accounting and Auditing Procedures Manual for Arizona Department of Health Services funded programs shall be used by the Contractor in the management of contract funds and by the ADHS when performing a contract audit. Funds collected by the Contractor in the form of fees, donations and/or charges for the delivery of these contract services shall be accounted for in a separate fund.

State Funding. Contractors receiving state funds under this Contract shall comply with the certified Compliance provisions of A.R.S. § 35-181.03

Federal Funding. Contractors receiving federal funds under this contract shall comply with the certified finance and compliance audit provision of the Office of Management and Budget (OMB) Circular A-133, if applicable. The federal financial assistance information shall be stated in a Change Order or Purchase Order.

**Q. Inspection and Acceptance**

All services, data and required reports are subject to final inspection, review, evaluation and acceptance by the ADHS. The ADHS may withhold payment for services that are deemed to not meet Contract standards.

**R. Authorization for Services**

Authorization for purchase of services under this Contract shall be made only upon ADHS issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the Contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount on the Purchase Order. ADHS shall not have any legal obligation to pay for services in excess of the amount indicated on the Purchase Order. No further obligation for payment shall exist on behalf of ADHS unless a) the Purchase Order is changed or modified with an official ADHS Procurement Change Order, and/or b) an additional Purchase Order is issued for purchase of services under this Contract.

**S. Compliance Requirements for A.R.S. § 41-4401, Government Procurement: E-Verify Requirement**

1. The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)
2. A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.

**SPECIAL TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

3. Failure to comply with a State audit process to randomly verify the employment records of Contractors and subcontractors shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the Contract.
4. The State Agency retains the legal right to inspect the papers of any employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph one (1).

**T. Offshore Performance of Work Prohibited**

Due to security and identity protection concerns, direct services under this Contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

**U. Indemnification Clause**

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this Contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

*This indemnity shall not apply if the Contractor or Sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.*

**V. Insurance Requirements**

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

1. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

**1.1 Commercial General Liability – Occurrence Form**

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

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000

**SPECIAL TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: *“The Department of Health Services, the State of Arizona, its Departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.*
- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor

**1.2 Automobile Liability**

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

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

- a. The policy shall be endorsed to include the following additional insured language: *“The Department of Health Services, the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor”.*

**1.3 Worker's Compensation and Employers' Liability**

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

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH Contractor or subcontractors exempt under A.R.S. 23-901, and when such Contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**1.4 Professional Liability (Errors and Omissions Liability)**

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

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

**SPECIAL TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

- c The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.
2. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
- 2.1 The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract;
- 2.2 The Contractor's insurance coverage shall be primary insurance with respect to all other available sources; and
- 2.3 Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract
2. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to **The Arizona Department of Health Services, 1740 West Adams, Room, 303, Phoenix, AZ 85007** and shall be sent by certified mail, return receipt requested.
3. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
4. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.
- All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract
- All certificates required by this Contract shall be sent directly to **The Arizona Department of Health Services, 1740 West Adams, Room 303, Phoenix, AZ 85007**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**
5. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
6. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
8. **EXCEPTIONS:** In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

**SPECIAL TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

**W. Health Insurance Portability and Accountability Act of 1996**

The Contractor warrants that it is familiar with the requirements of HIPAA and HIPAA's accompanying regulations and will comply with all applicable HIPAA requirements in the course of this Contract. Contractor warrants that it will cooperate with the Arizona Department of Health Services (ADHS) in the course of performance of the Contract so that both the ADHS and Contractor will be in compliance with HIPAA, including cooperation and coordination with the ADHS Privacy Officer and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the ADHS and Contractor in compliance with HIPAA, including, but not limited to, business associate agreements.

If requested by the ADHS, Contractor agrees to sign the "Arizona Department of Health Services Pledge To Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in HIPAA training offered by the ADHS or to provide written verification that the Contractor has attended or participated in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ADHS HIPAA Compliance Officer.

**X. Pandemic Contractual Performance**

1. The State shall require a written plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The State may require a copy of the plan at anytime prior or post award of a contract. At a minimum, the pandemic performance plan shall include:
  - 1.1 Key succession and performance planning if there is a sudden significant decrease in contractor's workforce;
  - 1.2 Alternative methods to ensure there are products in the supply chain; and
  - 1.3 An up to date list of company contacts and organizational chart.
2. In the event of a pandemic, as declared the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights:
  - 2.1 After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections, if the contractor cannot perform to the standards agreed upon in the initial terms;
  - 2.2 The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director as per A.R.S. 41-2537 of the Arizona Procurement Code; and
  - 2.3 Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion, may reinstate the temporarily voided contract(s)

**Y. Transition Activities**

1. Upon termination of this Contract, if ADHS anticipates a continued need for the Contract Services specified herein and a contract is awarded to a new Contractor, there shall be a transition of services period of not less than thirty (30) days. During this period, the existing Contractor shall work closely with the new Contractor, or Contractors, personnel and/or staff to ensure a smooth and complete transfer of duties and responsibilities.
2. An authorized representative from ADHS shall coordinate all transition activities. A transition plan will be developed in conjunction with the outgoing Contractor to assist the new Contractor, or Contractors, personnel and/or staff to implement the transfer of duties

**SPECIAL TERMS AND CONDITIONS**  
**SOLICITATION NO: HP961245**

3. ADHS reserves the right to determine which projects nearing completion will remain with the current Contractor of record.
4. The Contractor shall return all ADHS equipment, reports, and any other documentation developed during the term of the Contract that ADHS deems necessary to maintain ongoing operations.

**SCOPE OF WORK**  
**SOLICITATION NO: HP961245**

**High Risk Perinatal Program/Newborn Intensive Care Program (HRPP/NICP)**  
**Community Nursing**

**A. Background**

Prior to 1967, Arizona had one of the highest infant mortality rates in the country. That same year, in an effort to reduce the infant mortality rates, the State of Arizona (State) applied for and received a federal demonstration grant. The grant was designed to reduce infant death by transporting critically ill newborns from rural hospitals into intensive care centers. To meet the federal grant requirements community health nurses also followed infants for five (5) years. Between 1967 and 1971 there was a significant reduction in infant mortality. The State began funding the transport program in 1972.

In 1975 Arizona received a Robert Wood Johnson Foundation Grant to develop regionalized perinatal care. A component of that system was the follow-up of families whose infants were enrolled in the Newborn Intensive Care Program (NICP) up to the infant's first year of age.

In the late 1980's the Office of Women's and Children's Health (OWCH) in coordination with the County Health Departments identified a need for community health nursing home-based services for those infants who may not have been critically ill at birth but were diagnosed with problems at a later date. These other children with special health care needs are now also receiving home visits in all counties. The OWCH and the Office for Children with Special Health Care Needs (OCSHCN) have collaborated to support the home visiting program that provides assessment and intervention for eligible children. The age level for services was extended to three (3) years for NICP and twenty-one (21) years for OCSHCN eligible children.

The Community Health Nurse (CHN) Program is an important part of ensuring that each child is receiving the appropriate level of services for improved development and growth, which may include being part of a team of caregivers that work collaboratively.

The goals of the Community Nursing Program are:

1. Reduce infant mortality and morbidity. This is accomplished by specially trained Community Health Nurses (CHNs) and other qualified health professionals who through a home visiting program complete a physical, developmental, psychosocial and environmental assessment of infants, provide family support and early intervention along with referral services to community resources as needed and provide intraconception support and education to the mother.
2. Assure that high standards of care and service are provided and maintained; and
3. Implement a family-centered interdisciplinary approach to home based service.

**B. Objective**

Assist in the smooth transition of medically fragile NICP enrolled infants and their families from a Newborn Intensive Care Unit to home and provide family-centered, culturally and developmentally appropriate coordinated home visiting services to these infants and other children and families identified with special health care needs. This care will include collaborating with the mothers on issues related to their own wellbeing in an effort to improve their ability to meet the needs of the enrolled infants and decrease the likelihood of a poor birth outcome with subsequent pregnancies.

**C. Scope of Work**

The Contractor shall assume the responsibility for the provision of a home visitation program for infants enrolled in the HRPP/NICP to include physical, developmental, psychosocial and environmental assessment of the discharged infant and a post partum wellness assessment of the mother as well as an assessment of her interconception health status. This shall include coordination of and referral to community services, as needed, and follow up for infants identified by Newborn Screening Program as needing repeat testing.

<b>SCOPE OF WORK</b> <b>SOLICITATION NO: HP961245</b>
--

## 1. Tasks

The Contractor shall:

- 1.1 Provide a home based visitation program, which shall include a CHN, and may include an early interventionist and/or a social worker for children enrolled in the NICP or other children with special health care needs.
- 1.2 Provide a program that at a minimum recruits, hires, trains, and supervises community health nurses, early interventionists and social workers;
- 1.3 Contact the enrolled family within one (1) week of receiving the Discharge Form
- 1.4 Perform an initial visit to the enrolled infant/family within two (2) weeks of receipt of the Discharge Form;
- 1.5 Ensure the initial home visit shall be done by a CHN, and subsequent visits shall be made by appropriate professionals. All visits with children having on-going medical problems shall be done by a CHN;
- 1.6 Ensure that a physical, developmental, psychosocial and environmental assessment of the enrolled infant and a post partum wellness assessment of the mother is performed at the initial visit;
- 1.8 Provide post partum wellness screening and provide interconception support and education to the mother;
- 1.9 Coordinate service area with other contracted CHN agencies when providing services in the same metropolitan area;
- 1.10. Coordinate with other providers and make referrals to appropriate services within the community and prevent duplication of services;
- 1.11 Assure professional competency with high-risk infants and toddlers;
- 1.12 Orient new staff and ensure continuing education and ongoing supervision of staff for this program;
- 1.13 Identify and enroll Children with Special Health Care Needs (OCSHCN);
- 1.14 Provide assistance to the ADHS Newborn Screening Program in locating families and facilitating the collection and submission of another newborn screening test for infants with a previously abnormal test result;
- 1.15 Provide continuous quality improvement (CQI) for community nursing services based on specific indicators, as determined by ADHS and the Contractor;
- 1.16 Attend the weekly Discharge Planning meetings at Level II Enhanced Qualification and Level III Newborn Intensive Care Units as appropriate;
- 1.17 Ensure that all newly licensed nurses shadow an experienced licensed nurse for a home visit until they are qualified to complete a visit on their own; and
- 1.18 Within one (1) week of discharge, send a letter to families where a newborn infant may be enrolled in the program by the family, but has been determined to be low- versus high-risk and does not require an initial visit. The family may request a follow-up visit.

**SCOPE OF WORK**  
**SOLICITATION NO: HP961245**

**D. Requirements**

The Contractor Shall:

1. Employ Arizona Licensed Registered Nurses with Basic Life Support Certification, experienced in pediatrics and/or NICU and who, at a minimum, have a Bachelor of Science Degree. Social Workers shall be a Licensed Master Social Worker and/or hold a Master of Social Work degree. Early Interventionists shall have a minimum of a Bachelor's degree and be licensed in early childhood, early childhood special education or a closely related field, hold a valid Arizona license as a speech-language pathologist, or be certified as an audiologist, physical therapist or occupational therapist.
2. Provide the required documentation of the home visitation to ADHS which consists of: an orientation log, completed follow-up forms, monthly invoices, log of clients seen, and quarterly reports.
3. Maintain all necessary permits and licenses, when applicable, and be licensed to provide service in Arizona.
4. Provide and update, as requested by ADHS, the following plans to provide service:
  - 4.1 Recruitment, hiring, training, supervision and ongoing professional competency of community health nurses, early interventionists and social workers that have contact with infants, toddler and families;
  - 4.2 Map of areas of service, including but not limited to, the projected number of clients to be served;
  - 4.3 Family contact within one (1) week of receipt of Discharge Form;
  - 4.4 Home visits, including but not limited to, first home visit within two (2) weeks of receipt of the Discharge Form.
  - 4.5 Assessments, including but not limited to physical, developmental, psychosocial and environmental for enrolled infant and post partum wellness of the mother, including but not limited to, interconception support and education;
  - 4.6 Coordination with other CHN agencies providing services within the same metropolitan or local area;
  - 4.7 Orientation, continuing education and supervision of Contractor staff;
  - 4.8 Identification and enrollment of children with special health care needs;
  - 4.9 Location of families and facilitation the collection and submission of additional newborn screening tests for infants with a previously abnormal test result;
  - 4.10 Provision of continuous quality improvement; and
  - 4.11 Attendance at weekly Discharge Planning meetings at Level II Enhanced Qualification and Level III Newborn Intensive Care Units as requested
5. All services for this contract shall be performed in accordance with the Community Nursing Services Policy and Procedure Manual.

**E. Reference Documents**

1. ADHS CHN Policy and Procedure Manual, which is available from the ADHS Program Manager and during the solicitation process is available on the ADHS website, [www.azdhs.gov/procurement/rfps.htm](http://www.azdhs.gov/procurement/rfps.htm).

<b>SCOPE OF WORK</b> <b>SOLICITATION NO: HP961245</b>
--

**F. State Provided Items**

1. Upon Contract award, ADHS shall provide, or provide access to, the following items:
  - 1.1 Follow-up visit forms;
  - 1.2 Quarterly Report form,
  - 1.3 ADHS CHN Policy and Procedure Manual;
  - 1.4 IFSP Model forms; and
  - 1.5 ADHS Newborn Screening Guidelines.

**G. Approvals**

1. ADHS approval of all plans identified in the Requirements prior to implementation;
2. ADHS approval and completion of forms and invoices prior to payment;
3. Review and approval of Quality Assurance Indicators to be submitted to ADHS for approval at formal site visits; and
4. ADHS approval of training prior to classes being scheduled.

**H. Deliverables**

1. Follow-up visit forms, client log, and invoice within thirty (30) days after the end of each month;
2. Follow-up Newborn Screening forms within thirty (30) days after the end of the month;
3. Completed Orientation Education Log immediately following completion of orientation;
4. Quarterly Progress Report including, but not limited to, all Tasks and data related to infants not receiving home visits, due October, January, April and July;
5. Enrollment Status Change Form for all NICP clients within thirty (30) days after the end of the month;
6. A valid Certificate of Insurance within ten (10) days of Contract award. A Purchase Order shall not be issued for the Contractor to begin work without valid and correct insurance in the Contract file; and
7. State of Arizona Substitute W-9 Form, if required.

**I. Notices, Correspondence, Reports and Invoices**

1. Notices, Correspondence and Reports from the Contractor shall be mailed to:

Arizona Department of Health Services  
Community Nursing Program Manager  
150 North 18<sup>th</sup> Avenue, Suite 320  
Phoenix, Arizona. 85007-3242

**SCOPE OF WORK**  
**SOLICITATION NO: HP961245**

2. Notices, Correspondence, and Reports from ADHS shall be sent to:

Contractor Position Name Lorraine Dalrymple, RN, Health Services Program  
Manager

Company Name Gila County Office of Health

Street Address 5515 S. Apache Ave., Suite 100

City, State, ZIP Code Globe, Arizona 85501

Phone 928-402-8807

Fax 928-425-9794

Email ldalrymp@co.gila.az.us

3. Invoices from the Contractor shall be sent to:

Arizona Department of Health Services  
Community Nursing Program Manager  
150 North 18<sup>th</sup> Avenue, Suite 320  
Phoenix, Arizona 85007-3242

2. Payments from ADHS shall be sent to (if other than 2. above):

Contractor Position Name Chris Phillips - Accounting Clerk

Company Name Gila County Office of Health

Street Address 5515 S. Apache Ave. Suite 100

City, State, ZIP Code Globe, Arizona 85501

Phone 928-402-8696

Fax 928-425-0794

Email cphillips@co.gila.az.us

**METHOD OF APPROACH (methodology):**

The Gila County Office of Health is an "Outpatient Treatment Center" licensed by the Arizona Department of Health Services. (See Attachment, section 7, Attachment 4) The Gila County Office of Health will comply with all the Tasks as described in the Scope of Work and Special Terms and Conditions.

The Gila County Office of Health maintains the records of all clients. The records are stored in a locked filing cabinet in the nursing section assuring that no information contained in its records or obtained from the State or from others in carrying out its functions under the contract are used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information will be referred to ADHS. The Gila County Office of Health does not divulge any information pertaining to individual persons to persons other than to employees or officers of the Gila County Office of Health as needed for the performance of duties under the contract, unless otherwise agreed to in writing by the State.

The Gila County Health Department will provide adequate experienced key and essential personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. This includes the Project Manager and Community Health Nurses. Key personnel shall not be removed or replaced without written notice to the State. If key personnel are not available for work under this contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Project Manager of the Gila County Office of Health shall immediately notify the ADHS Program Unit Manager, and shall, subject to the concurrence of ADHS, replace such personnel with personnel of substantially equal ability and qualifications.

Gila County shall maintain until all of their obligations have been discharged insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of work by the Gila County Office of Health, our agents, representatives, employees or subcontractors according to the Insurance Requirements of the grant. The Gila County Office of Health shall furnish the State of Arizona with certificates of insurance as required by this Contract within ten (10) days of Contract award and before work commences.

The Gila County Office of Health has an "All Hazards Plan" and a "Pandemic Flu Plan" that can be provided to the State at any time prior or post award of the contract.

If upon termination of this Contract a contract is awarded to a new Contractor, the Gila County Office of Health shall work closely with the new Contractor, or Contractors, personnel and/or staff to ensure a smooth and complete transfer of duties and responsibilities. The Gila County Office of Health shall return all ADHS equipment,

reports, and any other documentation developed during the term of the Contract that ADHS deems necessary to maintain ongoing operations.

The Gila County Office of Health will provide a home based visitation program, which shall include a community health nurse, and may include an early interventionist and/or a social worker for children enrolled in the NICP or other children with special health care needs. The Gila County Office of Health will provide a program that recruits, hires, trains, and supervises community health nurses. If early interventionists and/or social workers are part of the home based visitation program, they shall also be recruited, hired, trained and supervised. This service will attempt to provide a minimum of four home visits during their first year of life; however, due to budget reductions, the Community Health Nurse will prioritize visitation to ensure the infants are seen as appropriate according to their risk.

Currently, the Gila County Office of Health has two Community Health Nurses providing services in southern Gila County. In order for the community nursing team to perform their responsibilities safely and competently, they must receive sufficient orientation, training and information about the services. Our Community Health Nurses participate in NICP/OCSHCN sponsored training annually.

The Community Health Nurse (CHN) shall attempt to make initial contact with the referred infant/family within one week of receiving the Discharge Form. Priority shall be given to infants and children of greatest medical and social risk. An initial visit will be performed within two weeks of receipt of the Discharge Form. When a referral is received from the hospital, the Project Manager records the infants' name, date of birth, address, and date the referral is received for quality assurance reports. The paperwork is then forwarded to the CHN. The CHN attempts to contact the family and schedule an initial visit immediately upon receipt of the referral.

The Gila County Office of Health CHN's will perform an initial visit to the enrolled infant/family within two (2) weeks of receipt of the Discharge Form. If for any reason the family cannot be reached or an appointment cannot be made or an initial visit cannot be done with two weeks of receipt of the Discharge Form, an explanation is given on the CHNs' monthly report.

The Gila County Office of Health will ensure that the initial home visit shall be done by a community health nurse, and subsequent visits shall be made by appropriate professionals. All visits with children having on-going medical problems shall be done by a community health nurse. All the home visits provided by The Gila County Office of Health are done by one of our Community Health Nurses. A social worker or early interventionist may accompany the CHN as needed for visits.

A physical, developmental, psychosocial and environmental assessment of the enrolled infant and the post partum wellness assessment of the mother are performed by the CHN

at the initial visit. A post partum wellness screening is done and interconception support and education is provided to the mother. The family service plan will be designed and implemented as the infant/family needs are assessed. Updates will be done with each visit and required signatures obtained as outlined in the ADHS policy and procedure manual. Referrals are made as indicated. All paperwork is reviewed by the Project Manager and copies of the Community Nursing Service Reporting forms are submitted to the ADHS monthly with the summary log and monthly invoice.

Gila County coordinates with other providers and makes referrals to appropriate services within the community and prevent duplication of services. We are fortunate to have "The Learning Center" a short distance from our facility. Health Start and WIC are located in the Office of Health. We also have a "Well Baby" Clinic monthly at the Health Department. Thorough assessment of infant/child needs and services being received will be necessary on each visit to be able to thoroughly understand the needs and progress of the patient. This will also prevent duplication of services. The CHN will be aware of and use a list of available resources for residents of Gila County.

Our Community Health Nurses participate in NICP/OCSHCN sponsored training annually. They are informed of any additional training available and approved by ADHS. All of our staff is encouraged to seek out educational opportunities designed to strengthen their skills, provide updated information and support the activities of the community health nurse.

Should additional Community Health Nurses be required, Gila County will notify ADHS and provide all the necessary information to the state Project Manager. Orientation training will be provided for all new CHN's, social workers and early interventionists. This training is designed to give the staff an overview of all required program responsibilities. This training also allows the staff to demonstrate their abilities to perform the necessary competencies to provide the program related services. Training will be conducted by existing qualified department staff as indicated. Gila County will ensure that all newly licensed nurses shadow an experienced licensed nurse for a home visit until they are qualified to complete a visit on their own. New employees also receive orientation to the GCHD policies and procedures as indicated. Also, ADHS qualified staff will provide necessary training, as available. Outside training will be obtained from qualified sources. All training will be documented in the orientation/education log. Continuing education will be provided as is available through ADHS sponsored programs. All CHN's will attend, as is possible, all program specific educational offerings. The program manager prior to attendance will approve educational offerings not sponsored by ADHS. All continuing education will be documented on the department continuing education form. The Gila County Health Services Program Manager will do supervision of the CHN. The Program Manager will attend, as is able, program meetings, contract negotiations, and any other special program meetings. The Program Manager will do annual performance review.

Children with Special Health Care Needs (OCSHCN) will be identified and enrolled. Documentation of all referrals and use of those referrals will be made in each patient's chart. Services provided by the GCHD will be readily available for public/agency review.

The CHN's will provide assistance to the ADHS Newborn Screening Program in locating families and facilitating the collection and submission of another newborn screening test for infants with a previously abnormal test result.

The Gila County Office of Health recognizes the need of effective quality assessment and improvement in its programs. The ongoing quality management and improvement process is documented in the Gila County Office of Health quality management plan in the Annual Plan. The Project Manager from the Gila County Office of Health will review data provided by the CHN's to evaluate performance. Two of the indicators will be contacting families within one week of receipt of discharge papers, and visiting families within two weeks of receipt of discharge papers. A third indicator will be selected by the Gila County Office of Health and be approved by the ADHS Program Manager. A Quarterly Report of Quality Management and Improvement will be provided to the ADHS Program Manager.

The CHN will familiarize himself/herself with these agencies/services and establish a working relationship with them. Referring hospitals should be aware of services available within Gila County or be able to contact the CHN for resource availability. The CHN will act as the liaison with statewide level II and level III hospitals.

Within one week of discharge, a letter will be sent to families where a newborn infant may be enrolled in the program by the family, but has been determined to be low versus high-risk and does not require an initial visit. The family may request a follow-up visit.

The Gila County Office of Health will provide services to all areas of Gila County and the Gila/Graham portion of the San Carlos Indian Reservation. We project that we will be able to serve approximately 50 clients. One CHN will cover southern Gila County including Hayden/Winkleman and the San Carlos Indian Reservation. One CHN will cover Payson and the surrounding communities. Both CHNs will share the Globe/Miami area. Clients will be distributed according to patient load. The Gila County Office of Health will attempt to see all patients referred for services. If at any time there is concern regarding the number of clients to be seen, consultation with ADHS program manager will take place and a solution will be found. The GCHD will serve the area defined as Gila County and the San Carlos Indian Reservation.

Outside training will be obtained from qualified sources. All training will be documented in the orientation/ education log. Continuing education will be provided as is available through ADHS sponsored programs. All CHN's will attend, as is possible, all program specific educational offerings. The program manager prior to attendance will approve

educational offerings not sponsored by ADHS. Our Community Health Nurses participate in NICP/OCSHCN sponsored training annually. They are informed of any additional training available and approved by the State. All of our staff is encouraged to seek out educational opportunities designed to strengthen their skills, provide updated information and support the activities of the community health nurse.

The Gila County Office of Health will follow all policy and procedures as outlined in the "Community Nursing Services" policy and procedure manual dated 07/01/2009.

### **PRIOR PROJECTS:**

The Gila County Office of Health has been providing services for the High Risk Perinatal Program/Newborn Intensive Care Program Community Nursing since 1999. Mary Ellen Cunningham M.P.A.,R.N., the High Risk Perinatal Program Section Manager can be contacted at the Arizona Department of Health Services, Bureau of Women's and Children's Health, 150 N. 18<sup>th</sup> Avenue, Suite 320, Phoenix, Arizona 85007-3242. Her telephone numbers are 602-364-1453, cell 602-448-0525, and fax 602-364-1494. Ms. Cunningham's e-mail address is [cunninm@azdhs.gov](mailto:cunninm@azdhs.gov). Information can be obtained regarding our annual site visits.

All projects similar to those described in this solicitation have been funded through ADHS. Gila County currently provides Health Start home visitation services. Health Start has a lay health worker that provides support and education to families in the community. It starts during pregnancy providing monthly self-guided home visits. After the infant is born, the program provides interconceptual health visits and ages and stages developmental assessments. For more information please contact Sarah Rumann at the Arizona Department of Health Service, Bureau of Women's and Children's Health, Health Start Program Manager at (602)364-1421. Her e-mail address is [Rumanns@azdhs.gov](mailto:Rumanns@azdhs.gov).

The Gila County Office of Health has previously received direct grants from the US HRSA, Susan G. Komen Foundation and the Arizona DES, and Arizona Governor's Council for Public Safety. The HRSA grant was for Community Integrated Service Systems from 1997-2000. This grant enabled many organizations that were addressing teen pregnancy to come together to work as one. The Susan G. Komen Foundation grant in 2007 enabled our organization to provide mobile mammograms and education to women in the most rural areas of Gila County. Arizona Department of Economic Security and the Governor's Council for Public Safety has provided car seat grants on multiple occasions for our public classes. The Governor's Council for Public Safety has also provided grants for bicycle helmets for children. None of these prior grants are currently in effect; therefore, contact information is unavailable.

**SOLICITATION NO: HP961245**

**FIXED PRICE**

SERVICE DESCRIPTION	UNIT RATE	UNIT OF MEASURE
Regular Local Home Visit	\$ 150.00	Per Visit
Out of Town Home Visits (All class of visit) (Thlrty (30) or more miles from start point home/office)	\$ 175.00	Per Visit
Out of County Home Visits (All class of visit)	\$ 175.00	Per Visit
Interim Local Home Visits	\$ 85.00	Per Visit
Shadowing Local Home Visits	\$ 75.00 Local \$ 85.00 Non Local	Per Visit
Family Local Home Visits	\$ 185.00	Per Visit
Multi-Disciplinary Staffing Local Home Visits	\$ 185.00	Per Visit
NICP/ Other Sponsored Training - Local	\$ 0 N/A	Per Person/Per Day
NICP/ Other Sponsored Training - Non Local	\$ 300.00	Per Person/Per Day
Newborn Screening Follow-up	\$ 125.00	Per Visit
Low Risk Letter	\$ 25.00	Per letter

**Prices are inclusive of all costs to provide the service. No additional costs shall be accepted by ADHS.**





## *GILA COUNTY ATTORNEY*

*Bradley D. Beauchamp*

Re: County Attorney's Office approval of IGA pursuant to A.R.S. § 11-952(D).

To whom it may concern:

The County Attorney's Office has reviewed the Intergovernmental Agreement attached to this agenda item and has determined that it is in its "proper form" and "is within the powers and authority granted under the laws of this state to such public agency or public procurement unit" pursuant to A.R.S. § 11-952(D).

### **Explanation of the Gila County Attorney's Office Intergovernmental Agreement (IGA) Review**

A.R.S. § 11-952(D) requires that

every agreement or contract involving any public agency or public procurement unit of this state . . . before its execution, shall be submitted to the attorney for each such public agency or public procurement unit, who shall determine whether the agreement is in proper form and is within the powers and authority granted under the laws of this state to such public agency or public procurement unit.

In performing this review, the County Attorney's Office reviews IGAs to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the IGA. That approval is solely the province of the public agency through its elected body.

Likewise, this approval is not a certification that the IGA has been properly executed. Proper execution can only be determined after all the entities entering into the IGA have taken legal action to approve the IGA. There is no statutory requirement for the County Attorney's Office to certify that IGAs are properly executed.

Nonetheless, it is imperative for each public agency to ensure that each IGA is properly executed because A.R.S. § 11-952(F) requires that "[a]ppropriate action ... applicable to the governing bodies of the participating agencies approving or extending the duration of the ... contract shall be necessary before any such agreement, contract or extension may be filed or become effective." This can be done by ensuring that the governing body gives the public proper notice of the meeting wherein action will be taken to approve the IGA, that the item is adequately described in the agenda accompanying the notice, and that the governing body takes such action. Any questions regarding whether the IGA has been properly executed may be directed to the County Attorney's Office.

Proper execution of IGAs is important because A.R.S. § 11-952(H) provides that "[p]ayment for services under this section shall not be made unless pursuant to a fully approved written contract." Additionally, A.R.S. § 11-952(I) provides that "[a] person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment."

The public agency or department submitting the IGA for review has the responsibility to read and understand the IGA in order to completely understand its obligations under the IGA if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the IGA as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor IGA compliance. Hence the public entity or submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the IGA will be necessary to monitor compliance.

Before determining whether an IGA contract "is in proper form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the IGA for review to ask any specific questions or address any concerns it has about the IGA to the County Attorney's Office at the same time they submit the IGA for review. Making such an inquiry also helps improve the County Attorney's Office review of the IGA because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the IGA.

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted For:** Michael O'Driscoll, Health & Emergency Services Division Director      **Submitted By:** Debra Williams, Deputy Director of Emergency Services, Health & Emergency Services Division

**Department:** Health & Emergency Services Division      **Division:** Emergency Services

**Fiscal Year:** Federal 2013; County 13/14      **Budgeted?:** No

**Contract Dates** 10/01/2012 thru 09/30/2013      **Grant?:** Yes

**Begin & End:**

**Matching** No      **Fund?:** New

**Requirement?:**

Information

Request/Subject

Arizona Emergency Response Commission Hazardous Materials Emergency Planning/Preparedness Grant Award - FFY 2013 (Federal Fiscal Year)

Background Information

The Hazardous Materials Emergency Planning/Preparedness (HMEP) grant is awarded as a pass-through to local emergency planning committees from the Arizona Emergency Response Commission (AZSERC). HMEP grants are federal funds provided to assist with implementation of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) and encourage a comprehensive approach to emergency planning and training.

Evaluation

The Gila County Local Emergency Response Committee (GCLEPC) applied for the FFY 2013 HMEP grant and was awarded \$1,500 to update the Hazardous Materials Response Annex of the Gila County Emergency Operations Plan. A crosswalk provided by AZSERC will be utilized to complete the updates.

Conclusion

The GCLEPC Coordinator, Debra Williams, will oversee the project to ensure completion by July 31, 2013. Once the updates are completed the plan will be presented at the next GCLEPC for review and approval. All reporting and reimbursement should be completed by September 1, 2013, as reviewed with the state grant coordinator.

Recommendation

The Director of Health and Emergency Services recommends acceptance of AZSERC Grant Award - FFY 2013 Hazardous Materials Emergency Planning/Preparedness (HMEP) on behalf of the Gila County Local Emergency Planning Committee in the amount of \$1,500.

Suggested Motion

Approval to ratify the submission of a FFY 2013 Grant Application to the Arizona Emergency Response Commission on behalf of the Gila County Local Emergency Planning Committee (GCLEPC), and approval for Michael O'Driscoll, Chairman of the GCLEPC, to accept grant award FFY 2013 Hazardous Materials Emergency Planning/Preparedness on behalf of the GCLEPC in the amount of \$1,500 to update the Hazardous Materials Response Annex of the Gila County Emergency Operations Plan.

Attachments

Award

HMEP Application



# Arizona Emergency Response Commission

5636 East McDowell Road Phoenix, AZ 85008-3495

Phone: 602-464-6346 1-800-411-ADEM (2336)

Fax: 602-464-6519

E-Mail: [AZSERC@azdema.gov](mailto:AZSERC@azdema.gov)

Web Site: <https://www.azserc.org> or <http://www.dem.azdema.gov/>



Janice K. Brewer, Governor

Louis B. Trammell, Chair  
Mark Howard, Executive Director

November 7, 2012

Gila County LEPC  
Debra Williams, Coordinator  
5515 S. Apache Ave. Suite 400  
Globe, Arizona 85501

Re: AZSERC Competitive and Non-Competitive Grant Award, **HAZARDOUS MATERIALS (HMEP) GRANT FY 2013- Funds Requested: \$1,500.00. Funds Awarded: Non-Competitive, \$1,500.00, Competitive, None-requested. Total \$1,500.00 awarded for Reimbursement.**

Dear Ms. Williams:

This award supports your LEPC's funding request for federal fiscal year 2013; with the grant performance period ends September 30, 2013. This award meets all your requests. This award serves to enhance hazardous materials response capacity within your planning district.

### IMPORTANT COMPLIANCE NOTES

1. This award is for reimbursement of approved funding requests. If your request differs during the grant period, please let AZSERC know. AZSERC cannot approve any requests that have not had prior approval. **Please submit your request(s) for reimbursement to AZSERC prior to June 30, 2013. Request(s) for reimbursement received after this time will be denied. Funds not spent by June 30, 2013 will be reallocated to other LEPCs.** Request(s) must include narrative and copies of invoices/receipts and be organized for easy tracking.
2. A quarterly interim report is due to the Commission on December 31, 2012, March 31, 2013, June 30, 2013 and final report due September 30, 2013 indicating how funds and the LEPC has function during the grant period. This report will include how funds were expended on approved projects for this grant period.
3. Your LEPC should continue to work on a composite list of needs and potential work projects and keep open communication lines with the Commission.
4. This award will not support hazmat training as needed by emergency response agencies.
5. Grants from the Emergency Response Fund (ERF) and Hazardous Materials Emergency Preparedness (HMEP) Grant will not be awarded to LEPCs or LEPC designated recipients who have not adequately accounted for expenditures or who have failed to certify/maintain eligibility.

Thank you for participating in the Commission's Grant Program. If you have any questions, do not hesitate to call.

Sincerely,

Mark Howard  
Executive Director

Hazardous Materials Emergency Preparedness  
(HMEP)

FFY 2013

Grant Application package  
Quarterly Report format  
Reimbursement format

For  
Arizona's LEPCs

From  
Arizona State Emergency Response Commission  
(AZSERC)

Arizona State Emergency Response Commission  
State Hazmat Program Coordinator – Roger Soden  
5636 E. McDowell Rd  
Phoenix, AZ 85008

Table of Contents

---

Quick Reference and Helpful Hints ..... 3  
Part One - Grant Overview, FAQ and Timelines ..... 4  
Part Two - Planning Application Requirements and Process ..... 10  
Part Three - Performance Period..... 12  
Part Four - Grant Closeout Process..... 14  
Part Five - Appendices..... 14  
Appendix A- Application Forms for a New Grant (pages 15-21 only)..... 15  
Appendix B – Reimbursement Request Form (for the current grant in process) ..... 22  
Appendix C – Quarterly Performance Report (for the current grant in process)..... 28  
Appendix D Training ..... 29  
Appendix E - Abbreviations and Acronyms ..... 30

## Quick Reference and Helpful Hints: Planning

The HMEP Grant provides funds for Planning and Training. The Grant Administrator for Planning is Roger Soden and he can be reached at (602) 464-6524. If you're Local Emergency Planning Committee (LEPC) requires Training contact Katherine Walker, Arizona Division of Emergency Management (ADEM) at (602) 464-6264.

U.S. D.O.T - Federal Fiscal Year (FFY) (October 1 through September 30)

### Quarterly Progress Reports: Performance Period

- October 1, through December 31, - due by January 2
- January 1, through March 31, - due by April 1
- April 1, through June 30, - due by July 1
- July 1, through September 30, - due by October 1

The grant guide quick reference:

- Appendices A – Application Forms for a new HMEP grant. Applications are due to the HMEP Grant Administrator by September 1, 2012.
- Appendices B/ C – Reimbursement Request Form and Quarterly Performance Report Form. The LEPCs must submit these documents each quarter regardless of requesting reimbursement and they must be timely.
- Documentation is required for Total Expenditures (no exceptions) when submitting for reimbursements.
- All eligible work and expenditures for the current grant must be completed by September 30, 2013. AZSERC must know by June 30, 2013 that the funds you have requested are encumber to be spent by September 30, 2013. If not, AZSERC will take these funds and reallocated to LEPCs that can use the funds. Time extensions cannot be granted. Federal requirement by U.S. DOT.
- No funds will be awarded direct to a Contractor, Non-Profit Organization or other Non Government Agency. LEPC only, exceptions to this you must contact Roger Soden at AZSERC.

## Part One - Grant Overview

---

Purpose	<p>The Federal Hazardous Material Law authorizes the United States Department of Transportation (DOT), through the Research and Special Programs Administration (RSPA), to provide assistance to public sector employees through training and planning grants. The purpose of the Hazardous Materials Emergency Preparedness (HMEP) grant program is to:</p> <ul style="list-style-type: none"><li>• Increase effectiveness in safely and efficiently handling hazardous materials accidents and incidents.</li><li>• Enhance implementation of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA).</li><li>• Encourage a comprehensive approach to emergency training and planning by incorporating the unique challenges of responses to transportation situations.</li></ul> <p>This is a performance-based grant that builds on and supports accomplishments of long-term goals and objectives.</p>
Performance Period	<p>The performance period for this grant follows the federal fiscal calendar year, which runs from October 1, through September 30, each year. <i>Costs incurred outside the performance period are not eligible under this grant.</i></p>
Definition of an LEPC	<p>"Local Emergency Planning Committee (LEPC) means a committee appointed by the State Emergency Response Commission under section 301(c) of the Emergency Planning and Community Right-to-Know Act of 1986 ...that includes at a minimum, representatives from each of the following groups or organizations: elected State and local officials; law enforcement, firefighting, civil defense, first aid, health, local environmental, hospital, and transportation personnel; broadcast and print media; community groups; and owners and operators of facilities subject to the emergency planning requirements." <i>49 CFR 110.20</i></p>
Eligible Applicants for Planning Funds	<p>LEPCs are eligible to apply for this grant.</p> <p>NOTE: Federal regulations require that at least 75% of the planning award be distributed to the LEPCs.</p>
Planning Funds	<p>LEPCs will be sub-granted a minimum of 75% percent of the federal planning funds.</p>

Planning  
Expenditures

Authorized

HMEP planning funds may be used for the following purposes:

- Development, improvement, testing and implementation of emergency plans required under the EPCRA. Provides enhancement of emergency plans to include hazards analysis, as well as response procedures for emergencies involving transportation of hazardous materials, including radioactive materials.
- An assessment to determine the flow patterns of hazardous materials within the state, between states or Native American lands, and development and maintenance of a system to keep such information current.
- An assessment of the need for regional hazardous materials emergency response teams.
- An assessment of local response capabilities.
- Conduct emergency response drills and exercises associated with emergency preparedness plans.
- Provision of technical staff to support the planning effort.
- Additional activities appropriate to implement the scope of work for the proposed project plan and approved in the grant. These activities must be approved by AZSERC before initiated.

Unauthorized

HMEP planning funds may NOT be used for the following purposes:

- No Costs incurred before October 1, or after September 30, of the performance period of the Federal Fiscal Year.
- No Equipment purchases (no exceptions)
- No Salaries for participation in exercises (Personnel costs associated with designing the exercise may be allowable).
- No Overtime wages or Call Backs.
- No Food items (no exceptions)
- No Software – with the exception of CAMEO (no exceptions per U.S. DOT)

---

*Continued on next page*

Recipient  
Responsibilities

Grant Recipient responsibilities include:

1. Complying with all assurances and certifications contained in the Grant Assurances form (see Appendix A).
  2. Preparing quarterly progress reports for the duration of the performance period, or until all approved work has been completed. Further reporting details are included in Part Three – The Performance Period, under "Quarterly Progress Reports".
  3. Maintaining financial management systems that support grant activities in accordance with 49 CFR Parts 18.20 and 110.70.
  4. Requesting AZSERCs prior approvals before initiating any grant activities that vary from the approved grant scope of work. Further details are included in Part Three - The Performance Period, under "Revision Requests".
  5. Notifying AZSERC, in writing, within 30 days of the completion of all grant activities.
  6. Submitting Final Grant Report and remit unexpended grant funds.
  7. Maintaining property, programmatic and financial records in accordance with the grant record retention requirements. Further details are contained in Part Three - The Performance Period, under "Record Retention Requirements."
  8. Complying with the audit requirements contained in Office of Management and Budget (OMB) Circular A-133, and 49 CFR Parts 18.26.
- 

Applicable  
Laws,  
Regulations,  
and Guidance  
Documents

AZSERC encourages the applicants to comply with the following laws, regulations and guidance documents that apply to this grant:

- 42 U.S.C. 11001, the Emergency Planning and Community Right-to-Know Act of 1986, Sections 301 and 303  
<http://www.epa.gov/region5/defs/html/epcra.htm>
  - Office of Management and Budget (OMB) Circulars A-87, A-102, A-133  
([www.whitehouse.gov/OMB/grants/index.html](http://www.whitehouse.gov/OMB/grants/index.html))
  - Title 49, Code of Federal Regulations (CFR)  
<http://www.access.gpo.gov/nara/cfr>
  - U.S. Department of Transportation (USDOT) – HMEP Grant website  
<http://hazmat.dot.gov/hmep.htm>
- 

Contact  
Information

Planning technical assistance is available throughout the guide or you may contact AZSERC, State Hazmat Program Coordinator, Roger Soden at (602) 464-6524

HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS  
(HMEP)

Frequently Asked Questions

Planning Grant

What is the purpose of the HMEP grant? Federal Hazardous Material Law authorizes the U.S. Department of Transportation (DOT) to provide assistance to public sector employees through training and planning grants. The purpose of the HMEP grant program is to increase effectiveness in safely and efficiently handling hazardous materials accidents and incidents; enhance implementation of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA); and encourage a comprehensive approach to emergency training and planning by incorporating the unique challenges of responses to transportation situations. This is a performance-based grant that builds on and supports accomplishments of long-term goals and objectives.

---

Who decides how much funding Arizona receives for the HMEP grant? AZSERC submits to U.S. DOT a request for a continuation grant on a yearly basis. U.S. DOT, who sets the amount of funding for each state or territory, approves the amount of the award issued to the State of Arizona. Amount of award received is determined by (1) number of 302 facilities filing in the state, (2) population, and (3) highway miles within the state.

---

How much funding does each region get? Each region in Arizona has unique risks associated with them. AZSERC has decided to have the local agencies submit applications to the LEPC's for review and prioritizing, taking into consideration that larger sums may be necessary in specific areas with the greatest need. There are certain geographical areas that are of particular concern, especially considering transportation-related risks.

---

What is the final date for completed applications to be submitted for consideration and approval to the Grant Administrator? September 1<sup>st</sup> of 2012 is the final date applications are accepted for review to obtain grant funding. All projects must reach AZSERC by close of business on September 1st, unless prior arrangements have been made with the Roger Soden.

---

What kinds of projects are funded? Development, improvement, and implementation of emergency plans, as well as exercises that test the emergency plans, hazards analysis, response procedures for emergencies involving transportation of

---

hazardous materials (including radioactive materials), needs assessment for regional hazardous materials emergency response teams, assessment of local response capabilities, conducting emergency response drills and exercises associated with emergency preparedness plans.

---

Are performance reports and invoicing required?

Yes. The HMEP grant is based on performance. Performance reports are a means in which AZSERC has of ensuring that the projects are kept on schedule; are within the parameters that AZSERC approved; and to ensure that no problems with the project have surfaced. If expenditures occurred during a quarterly reporting period, Project Managers must contact Roger Soden, [roger.soden@azdema.gov](mailto:roger.soden@azdema.gov) or 602-464-6524

---

When are the reports required to be submitted?

Performance Reports are required to be submitted by the 1st each quarter. Reimbursement Requests can be submitted at anytime.

---

What are the quarters?

The quarters are based on a Federal Fiscal year. They are as follows:

First Quarter	October 1 <sup>st</sup> through December 31 <sup>st</sup>
Second Quarter	January 1 <sup>st</sup> through March 31 <sup>st</sup>
Third Quarter	April 1 <sup>st</sup> through June 30 <sup>th</sup>
Fourth Quarter	July 1 <sup>st</sup> through September 30 <sup>th</sup>

---

When do we get reimbursed for our expenditures?

Once AZSERC receives your Request for Reimbursement AZSERC makes sure that the request meets the HMEP requirements. From there, a request is submitted, to U.S. DOT to have funds forwarded to the Arizona Department of Emergency and Military Affairs (ADEMA). LEPCs are reimbursed from ADEMA. Then the request is processed through to our accounting office. The process normally takes a total of six weeks or less from the time it is received by AZSERC. Project Managers must ensure that invoices are added up correctly and that substantiation has been attached.

---

Who can we contact if we have questions?

You can contact the HMEP program coordinator, Roger Soden at (602) 464-6524 or [roger.soden@azdema.gov](mailto:roger.soden@azdema.gov) .

---

Grant Timelines

The HMEP Grant Timelines: For a New Federal Grant and a Grant currently in process (October 1, 2012 to September 30, 2013).

---

New Application:

Due Date	Activity for a New HMEP Grant
September 1 –New Grant	LEPC Chairs submit approved application to AZSERC.  Applications received after this date <u>will not</u> be considered for project funding.
October 1 - New Grant	AZSERC completes application review process and then mails the LEPC award letters to the approved grant recipients.  Award notifications will be sent to grant recipients after the application review process has been completed.
October 1 - New Grant (Begins)	Eligible grant activities may begin - After notification from the HMEP Coordinator. Do not start your project without notification.

Current Grant in Process: Plan for these cutoff dates

Due Date (NLT)	Quarterly Activity for the HMEP Grant in process
January 1 – Current Grant	October 1 through December 31.
April 1 – Current Grant	January 1 through March 31.
July 1 – Current Grant	April 1 through June 30.
October 1 – Final Report Due	July 1 through September 30.  The Final Grant Report must be submitted to AZSERC.

## Part Two - Planning Application Requirements and Process

---

### Application Components

The application must include the following documents:

- Application Form
- Designation Statement
- Grant Project Narrative
- Work Schedule and Deliverables Form
- Budget Sheet
- Vendor Data Record (if required)
- Grant Assurances

These forms can be found in Appendix A.

---

### Designation Statement

The Designation Statement appoints agents authorized to execute any actions necessary under this grant. Local governments are required to file a signed Designation Statement with the HMEP application.

---

### Grant Program Narrative

Complete the Project Narrative form provided in Appendix A. On the form, itemize the major project objectives and describe how the proposed activities will accomplish these objectives. The narrative must fully describe the proposed work and indicate major milestones. The project activities must be listed chronologically on the Work Schedule and Deliverables Form, along with the project tasks and deliverable within each activity. If the application is approved, the Project Narrative will become the approved scope of work. The Narrative should be concise and is limited to a maximum of two pages.

### Work Schedule and Deliverables Form

In an outline format, the Work Schedule and Deliverables form must show the:

- Project activities in the Program Narrative, listed chronologically, along with their supporting project tasks, deliverables and major milestones.
- Duration of the activities and tasks.
- Date each deliverable will be submitted.

The progress of each activity may be tracked by placing an indicator in the appropriate "monthly progress schedule" box, where "1" represents October and "12" represents September.

## Part Two - Planning Application Requirements and Process

---

**Budget Sheet**      The Budget Sheet shall show the total costs to be incurred during the grant performance period. All costs must be reasonable, allocable, and allowable, and work performed prior to October 1, is not eligible. Applications may not include profit as a line item. The project should be planned without requiring overtime work. A breakdown must be provided to explain each line item in the Budget Sheet. This breakdown must detail the costs that are to be paid by the grant.

---

**Application Due Date**      LEPC approved local government applications are due to AZSERC by September 1, 2012. Incomplete applications will not be approved. .

---

## Part Three - Performance Period

---

**AZSERC Approval of Application**      AZSERC will notify the grant recipients, in writing, of the approved application and award amount.

---

**Reimbursement of Expenditures**      Planning funds will be disbursed to grant recipients on a reimbursement basis using the Reimbursement Request form included in Appendix A. Reimbursement requests can be submitted when the project is completed.

---

**Revision Requests**      All changes to the grant recipient's approved scope of work and budget must be submitted to AZSERC. Revisions must be requested in writing and approved *prior* to initiating the revised scope of work or incurring the associated expenditures. These changes can be requested as part of the Quarterly Report process, or at any other time by contacting the Roger Soden

Failure to submit revision requests and receive approval prior to expenditure could result in a reduction or disallowance of that part of the grant.

---

Quarterly  
Progress Reports

Grant recipients must prepare and submit quarterly progress reports to AZSERC for the duration of the performance period, or until all grant activities are completed and the grant is formally closed. The reports must include the status of all activities. The reports are due to AZSERC as follows:

- Performance Period October 1, through December 31, – due by January 1.
- Performance Period January 1, through March 31, – due by April 1.
- Performance Period April 1, through June 30, – due by July 1.
- Performance Period July 1, through September 30, – due by October 1. (THIS IS THE FINAL PERFORMANCE REPORT).

A quarterly report template, with instructions, will be distributed under separate cover prior to the deadline for each report. Failure to submit quarterly reports could result in grant reduction, termination or suspension.

---

Part Three - Performance Period

---

Procurement  
Requirements

All grant recipients must follow their own procurement requirements as long as they meet the federal requirements at a minimum. Federal procurement requirements for this grant can be found in:

- OMB Circular A-102
  - 49 CFR Parts 18.36 and 110.80
- 

AZSERC  
Monitoring

AZSERC may perform periodic reviews of the local government's grant performance. These reviews may include, but are not limited to:

- Comparing actual grant activities to those approved
  - Confirming compliance with:
    - Grant Assurances
    - Information provided on the quarterly and/or final grant reports
    - Records that reflect what AZSERC has on file.
- 

Record  
Retention  
Requirements

Record retention requirements can be found in 49 CFR 18.42. Generally, records must be kept for three years beginning from the end of the project year.

---

Accessibility of Records The Department of Transportation, the Comptroller General of the United States, AZSERC, or any of their authorized representatives, shall have the right of access to any books, documents, papers, or other records which are pertinent to the grant, in order to make audits, examinations, excerpts, and transcripts. The right of access is not limited to the required retention period but shall last as long as the records are retained. Refer to 49 CFR 18.42.

---

Suspension or Termination AZSERC may suspend or terminate grant recipient funding, in whole or in part, or other measures may be imposed for any of the following reasons:

- Failing to comply with the requirements or statutory objectives of federal or state law.
- Failing to make satisfactory progress toward the goals or objectives set forth in the grant recipient's application.
- Failing to follow grant agreement requirements or special conditions.
- Proposing or implementing substantial plan changes to the extent that, if originally submitted, the application would not have been selected for funding.
- Failing to submit required reports.
- Filing a false certification in the application or other report or document.

Before taking action, AZSERC will provide the grant recipient reasonable notice of intent to impose measures and will make efforts to resolve the problem informally.

#### Part Four - Grant Closeout Process

---

Final Grant Report The grant recipient must notify AZSERC when all approved grant activities have been completed and paid for. The notice must be submitted by 1 October and be in the form of a final Progress Report.

*Reminder:* All work must be completed and paid for by 30 September 2013, and the Final Grant Report is due to AZSERC no later than 1 October 2013.

---

AZSERC Closeout Review and Notification AZSERC will review the grant recipient's Final Grant Report for compliance with all grant conditions. Once compliance has been verified.

---

Audit Requirements Grant recipients must comply with the audit requirements contained in OMB Circular A-133 and 49 CFR Parts 18.26.

Part Five - Appendices

---

Appendices      The following appendices are included with this Guide:

Appendix	Description
A	Application Forms <ul style="list-style-type: none"><li>• Application Form</li><li>• Designation Statement</li><li>• Grant Project Narrative</li><li>• Hazardous Materials Emergency Preparedness Disbursement</li><li>• Budget Sheet</li><li>• Payee Data Record</li><li>• Reimbursement Request Form</li></ul>
B	Abbreviations and Acronyms

Appendix A - Application Forms for a New Grant- Due September 1, 2012

LEPC must complete the following documents:

- For a new HMEP Grant (application) pages 15-21
- Stop on page 21 (your done with the grant application)
- LEPC are responsible for tracking their application

Coordination Process:

LEPCs are responsible for mailing. The LEPC Chair or coordinator will mail or e-mail the application to AZSERC.

Do not complete pages 21-28, these documents are for the current grant in process.

APPLICATION FORM- Due September 1, 2012 to AZSERC  
Hazardous Materials Emergency Preparedness Planning Grant

LEPC Gila County	Date 08/30/2012
Mailing Address Department of Emergency Management 5515 S. Apache Ave., Suite 400 Globe, AZ 85501	Project Start Date October 1, 2012
	Project End Date September 30, 2013
LEPC Coordinator Name, Title, Phone Number and E- Mail Address: Debra L. Williams, Deputy Director of Emergency Management _____ Debra L. Williams, Deputy Director of Emergency Management _____ 928-402-8763 _____ dwilliams@gilacountyaz.gov _____	
Estimated Budget Total Budget: \$ <u>1500.00</u>	
<b>CERTIFICATION</b>	
I certify that I have read and understand the terms and conditions contained in the HMEP Application, and that to the best of my knowledge the information contained in this application and supplemental information is correct and complete.	
Name and Signature of Applicant (LEPC Chair) <b>Michael O'Driscoll</b> <i>Michael J. O'Driscoll</i>	Date 08/31/2012
<b>ADMINISTRATIVE APPROVALS</b>	
Print Name / Signature of LEPC Chair Michael O'Driscoll, Director of Gila County Health and Emergency Services	Date 08/30/2012
Print Name / Signature of LEPC -Coordinator Debra L. Williams, Deputy Director of Emergency Management	Date 08/30/2012

Instructions for completing these application form

Field Name	Description of Information Required
Applicant	The full name of the organization.
Date	Date of submittal of application package to the LEPC.
Project Title	A brief title of project.
Mailing Address	The address for correspondence and reimbursement checks.
Project Start/End Dates	Anticipated start and end date of the proposed project.
LEPC coordinator, Title, Phone, and e-mail address	The person in the organization who is responsible for the daily implementation of the project.
Estimated Budget *	The amount of HMEP funds being requested
Certification	Signature of the person in the organization with the ultimate responsibility for the project and who has the legal authority to speak for the applicant.

\*It is important not to over or under estimate costs for the project budget as this is the amount of award that will be submitted for approval. Do not guess on amount of funding the project will cost.

DESIGNATION STATEMENT

LEPC: Gila County Date: 08/30/2012

Mailing Address: 5515 S. Apache Ave., Suite 400  
Globe, AZ 85501

Coordinator: Debra L. Williams Phone: 928-402-8763

Title: Deputy Director of Emergency Management

E-Mail Address: dwilliams@gilacountyaz.gov

Total Project Budget: \$ 1500.00 (100%)

---

---

CERTIFICATION

I certify that I have the legal authority to make a commitment to the application on behalf of the applicant and that the coordinator indicated above has the responsibility for the daily implementation of the proposed project.

I certify that I am duly authorized to act on behalf of the recipient organization and the recipient agrees with the requirements of the "Offer and Acceptance" clause, and that the award is subject to the applicable provisions of 49 CFR § 110 et seq., 49 CFR Part 18, and of the provisions of AZSERC Assistance Agreement.

I certify that the coordinator indicated above has the responsibility for the fiscal management of the grant and has the legal authority to certify all financial status reports, invoices and requests for payments that will be submitted.

I certify that the information in the attach application is true to the best of my knowledge. By submitting this application, I am making a commitment to the proposed project, budget, and scope of work (Project Narrative and Work Schedule and Deliverables).

Debra L. Williams Digitally signed by Debra L. Williams  
DN: cn=Debra L. Williams, o=Gila County  
Emergency Mgmt & PHF, ou,  
email=dwilliams@co.gila.az.us, c=US  
Date: 2012.08.31 17:12:20 -0700

Coordinator (print/signature)

Dep. Director of Emergency Management

Title

08/31/2012

Date





BUDGET SHEET (must be fully completed)

Applicant LEPC: Gila County

Project Title: LEPC Hazardous Material Functional Annex Plan Review and Update

	HMEP SHARE		
PERSONNEL SERVICES			
Salaries and Wages			
OPERATING EXPENSES			
Travel			
Office Supplies	300		
Facility Rental			
Communications			
Printing			
Postage			
Other Direct Expenses			
<b>SUBTOTAL</b>			
PROFESSIONAL SERVICES			
Professional/Consultant	1200		
<b>TOTAL COSTS</b>	<b>1500</b>		

Note: No Overtime or Call Backs  
 No Equipment Purchases  
 No Software with the exception of CAMEO.

Instruction for completing the budget sheet

Field Name	Description of Information Required
Applicant	The full name of the organization or person.
Project Title	A brief title of project.
Personnel Services	Included in personnel services are the salaries and wages for wage-earning personnel employed by the applicant, who will be working on the project. These types of costs for a third party are to be indicated under Professional Consultant Services. Grant recipients are required to keep up to date time charge records for the project for the duration of the grant.
Salaries and Wages	Includes the salaries and wages calculated by multiplying the number of person-time-periods (months, day, hours) for each applicant employee (whether permanent, seasonal, temporary, etc.) by the appropriate monthly salary, or daily or hourly wage. For example, a typist needed at 33 percent participation (or one third times) for six months will work for two person months. If the typist earns a salary of \$800 per month, the total salary added to the project is: 2 months x \$800 per month = \$1600. No funds may be used to pay overtime.
Operating Expenses	These include any charges and travel costs necessary for the completion of the project, plus any other operational costs. The grant recipient will be required to keep an up to date inventory of all operation expenses associated with the proposed project. The operating expenses line items require brief written justifications describing the need for these items, how the dollar amounts were derived and how the items will be used for the project.
Travel	Includes the cost of transportation, subsistence, and other associated costs incurred by applicant personnel that are directly related to the project. (Note: All non-governmental organized work shall be submitted under Professional Services).
Office Supplies	Includes all supplies generally attributed to an office, which are necessary for the completion of the project.
Facility Rental	Includes all bids and invoices for facility rental expenses, which are necessary for the completion of the project. No food charges are to be included with facility rental bids or charges.
Communication	Includes all telephone, fax, etc. charges necessary for the completion of the project. A breakdown must be provided to justify the relation of these charges to the project.
Printing	Includes all printing and reproduction charges, developed as a result of the project. Direct and indirect costs of printing and reproduction of printed materials shall be included, but must be relevant to the project.
Postage	Includes all types of postage necessary for the completion of the project.
Other Direct Expenses	Includes all costs not specially mentioned above. These costs must not be duplicated in other budget items. No funds may be used for the purchase of Equipment, no exceptions.
Professional Services	These expenses include the total costs for any subcontractors needed by the applicant to undertake the activities specified in the Scope of Work. These costs must be itemized showing travel, equipment, general operating expenses, salaries, and other costs. The applicant will assume full responsibility for the actual subcontracting process, liability, and responsibility for completion of the project as described in the Scope of Work. (Note: All non-government organized work shall be submitted under Professional Services) no exceptions.

# Current HMEP Grant in process -

## Appendix B – Reimbursement Request Form

The payment process will not be completed until AZSERC receives original document with the signatures.

### Check List:

1. Quarterly Performance Report
2. Reimbursement Request Form
3. Total Expenditures 100% (the total monies you are claiming for this billing period) include a copy of your receipts and proof of payment. You keep the original documents.
4. On the Reimbursement Request Form – Year to Date Totals (add each previous quarter to determine the total)

Note: E-mail and fax copies will be processed for reimbursement

If you have any questions, contact Roger Soden at (602) 464-6524.

### Mail Reimbursement Request to:

AZSERC  
Roger Soden  
5636 E. McDowell Rd  
Phoenix, AZ 85008

### E-Mail Reimbursement Request to:

[Roger.Soden@azdema.gov](mailto:Roger.Soden@azdema.gov)

**AZSERC - Hazardous Materials Emergency Preparedness Grant  
FFY 2013:**

Reimbursement Request Form: MUST INCLUDE A COPY OF THE RECEIPTS and PROOF of PAYMENT.

Mail Reimbursement Request to:

Grant Recipient: \_\_\_\_\_

AZSERC  
Roger Soden  
5636 E. McDowell Rd  
Phoenix, AZ 85008

E-Mail Reimbursement Request to:

[Roger.soden@azdema.gov](mailto:Roger.soden@azdema.gov)

BILLING PERIOD: From _____ to _____	
Total Expenditures (100% for this billing period)	(Year to date totals)
<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>

Under penalty of perjury, I certify that:

- I am the duly authorized officer of the claimant herein
- This claim is in all respects true, correct, and all expenditures were made in accordance with applicable laws, rules, regulations and grant conditions and assurances
- This claim is for costs incurred within the Grant Performance Period

Authorized Agent (per the Designation Statement)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Phone No

\_\_\_\_\_  
Title

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Fax No.

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Instruction Sheet for Reimbursement (must include receipts and proof of payment)

---

Grant Recipient      The grant recipient is the entity identified in the original grant application. Do not identify any sub-departments or offices as the grant recipient.

---

Billing period      Indicate the month and year for the beginning of the period covered and the end of the period covered. See Timelines on page 10.

---

Total Expenditures      Enter the total amount of your claim for this billing period. Total Expenditures are required with the Quarterly Performance Report and Reimbursement Request Form (100% of the Total Expenditures)

---

Authorized Agent Information      Complete all line items requested and ensure that the form is signed by an Authorized Agent named in the Designation Statement submitted with the original application.

---

Mail      Mail the original to the address identified at the top of the request form

---

Supporting Documents      Supporting documents are required to be submitted with the Reimbursement Requests. AZSERC reserves the right to request documentation at any time. Grant recipients are reminded to maintain documents that support the expenditures and reimbursement amounts shown on the request.

---

## Appendix C – Quarterly Performance Report

### Budgetary Criteria: Hazardous Materials Emergency Preparedness (HMEP) Grant Program

#### Allowable expenses for activities eligible under HMEP grant:

- Salaries and wages (reference pages 19 & 20)
- Printing and reproduction costs.
- Mail and postage cost.
- Equipment rental only.
- Supplies and training materials.
- Hiring contractors or consultants to perform work eligible under the grant.
- Per Diem and travel expenses.

#### Non-allowable expenses:

- No funds awarded may be used to pay overtime or call backs.
- No funds awarded may be used for the purchase of equipment, no exceptions.
- No funds may be used to replace or supplant local government funding of existing planning or exercise programs.
- No Software - with the exception of CAMEO.

All expenditures of the grant funds must be in accordance with the provisions and certification of the U.S. Department of Transportation Hazardous Materials Emergency Preparedness Grant (HMEP), 49 CFR and other applicable federal laws, codes and circulars.

Quarterly Performance Report  
FFY 2013 Hazardous Materials Emergency Preparedness Grant

---

Sub grantee: \_\_\_\_\_ Performance Period: \_\_\_\_\_

---

Mailing Instructions: Please complete the performance report and return it to:

AZSERC  
Roger Soden  
5636 E. McDowell Rd  
Phoenix, AZ 85008

E-Mail Quarterly Performance Report to:

[Roger.soden@azdema.gov](mailto:Roger.soden@azdema.gov)

Questions regarding the completion of this performance report should be directed to the Roger Soden at (602) 464-6524, or via e-mail at [roger.soden@azdema.gov](mailto:roger.soden@azdema.gov)

The payment process cannot be completed until AZSERC receives an original and signed Quarterly Performance Report, Reimbursement Request Form and you must include Total Expenditures (the total amount of your claims for this billing period).

---

Part I – Authorized Agent Information

Are the following people still Authorized Agents for this grant?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yes  No   
Yes  No   
Yes  No

Is the mailing address still accurate?

Yes  No

If no, please provide correct mailing address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

---

Part II – Project Narrative, Activities and Completion Date

Is the Project Narrative, as described in your agency's original application, still accurate?

Yes  No

If no, please explain: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

---

Are the Project Activities, Tasks and Deliverables, as described in your agency's original application, still accurate?

Yes  No

If no, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please list the Project Activities, Tasks and Deliverables that were completed during this Performance Period.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What is the anticipated completion date for the project? \_\_\_\_\_

NOTE: All eligible work and expenditures for this grant must be completed by September 30, and time extensions cannot be granted.

If the approved project will not be completed by September 30, please explain:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

---

### Part III – Financial Summary

Total Amount Awarded to the LEPC (grant) \$ \_\_\_\_\_

Total funds/disbursed to the LEPC (to date) \$ \_\_\_\_\_

Total Expenditures requested (to date) \$ \_\_\_\_\_

Has your agency requested reimbursement for all grant expenditures to date?

Yes  No

If no, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTE: LEPC must fill out a *Reimbursement Request* form to request grant payments. Please refer to the Application package for a copy of the Reimbursement Request form and instructions. AZSERC recommends that sub grantees request reimbursement as soon as eligible grant expenditures are incurred. The payment process cannot be completed until AZSERC receives an original and signed Quarterly Performance Report, Reimbursement Request Form and Total Expenditures (the total amount of your claim for this billing period)

Is the budget in the original application still accurate? Yes  No

If no, please explain: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

---

#### Part IV – Certification and Signature of Authorized Agent

Please check Yes or No for the following statement:

This performance report represents the final report for this grant. All grant activities have been completed and paid for, and indicated in *Part III, Financial Summary, Sub grantee expenditures to date on this grant.*

Yes  No

I certify that I am a duly Authorized Agent of \_\_\_\_\_ and the representations made in this performance report are true and correct.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

JANICE K. BREWER  
GOVERNOR

MG HUGO E. SALAZAR  
THE ADJUTANT GENERAL



ARIZONA DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

# DIVISION OF EMERGENCY MANAGEMENT

5636 East McDowell Road, Phoenix, Arizona 85008-3495  
(602) 244-0504 1-800-411-2336



12 June 2012

### Arizona Division of Emergency Management Training Programs

The Arizona Division of Emergency Management's Training Section provides emergency management, homeland security and hazardous materials training to emergency response agencies throughout Arizona. Information on scheduling our programs for local delivery, or attending our programs as a student can be found through our website at [www.dem.azdema.gov/preparedness](http://www.dem.azdema.gov/preparedness). Here you'll find our training calendar with upcoming scheduled events, our training event request process, as well as various links to training catalogs, applications, and training resources offered through many of our training partners.

Our Hazardous Materials training courses are funded through the Hazardous Materials Emergency Preparedness (HMEP) grant program. Using this funding source, we offer training that meets or exceeds the Occupational Health and Safety Administration's training standards for hazardous material waste operations and emergency response. Through an 8-hour awareness-level program (FRA), training focuses on personnel who are likely to witness or discover a hazardous substance release, and who will be trained to initiate an emergency response sequence by notifying the proper authorities of the release. Our 24-hour operations-level program (FRO) focuses on individuals who respond to releases (or potential releases) of hazardous substances as part of the initial response to the site in order to protect nearby persons, property, or the environment from the effects of the release. And finally, our 200-hour technician-level program (HazTech) trains responders to assume a more aggressive role than a first responder at the operations level in that they will approach the point of release in order to plug, patch or otherwise stop the release of a hazardous substance. These programs are taught by our Adjunct Faculty; all of whom have received a minimum of 240 hours of hazardous materials related training, and have a minimum of 2 years hazardous materials response experience. Additional hazardous materials training was provided by Federal partners in the fields of HazCatting, Tank Truck Response, PPE and Detection Devices.

While our HMEP funding may be utilized for hazardous materials training throughout the state, the majority of our programs have been conducted in the rural communities of Arizona. From October 2011 projected through September 2012, the following have received Hazardous Materials Training: Awareness Level (168), Operations Level (280), Technician Level (140) for a total of 588 trained.

For more information on our programs, please contact our Hazardous Materials Training Coordinator, Kathy Walker at 602-464-6264, or our Director of Training and Exercise, Ron Kopcik at 602-464-6210.

## Appendix E - Abbreviations and Acronyms

---

AZSERC	Arizona Emergency Response Commission
CFR	Code of Federal Regulations
DOT	United States Department of Transportation
EPA	Environmental Protection Agency
EPCRA	Emergency Planning and Community Right-to-Know Act of 1986
FFY	Federal Fiscal Year
FOIA	Freedom of Information Act
HMEP	Hazardous Materials Emergency Preparedness
LEPC	Local Emergency Planning Committee
OMB	United States Office of Management and Budget
RSPA	Research and Special Programs Administration

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted For:** Michael O'Driscoll, Health & Emergency Services Division Director **Submitted By:** Debra Williams, Deputy Director of Emergency Services, Health & Emergency Services Division

**Department:** Health & Emergency Services Division **Division:** Emergency Services

Information

Request/Subject

Arizona Emergency Response Commission, Emergency Response Fund Grant Award. (State Fiscal Year 2013)

Background Information

The Arizona Emergency Response Commission (AZSERC) is authorized by ARS 26 to establish financial grants to local governments, utilizing monies from the Arizona Emergency Response Fund (ERF) appropriated by the legislature for this purpose.

These ERF grants allow for the purchase of hazardous materials (hazmat) response equipment only.

Evaluation

During the FY2013 cycle, Tri-City Fire Department (TCFD) submitted a request on behalf of the Globe-Miami area fire departments for hazmat response supplies. TCFD has obtained a response vehicle that is outfitted with equipment to be used for initial response to hazmat spills or incidents. Small spills could be managed immediately by local responders from multiple departments that have recieved operational hazmat training, and larger spills or incidents may be contained or mitigated until the closest certified hazmat teams can arrive, either from Apache Junction or Show Low, a possible 2-4 hour wait.

Conclusion

The equipment purchased with these grant funds will provide the capability to manage around 90% of hazardous materials encountered in our mining communities and throughout Gila County, a regionwide resource. This a pass-through grant from AZSERC to the Gila County Local Emergency Planning Committee (GCLEPC). Tri-City Fire Department has agreed to make all purchases and reimbursement will be between AZSERC and TCFD with supporting documentation passed through the GCLEPC.

Recommendation

The Director of Health and Emergency Services recommends the Board of Supervisors' approval to allow the GCLEPC to accept AZSERC Grant Awards-Emergency Response Fund FY 2013 on behalf of the Tri-City Fire Department in the total amount of \$19,689.81.

Suggested Motion

Approval to ratify the submission of a FY 2013 Emergency Response Fund (ERF) Grant Application to the Arizona Emergency Response Commission (AZSERC) on behalf of the Tri-City Fire Department, and approval for Michael O'Driscoll, Chairman of the Gila County Local Emergency Planning Committee, to sign the ERF Grant Special Conditions form for the acceptance of a grant from AZSERC in the amount of \$19,689.91; the first award in the amount of \$2,600.00, and the second award in the amount of \$17,089.84, all of which will be used by the Tri-City Fire Department to purchase ERF equipment.

Attachments

2nd Grant Award

1st Grant Award

TCFD Letter 1/2

TCFD Equip 1/2

TCFD Letter 2/2

TCFD Equip 2/2



# Arizona Emergency Response Commission

5636 East McDowell Road Phoenix, AZ 85008-3495

Phone: 602-464-6346 1-800-411-

ADEM (2336)

Fax: 602-464-6519



E-Mail: [AZSERC@azdema.gov](mailto:AZSERC@azdema.gov)

Web Site: <https://www.azserc.org> or <http://www.dem.azdema.gov/>

Janice K. Brewer, Governor

Louis B. Trammell, Chair  
Mark Howard, Executive Director

June 4, 2013

Gila County LEPC  
Debra Williams, Coordinator  
5515 S. Apache Ave.  
Globe, Arizona 85501

Re: AZSERC Grant Award, **Emergency Response Fund (ERF) GRANT FY 2013- Funds Requested: \$2,600.00. Funds Awarded: First award \$2,600.00, Second award \$17,089.84. Total \$19,689.81 awarded for Reimbursement.**

Dear Ms. Williams:

This award supports your LEPC's funding request for state fiscal year 2013; with the grant performance period ends June 30, 2013. This award does meet all your requests. This award serves to enhance hazardous materials response capacity within your planning district.

## IMPORTANT COMPLIANCE NOTES

1. This award is for reimbursement of approved funding requests. Please submit your request(s) for reimbursement to AZSERC prior to June 21, 2013. Request(s) for reimbursement received after this time will be denied. Funds not spent by June 21, 2013 will be reallocated to back to AZSERC. Request(s) must include narrative and copies of invoices/receipts and be organized for easy tracking.
2. A final report due June 31, 2013 indicating how funds have been/will be expended on approved projects for this grant period.
3. Your LEPC should continue to work on a composite list of needs and potential work projects and keep open communication lines with the Commission.
4. This award will not support hazmat training as needed by emergency response agencies.
5. Grants from the Emergency Response Fund (ERF) will not be awarded to LEPCs or LEPC designated recipients who have not adequately accounted for expenditures or who have failed to certify/maintain eligibility.
6. You must read, put check marks in the appropriate check boxes and sign the ERF Special Conditions and send back to Roger Soden by e-mail or fax before you are authorize to use the ERF funds allocated to you.

Thank you for participating in the Commission's Grant Program. If you have any questions, do not hesitate to call.

Sincerely,

Mark Howard  
Executive Director



# Arizona Emergency Response Commission

5636 East McDowell Road Phoenix, AZ 85008-3495

Phone: 602-464-6346 1-800-411-ADEM (2336)

Fax: 602-464-6519

E-Mail: [AZSERC@azdema.gov](mailto:AZSERC@azdema.gov)

Web Site: <https://www.azserc.org> or <http://www.dem.azdema.gov/>



Janice K. Brewer, Governor

Louis B. Trammell, Chair  
Mark Howard, Executive Director

## Emergency Response Fund (ERF)

### GRANT SPECIAL CONDITIONS

Your LEPC ERF grant award is here by approved with the following conditions:

1. The Arizona Emergency Response Commission (AZSERC) hereby offers assistance to the (Name of LEPC) LEPC Gila (the sub-grantee), for the approved Jurisdiction(s), not to exceed \$ \$17,089.84.

Jurisdictions:		
1	Tri-City, as per ERF Equipment Needs Spreadsheet	\$ 17,089.84
2		\$
3		\$
<b>Total awarded:</b>		<b>\$ 17,089.84</b>

Sub-grantee agrees:

To provide the AZSERC ERF Grant Coordinator with quarterly project performance reports and requests for reimbursement that reflect total costs incurred during the indicated quarter, along with all supporting documentation.

That the Payment Method is reimbursement.

To closely track all project work activities and associated costs for compliance with grant allow ability.

To refrain from implementing any deviations from the approved project described in the original application unless authorized, in advance, by AZSERC.

To provide AZSERC with information (electronic version if at all possible) that depicts the outcome, results, or product of the project at the conclusion of project activities, but not later than 7 days following the end of the performance period.

To provide AZSERC with the final accounting of 100 percent of the total project costs and a final request for reimbursement at the conclusion of project activities, but not later than 7 days following the end of the performance period.

~~N/A To provide AZSERC with the amount of anticipated unexpended funds as soon as they are identified, but not later than June 30, 2014.~~

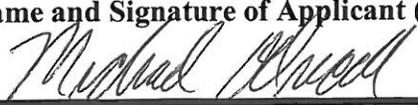
That any de-obligated/returned funds will be used by AZSERC on behalf of the sub-recipient and the corresponding LEPC to fund additional allowable project activities.

That failure to comply with any of these provisions, or those contained in the governing regulations and the AZSERC Planning Grant Assurance for Sub-grantees may result in the termination or suspension of this grant award.

2. This agreement is subject to applicable Arizona State statutory provisions and assistance regulations. In accepting, this award or amendment and any payments made pursuant thereto

- (1) the undersigned represents that s(he) is duly authorized to act on behalf of the sub-recipient organization
- (2) the recipient agrees
  - a. with the requirements of the "Offer and Acceptance" clause
  - b. that the award is subject to the applicable provisions of Arizona Laws Relating to Environmental Quality, ARS § 49-927 C, and of the provisions of this agreement
  - c. that the acceptance of any payments constitutes an agreement by the payee that the amount of any funds found by AZSERC to have been overpaid will be refunded in full to AZSERC.

### Hazardous Materials Emergency Preparedness Special Conditions

<b>LEPC:</b> Gila County	<b>Date:</b> 06/06/2013
<b>Mailing Address</b> Gila County Emergency Management 5515 S. Apache Ave., Suite 400 Globe, AZ 85501	
<b>LEPC Coordinator Name, Title, Phone Number and E- Mail Address:</b> Debra L. Williams, Deputy Director of Emergency Management <hr/> 928-402-8763 <hr/> dwilliams@gilacountyaz.gov <hr/>	
<b>CERTIFICATION</b> <b>I certify that I have read and understand the terms and conditions contained in the ERF Grant Special Conditions</b>	
<b>Name and Signature of Applicant (LEPC Chair/Coordinator):</b> 	<b>Date:</b> 06/06/2013



# Arizona Emergency Response Commission

5636 East McDowell Road Phoenix, AZ 85008-3495

Phone: 602-464-6346 1-800-411-ADEM (2336)

Fax: 602-464-6519

E-Mail: [AZSERC@azdema.gov](mailto:AZSERC@azdema.gov)

Web Site: <https://www.azserc.org> or <http://www.dem.azdema.gov/>



Janice K. Brewer, Governor

Louis B. Trammell, Chair  
Mark Howard, Executive Director

## Emergency Response Fund (ERF)

## GRANT SPECIAL CONDITIONS

Your LEPC ERF grant award is here by approved with the following conditions:

1. The Arizona Emergency Response Commission (AZSERC) hereby offers assistance to the (Name of LEPC) LEPC Gila (the sub-grantee), for the approved Jurisdiction(s), not to exceed \$ \$2,600.00.

Jurisdictions:		
1	Tri-City, as per ERF Equipment Needs Spreadsheet	\$ 2,600.00
2		\$
3		\$
<b>Total awarded:</b>		<b>\$ 2,600.00</b>

Sub-grantee agrees:

To provide the AZSERC ERF Grant Coordinator with quarterly project performance reports and requests for reimbursement that reflect total costs incurred during the indicated quarter, along with all supporting documentation.

That the Payment Method is reimbursement.

To closely track all project work activities and associated costs for compliance with grant allow ability.

To refrain from implementing any deviations from the approved project described in the original application unless authorized, in advance, by AZSERC.

To provide AZSERC with information (electronic version if at all possible) that depicts the outcome, results, or product of the project at the conclusion of project activities, but not later than 7 days following the end of the performance period.

To provide AZSERC with the final accounting of 100 percent of the total project costs and a final request for reimbursement at the conclusion of project activities, but not later than 7 days following the end of the performance period.

~~N/A To provide AZSERC with the amount of anticipated unexpended funds as soon as they are identified, but not later than June 30, 2014.~~

That any de-obligated/returned funds will be used by AZSERC on behalf of the sub-recipient and the corresponding LEPC to fund additional allowable project activities.

That failure to comply with any of these provisions, or those contained in the governing regulations and the AZSERC Planning Grant Assurance for Sub-grantees may result in the termination or suspension of this grant award.



# TRI-CITY FIRE DISTRICT

P.O. Box 83

CLAYPOOL, AZ

PHONE: 928-425-0815 FAX: 928-425-5392

85532



AUGUST 31, 2012

TO: DEBRA WILLIAMS, GILA COUNTY EMERGENCY SERVICES

FROM: AJ HOWELL BATTALION CHIEF, TRI-CITY FIRE DISTRICT

RE: HAZMAT EQUIPMENT

DURING 2011 AREA AGENCIES, IN CONJUNCTION WITH FREEPORT MCMORAN COPPER & GOLD MIAMI OPERATIONS, BEGAN DEVELOPMENT OF A HAZARDOUS MATERIALS RESPONSE TEAM. MEMBERS FROM CANYON, GLOBE, AND TRI-CITY, ALONG WITH THE ERT FROM FMI – MIAMI, HAVE TRAINED ON AND EXERCISED ON THE RESOURCES THAT WE HAVE AVAILABLE THROUGH THESE AGENCIES.

EARLIER THIS YEAR WE WERE ABLE TO SECURE A FORMER HAZMAT UNIT FROM THE CITY OF CASA GRANDE, WITH THE ASSISTANCE OF FMI AND TRI-CITY THE UNIT IS READY FOR SERVICE. NEXT STEP IS TO COMPLETE POLICIES AND PROCEDURES FOR THE PROGRAM AND TO FINISH EQUIPPING THE PERSONNEL FOR RESPONSE.

THEREFORE, THIS IS A REQUEST FOR THE ATTACHED LIST OF EQUIPMENT TOTALING \$2,600. THIS WOULD EQUIP FOUR PERSONNEL FOR LEVEL "B" ENTRY AND PROVIDE FOR FOUR BACK-UP PERSONNEL.

THIS WOULD ALLOW US THE CAPABILITY OF HANDLING APPROXIMATELY 75% OF THE CHEMICALS THAT WE WOULD ENCOUNTER IN OUR AREA, INCLUDING THE SURROUNDING MINING OPERATIONS. WITH EQUIPMENT OF THIS TYPE, OUR PERSONNEL COULD SAFELY PROVIDE RESCUE, EVACUATION, ISOLATION, AND IDENTIFICATIONS OF ELEMENTS INVOLVED UNTIL ADDITIONAL RESOURCES COULD ARRIVE.

I THANK YOU FOR YOUR CONSIDERATION OF OUR REQUEST AND IF I CAN BE OF ANY FURTHER ASSISTANCE, PLEASE FEEL FREE TO CONTACT ME AT 928-812-2991.

AJ HOWELL, BATTALION CHIEF  
TRI-CITY FIRE DISTRICT





# Tri-City Fire District

P.O. Box 83



Claypool, AZ 85532

Phone: 928-425-0815 Fax: 928-425-5392

June 3, 2013

To: Debra Williams, Gila County Emergency Services

From: AJ Howell Battalion Chief, Tri-City Fire District

Re: HAZMAT Equipment

In 2012, a request was made for initial funding for equipping an entry level team with level "B" protection. As we continue to develop this team, it becomes obvious that there is a greater need for our county.

As we train for the hazards that travel our rural Arizona highways and work in our mining communities, we have identified a few factors in our next request. First is our rural location, being 60 miles from Apache Junction and 80 miles from Show Low being our closest Haz-Mat teams. This means that our responders need to be self sufficient for 1-2 hours. Next would be our weather, if it's 110 or snowing our situation would require more responders to be capable of suiting up to complete the task. Our final thought is the older mining community that we call home, and the many unknown hazards that have yet to be discovered.

From operations to decontamination to treatment, we feel that it will require us to have the capabilities of full level "B" suiting and in some cases level "A" operations.

Therefore, as a representative of Tri-City Fire District and in co-operations with Globe Fire and Canyon Fire, we respectfully request funding for any or the entire attached list of equipment totaling \$17,089.84 (tax and shipping would be covered by TCFD). This would equip our team to level "B" entry and begin to equip us for level "A" operations. This would allow us the capability of handling approximately 90% of the chemicals that we would encounter in our area, including the surrounding mining operations. With equipment of this type, our personnel could safely provide rescue, evacuation, isolation, and identifications of elements involved and allow us to maintain public safety until the situation could be resolved.

We currently have refresher training planned for fall of 2013 and hopes for an additional tech class to augment our areas capabilities.

I thank you for your consideration of our request and if I can be of any further assistance, please feel free to contact me at 928-812-2991.

AJ Howell, Battalion Chief  
Tri-City Fire District



**ARF-1910**

**Consent Agenda Item 4- D**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Dana Hlavac, Submitted By:  
Interim Dana Sgroi, Contracts Support  
Finance Specialist, Finance Department  
Director

Department: Finance Department

Fiscal Year: 2013-2016 Budgeted?: Yes

Contract Dates June 30, 2013 Grant?: No

Begin & End: through June  
30, 2016

Matching No Fund?: Replacement

Requirement?:

---

Information

Request/Subject

Arizona Strategic Enterprise Technology Office-Service Agreement ADOA-ASET SA Number GCY13-96801

Background Information

On June 30, 2010, Gila County entered into ADOA-ISD SA Number GCY11-16801, Service Agreement with the Arizona Department of Administration (ADOA), Information Services Division, for Technology Support. Gila County has a router at one of ADOA's data centers.

Evaluation

On June 30, 2010, Gila County entered into ADOA-ISD SA Number GCY11-16801, Service Agreement with the Arizona Department of Administration (ADOA), Information Services Division, for Technology Support. The term of the original Service Agreement was June 30, 2010 to June 30, 2013, with the option for three (3) additional one-year terms upon mutual agreement of both parties and by both parties signing an Addendum to this agreement.

Gila County has a router at one of ADOA's data centers. The function of this router is to route telephone calls. When Gila County makes telephone calls to area codes 602, 480 or 623, because of this router, there is not a long distance charge. The support that ADOA provides to Gila County for the router is rack space to keep the router. This is known as Hosting - Copper (Shared Rack Space). This includes 1U space for racking the server with electrical, generator backup, fire protection, raised flooring, air conditioning, and physical security. The Copper support rate is based on the standard height of a rack mount server or chassis, which is a "U". The "U" refers to Unit or Rack Unit, and is sometimes abbreviated to "RU". Gila County's router is big enough to require two "U"s.

The Copper Service also includes redundant electrical connections (when required) and humidification control. All management of the router system (equipment) and data is the responsibility of Gila County.

The cost for each "U" is \$30.00 per month, resulting in a total annual rate of \$720.00.

The existing contract with ADOA expires on June 30, 2013. Due to a merger between the Information Services Division and another division within ADOA, a new department was formed to handle the merger. With the merger, a new director was named, which means the existing contract needs to be replaced with a new contract for the continuance of the router location with ADOA. Attached is a contract with the Arizona Department of Administration, Arizona Strategic Enterprise Technology (ASET) Office. The attached contract term is from June 30, 2013, to June 30, 2016, with the option for three (3) additional one-year terms upon mutual agreement of both parties and by both parties signing an Addendum to this agreement.

These are the same terms that were in the original agreement signed with the Arizona Department of Administration, Information Services Division, however, since that division has been disbanded, it is necessary to enter into a new contract with the new division.

#### Conclusion

The Finance Department believes the cost savings on long distance calls justifies the \$720.00 a year cost to rent rack space at the Arizona Department of Administration's data center. Additionally, the service provided by ADOA-ASET, such as electrical, generator backup, fire protection, humidification control, raised flooring, air conditioning, and physical security is well worth the annual cost.

#### Recommendation

It is the recommendation of the Finance Department to continue the contract with the new Division of the Arizona Department of Administration, Arizona Strategic Enterprise Technology (ASET) Office, and enter into a contract with the new Division for a term of June 30, 2013 to June 30, 2016, with the option for three (3) additional one year terms upon mutual agreement of both parties and by both parties signing an Addendum to this agreement.

#### Suggested Motion

Approval of the Chairman's signature on Arizona Department of Administration, Arizona Strategic Enterprise Technology (ASET) Office, Service Agreement, ADOA-ASET SA Number GCY13-96801, which replaces Arizona Department of Administration, Information Services Division, Service Agreement, ADOA-ISD SA Number GCY11-16801.

---

#### Attachments

ADOA-ASET SA Number GCY13-96801 June 2013 to June 2016

ADOA-ISD SA Number GCY11-16801 June 2010 to June 2013

IGA Legal Explanation



Janice K. Brewer  
Governor

Brian C. McNeil  
Director

**ARIZONA DEPARTMENT OF ADMINISTRATION  
ARIZONA STRATEGIC ENTERPRISE TECHNOLOGY (ASET) OFFICE**  
100 NORTH FIFTEENTH AVENUE • SUITE 400  
PHOENIX, ARIZONA 85007

**SERVICE AGREEMENT**

**ADOA-ASET SA Number GCY13-96801**

In accordance with Arizona Revised Statutes (ARS) Section 35-148, this Agreement is entered into by and between **Gila County** (hereinafter referred to as "**CLIENT**") and the **Arizona Department of Administration, Arizona Strategic Enterprise Technology Office** (hereinafter referred to as "**ADOA-ASET**"), and shall be effective as indicated in Section 1 - Term of Agreement.

**1. Terms of Agreement**

This Agreement shall be consistent with the State of Arizona fiscal year and shall be effective upon **the date the last party signs this Agreement through June 30, 2016**. This Agreement may be renewed in accordance with Section 2, and may be terminated in accordance with Section 6 and Section 8.

**2. Renewal of Agreement**

This Agreement may be renewed for three (3) additional one-year terms upon mutual agreement of both parties and by both parties signing an Addendum to this Agreement. **ADOA-ASET** shall schedule a review of this Agreement no less than sixty (60) calendar days prior to the renewal date. Upon agreement, **ADOA-ASET** shall prepare an Addendum for an additional one-year period for both parties' signatures. If either agency intends NOT to renew, written notice shall be given to the other party at least sixty (60) calendar days prior to the renewal date.

**CLIENT's** failure to provide such notice shall operate to renew the Agreement for an additional one-year term and shall be subject to the published rates found on the **ADOA-ASET** website: <http://aset.azdoa.gov/service-catalog>

The published rates are subject to change at any time during the term of this Agreement and any renewal terms. Any rate changes made to the **ADOA-ASET** rate schedule will be published on the **ADOA-ASET** web site within twenty-four (24) hours after any rate changes are approved and will then be the rates that govern this contract.

In the event the parties have determined the Scope of Services requires the acquisition

of capital equipment necessary for the business functions of the **CLIENT** and determine to amortize the cost of such equipment over several years (such amounts, if any, are set forth in the attached Schedule B), the **CLIENT** shall reimburse **ADOA-ASET** for such unamortized amounts upon a determination by the **CLIENT** not to renew the agreement.

In the event resources other than capital equipment such as, but not limited to, cooling units, server racks, specialized system or application software, etc. have been specifically acquired for the **CLIENT**'s business function and upon the determination by **CLIENT** not to renew this Agreement prior to **ADOA-ASET**'s recovery of the cost of these resources, **CLIENT** shall be responsible to reimburse **ADOA-ASET** for the unrecovered cost of these resources.

Prior to the acquisition of specified capital equipment and/or resources deemed necessary for this Scope of Services, the **CLIENT** will be advised of the intent and need to acquire and must agree to these acquisitions in writing, prior to any action being taken to obtain the capital equipment or resources.

### **3. Scope of Services**

The **CLIENT** is requesting that **ADOA-ASET** provide **CLIENT** Information Technology Services & Support as identified in Schedule A. **ADOA-ASET** and the **CLIENT** shall perform the obligations agreed to by each and set forth in Schedule A. All **ADOA-ASET Task Descriptions** can be found on the **ADOA-ASET** website: <http://aset.azdoa.gov/service-catalog>.

In performing the services, **ADOA-ASET** agrees to:

- a. Comply with all laws, statutes, ordinances, rules and regulations applicable to any Arizona State government body or authority;
- b. Diligently complete the services.

### **4. Security Requirements**

**CLIENT** and **ADOA-ASET** understands that the security requirements were mandated to develop, implement, and maintain statewide security policies and standards (A.R.S. § 41-3504 A (1(a))).

The statewide policies and standards apply to **ADOA-ASET** and all other State of Arizona Budget Units.

A State of Arizona Budget Unit is defined as a department, commission, board, institution, or other agency of the State receiving, expending, or disbursing state funds or incurring obligations of the State; including the Arizona Board of Regents but excluding the universities under the jurisdiction of the Arizona Board of Regents, the community college districts and the legislative or judicial branches. A.R.S. § 41-3501. The Budget Unit chief executive officer (CEO), working in conjunction with the Budget Unit chief information officer (CIO), shall be responsible for ensuring the effective implementation of Statewide Information Technology Policies, Standards, and

Procedures (PSPs) within each Budget Unit.

Notwithstanding the foregoing, if **CLIENT** is not a State of Arizona Budget Unit, the **CLIENT** is still expected to support **ADOA-ASET**'s compliance and therefore shall adhere to **ASET**'s statewide security policies and standards.

**If the CLIENT is found not to be in compliance with the Statewide policy and standards, ADOA-ASET will be available on a time and materials basis, to assist the CLIENT in achieving compliance. If the CLIENT chooses not to reach or maintain compliance with these standards, termination of service with ADOA-ASET may result.**

## 5. Payment

**CLIENT** shall pay **ADOA-ASET** as set forth in Schedule B, which may change during this course of this agreement and will be published on **ADOA-ASET**'s website. Payment shall comply with requirements of A.R.S. Title 35-148. All **ADOA-ASET Rates** and their associated **Task Descriptions** can be found on the **ADOA-ASET** website: <http://aset.azdoa.gov/service-catalog>

Each month, **ADOA-ASET** shall provide **CLIENT** with a dated itemized statement of services rendered. **CLIENT** shall have thirty (30) calendar days from the date on the itemized statement to notify **ADOA-ASET** in writing of any disputed amounts on the monthly statement. Any amounts not disputed in writing within thirty (30) calendar days shall be paid by **CLIENT** to **ADOA-ASET**. Failure to dispute a monthly statement amount within thirty (30) calendar days shall not prejudice **CLIENT** in later disputing the amount; however disputes not timely raised shall not be reimbursed until resolved. **ADOA-ASET** Service Agreement Contract No: CPT11-93001 agrees to provide **CLIENT** monthly all requested and reasonably available details of the monthly billing at no cost to **CLIENT**.

Upon final resolution of any dispute, the amount in question shall be included or subtracted in the next monthly payment, unless the last payment has already been made, then any amounts owed will be made to the party owed.

**ADOA-ASET** shall provide the **CLIENT** with an account number, reflected in Schedule B, to support a monthly billing process.

## 6. Non-Availability of Funds

Every payment obligation is conditioned upon the availability of funds appropriated for the payment of such obligation. If either party to this Agreement fails to receive an appropriation that may be lawfully allocated to the performance of their obligations hereunder, this Agreement may be terminated at the end of the period for which such funds are available.

No liability for failure to perform shall accrue to **ADOA-ASET** or **CLIENT** in the event this provision is exercised, and **ADOA-ASET** shall not be obligated or liable for any damages as a result of termination under this paragraph. Notwithstanding the

foregoing, this provision does not release either party for any prior or outstanding liability at the time of termination under this paragraph.

**7. Reports and Records**

Each party shall establish and maintain records regarding its performance under this Agreement, in accordance with the records retention standards established by the Arizona State Library, Archives and Public Records or such other commercially reasonable standards, as applicable.

**8. Termination**

Either party may terminate this Agreement upon sixty (60) calendar days written notice to the other party.

In the event the parties determine the Scope of Services requires the acquisition of capital equipment necessary for the business functions of the **CLIENT** and determine to amortize the cost of such equipment over several years (such amounts, if any, are set forth in the attached Schedule B), the **CLIENT** shall reimburse **ADOA-ASET** for such unamortized amounts on or before the date the contract is terminated.

In the event resources other than capital equipment have been specifically acquired for the **CLIENT**'s business function and upon the determination by **CLIENT** to terminate this Agreement prior to **ADOA-ASET**'s recovery of the cost of these resources, **CLIENT** shall be responsible to reimburse **ADOA-ASET** for the unrecovered cost of these resources, on or before the date the contract is terminated.

**9. Cancellation for Conflict of Interest**

Pursuant to ARS § 38-511, the state, its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the state, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. A cancellation made pursuant to this provision shall be effective when the **CLIENT/CONTRACTOR** receives written notice of the cancellation unless the notice specifies a later time.

**10. FORCE MAJEURE**

- (a) Either party shall be excused for delay or failure to perform its obligations under this Agreement, in whole or in part, when and to the extent that such delay or failure is a result of causes beyond the control and without the fault or negligence of the party unable to perform. Such causes include, without limitation, acts of God, acts of the public enemy, acts of

the United States government, fires, floods, epidemics, quarantine restrictions, or embargoes.

- (b) The party whose performance is so affected shall promptly notify the other party of all pertinent facts and take all reasonable steps, promptly and diligently, to prevent such causes if it is feasible to do so, or to minimize or eliminate the effect thereof.
- (c) It is understood and agreed that settlement of strikes or other labor disputes shall be at the sole discretion of the party encountering the strike or other dispute and that the inability of **ADOA-ASET** or its Subcontractors to meet the requirements of this Agreement as a result of labor strikes or disputes shall not be deemed to be a Force Majeure.

## **11. INSURANCE REQUIRED OF CLIENT**

**CLIENT is responsible in whole for providing personal property coverage for equipment that will be housed at the State Data Center. ADOA-ASET will not provide personal property coverage for CLIENT owned property.**

## **12. INDEMNIFICATION**

Each party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

In addition, **CLIENT** shall cause its contractor(s) and subcontractors, if any, to indemnify, defend, save and hold harmless the State of Arizona, any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and their respective directors, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of **CLIENT's** contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

**Insurance Requirements for Governmental Parties to an SA:**

None.

**Insurance Requirements for Any Contractors Used by a Party to the Service Agreement:**

(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.) The insurance requirements herein are minimum requirements and in no way limit the indemnity covenants contained in the Service Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.

**A. MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below:

**1. Commercial General Liability – Occurrence Form**

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

- General Aggregate \$2,000,000
- Products – Completed Operations
- Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written
- and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.***

*(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)*

- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

**2. Business Automobile Liability**

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

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

- a. The policy shall be endorsed to include the following additional insured language: ***"The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor"***.
- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

*(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)*

**3. Worker's Compensation and Employers' Liability**

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

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**B. ADDITIONAL INSURANCE REQUIREMENTS:** The policies are to contain, or be endorsed to contain, the following provisions:

1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees *and the other governmental entity* shall be additionally insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by the Contract.
  2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
  3. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of its Contract with the other governmental entity(ies) party to the SA.
- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to **(State of Arizona Department Representative's Customer Relations Manager, ADOA-ASET)** and shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **(State of Arizona Department Representative's Customer Relations Manager, ADOA-ASET)**. The State of Arizona project/contract number and project description are to be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all

insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT DIVISION.**

- F. **SUBCONTRACTORS:** Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the *insurance requirements* in any Service Agreement must have prior approval from the State of Arizona Department of Administration, Risk Management Division, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.
- H. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.

### 13. CONFIDENTIALITY

By virtue of this Agreement, **ADOA-ASET** and **CLIENT**, its employees, and agents may have access to certain confidential and/or proprietary information of the other party, as defined below. **ADOA-ASET** and **CLIENT** agree to use Confidential Information received from the other Party only as expressly permitted in the Agreement and in furtherance of the purposes expressed in the Agreement. Neither **ADOA-ASET** nor **CLIENT** will disclose to any third party the other party's Confidential Information, in whole or in part, except as provided for in this Agreement, and in compliance with all applicable state and federal laws, including but not limited to the Federal Information Security Management Act of 2002 (FISMA), Federal Public Law 107-347, The Health Insurance Portability and Accountability Act (HIPAA) CFR 45, IRS Publication 1075, A.R.S. §35-121.01 thru § 39-127 and A.R.S. § 41-3504(A )(1) and, **ADOA-ASET** Information Security Policies and Standards.

**A. Definition of Confidential Information:** As used herein and for the purpose of this Agreement "Confidential Information" includes, but is not limited to, names, addresses, social security numbers, telephone numbers, financial profiles, credit card information, driver license numbers, or other personally-identifiable information held in the public's trust by either **ADOA-ASET** or the **CLIENT**. Confidential Information can be stored in a secured form either electronically or in an approved form. Confidential Information does not include information that is or becomes public through no act of the recipient, information that was already in the possession of the recipient as of the date of disclosure, and information that is disclosed by court order.

**B. Identification of Confidential Information:** All tangible material (including without limitation, software, hardware, disks, and tapes), shall be considered Confidential Information and inherit the protection standards, until further definition occurs. If the Confidential Information is disclosed orally or visually, it shall be identified as such at the time of disclosure.

**C. Handling of Confidential Information:** ADOA-ASET and CLIENT shall use the same care to prevent disclosure of the other party's Confidential Information as it uses with respect to its own Confidential Information of a similar nature. Each party agrees that at all times, and notwithstanding any termination or expiration of this Agreement, to hold in strict confidence and not disclose to any third party Confidential Information of the other party, except as approved in writing by the other party to this Agreement, and will use the Confidential Information for no purpose other than approved by the other party to this Agreement. Each party shall only permit access to Confidential Information of the other party by pre-authorized employees or pre-authorized representatives having a need to know and are otherwise bound by confidentiality obligations at least as restrictive as those contained herein.

**D. Confidentiality Ownership, Term and Termination:** ADOA-ASET and CLIENT shall retain all right, title and interest in and to its own Confidential Information. No disclosure of Confidential Information shall be deemed to grant either party any license or other intellectual property right to the other party's Confidential Information. The recipient's obligations under this Agreement shall be binding until receipt of written notification of release from these obligations. Upon written request of the other party, the party shall promptly return to the other party all documents and other tangible materials representing the other's Confidential Information and all copies thereof.

#### 14. Miscellaneous

It is mutually agreed by the parties that:

- (a) In the event of a dispute, the parties agree to use arbitration to the extent required by ARS § 12-1518. The laws of the State of Arizona shall govern any interpretation of this Agreement and venue shall be in Maricopa County, Arizona.
- (b) All parties shall comply with Executive Order 75-5, as amended by Executive Order 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules and regulations, including the Americans with Disabilities Act. All parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
- (c) All parties shall comply with ARS § 23-214, which requires verification of employment eligibility through the e-verify program; economic

development incentives for those that comply and requirements for a list to be provided quarterly to the United States department listing those employers who have adhered to the requirements. A party's breach of this requirement shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by either party.

- (d) This Agreement shall be governed and interpreted by the laws of the State of Arizona. Purchases made in furtherance of this Agreement are subject to the Arizona Procurement Code (ARS § 41-2501, et seq.) and the administrative rules promulgated thereunder (AAC R2-7-901, et seq.).
- (e) Any amendments to this Agreement must be in writing and signed by both parties.
- (f) All requests for additional services shall be in writing and signed by both parties and subject to current established **ADOA-ASET** billing rates.
- (g) All notices pertaining to this Agreement shall be addressed or faxed to the parties respectively as follows:

<b>CLIENT:</b>	<b>ADOA-ASET:</b>
Gila County	Arizona Department of Administration
Gila County Finance	Arizona Strategic Enterprise Technology (ASET) Office
Guerrero Building	100 N. 15 <sup>th</sup> Avenue, Suite 400
1400 E. Ash St, Globe, AZ 85501	Phoenix, AZ 85007
ATTN: Jeannie Sgroi	ATTN: Mercy Dominguez
	Customer Relations Manager
(928) 402-8612	(602) 542-2537
FAX Number:	(602) 542-4272

**THIS AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE UNDERSTANDING BETWEEN THE PARTIES, AND IT SUPERSEDES ALL PROPOSALS, ORAL OR WRITTEN, AND ALL OTHER DOCUMENTS OR COMMUNICATIONS BETWEEN THE PARTIES RELATIVE TO THE SUBJECT MATTER HEREIN COVERED, UNLESS SUCH DOCUMENTS OR COMMUNICATIONS ARE SPECIFICALLY INCLUDED BY REFERENCE.**

IN WITNESS WHEREOF, the parties have executed this Agreement:

CLIENT:

ADOA:

Gila County

Arizona Department of Administration

By: \_\_\_\_\_  
Michael A. Pastor  
Chairman Gila County Board of  
Supervisors

By:  \_\_\_\_\_  
Brian McNeil, Director

Date: \_\_\_\_\_

Date: 6-10-13

Between

Arizona Department of Administration  
Arizona Strategic Enterprise Technology (ASET) Office

And

Gila County

**SCHEDULE A**

**ADOA-ASET services provided under this Agreement and  
ADOA-ASET, CLIENT and Joint Responsibilities**

<p><b>ADOA-ASET</b></p> <p><b>CLIENT</b></p> <p><b>JOINT</b></p>	<p><b>ADOA-ASET and CLIENT</b> shall jointly develop and maintain a list of Responsibilities for each service task being requested and/or provided. Responsibilities will be listed as:</p> <p><b>ADOA-ASET Responsibilities:</b> Responsibilities that <b>ADOA-ASET's</b> staff personnel will be responsible for providing to the <b>CLIENT</b>;</p> <p><b>CLIENT Responsibilities:</b> Those areas of Responsibility that will fall to the <b>CLIENT</b> in order to meet <b>ADOA-ASET's</b> requirements and abilities to provide the services as requested;</p> <p><b>Joint Responsibilities;</b> Those processes and responsibilities that <b>ADOA-ASET</b> and the <b>CLIENT</b> will be responsible for performing as a team in order to reach the Goals and Service Requirements by both <b>ADOA-ASET</b> and the <b>CLIENT</b>.</p> <p>For updated changes to the Service Catalog and for changes to our Service Rates, <b>CLIENT</b> may view these online at our website: <a href="http://www.aset.azdoa.gov">www.aset.azdoa.gov</a>.</p>
	<p><b>Service Description / Responsibilities</b></p>
<p><b>5731</b></p>	<p><b>Hosting: Copper - Shared Rack Space</b></p> <p>This includes 1U space for racking the server with electrical, generator backup, fire protection, raised flooring, air conditioning, and physical security. The Copper support rate is based on the standard height of a rackmount server or chassis, which is a "U" The "U" refers to <i>Unit</i> or <i>Rack Unit</i>, and is sometimes abbreviated to "RU". One "U" or "RU" is equivalent to 1.75 inches.</p> <p>The Copper Service includes:</p> <ul style="list-style-type: none"> <li>o Redundant electrical connections (when required)</li> <li>o Air conditioning and humidification control</li> <li>o Generator backup</li> <li>o Fire suppression</li> <li>o Raised flooring</li> <li>o Physical security</li> </ul>

All management of the system and data will be the responsibility of the owner of the equipment. The rate is the same whether the rack is provided by **ADOA-ASET** or belongs to the customer. **ADOA-ASET** limits a rack to contain no more than 64 blade servers.

The Copper service is invoiced by each "U".

**ADOA-ASET Responsibilities**

- 24x7x365 monitoring and operations support
- Provide all necessary power connections for **CLIENT** equipment
- Provide air conditioning that meets with state data center standards
- Provide physical security that meets with state data center standards
- Notify **CLIENT** of any outage or interruption of service
- Provide badge access to the state data center area where the **CLIENT** equipment resided

**CLIENT Responsibilities**

- Notify **ADOA-ASET** of any scheduled maintenance that may require personnel that do not have state data center badges, this includes **CLIENT** staff and **CLIENT** vendors
- Provide a list of individuals that will need access to the **CLIENT** equipment. These individuals will need to complete the UNAC training prior to receiving their badge access.
- Payment of time installation charges. These charges are base on the server size and power requirements.
- Only store data related to official state or **CLIENT** business
- Provide **ADOA-ASET** with as accurate as possible estimates of future hosting requirements
- Provide **ADOA-ASET** with **CLIENT** contact information during normal and outside of normal business hours
- Contact **ADOA-ASET** IT Support Services at 602-364-4444 for assistance or technical support in the use of or in the event of issues with this service
- When necessary the **CLIENT** must be willing to share the rack they are in with other **ADOA-ASET** customers
- Pay all fees associated with the Shared Rack Space service

**JOINT Responsibilities**

- Establishment of security for physical access to **CLIENT** servers and other equipment
- Environment change requests will be in writing
- Mutually maintain and abide by the Emergency Contingency Plan

**Change Advisory Board**

**ADOA-ASET** uses the CA Service software to track changes and incidents within ASET. Changes submitted to CA Service will be reviewed during the Change Advisory Board (CAB) weekly meeting. This meeting is comprised of ASET technical support staff, **CLIENT** representatives and CAB facilitator. The goal is to provide a forum to discuss new change request and confirm risk, impact and schedule. **ADOA-ASET** is responsible for hosting the weekly CAB meeting and distributing meeting minutes to clients. The **CLIENT** is responsible for providing a list of representative(s) who should

be added to the CAB distribution list and attending CAB meetings to review change schedules. The **CLIENT** can contact **ADOA-ASET** Help desk for CAB related information at 602.364.4444.

### Additional ADOA-ASET Responsibilities

The State Data Center provides Level 1, 2, and 3 support to our customers. These services are provided to our customers 24 hours per day, 7 days per week, 365 days per year. You can contact the **ADOA-ASET** Service Support Desk by dialing 602-364-4444.

Level 1 Support provides basic application software and/or hardware support to the callers.

Level 2 Support provides more complex support on application software and/or hardware and is usually an escalation of the call from Tier 1.

Level 3 Support provides support on complex hardware and operating system software and usually involves highly skilled systems technicians. Call lengths on Tier 3 vary widely depending upon the type of incident and may involve outside vendor services and support.

All calls are logged and reviewed by management to ensure our customers needs and requests are addressed. All problem and change requests are entered into our CA Service Problem / Change Management system and reviewed weekly by the Change Advisory Board (CAB).

**Except for emergencies, ADOA-ASET will schedule all software upgrades and maintenance services during scheduled downtime.**

If a **CLIENT** has **Open Systems** being supported by **ADOA-ASET**, although **ADOA-ASET** will try to ensure availability of the **CLIENT** Network during normal business hours, there may be unavoidable emergencies that would require the application and/or server to be unavailable. **CLIENT** shall develop emergency/manual procedures to handle this possible scenario.

**To those CLIENT's doing business on an Open Systems environment, ADOA-ASET recommends the CLIENT obtain hardware to cover the CLIENT in the event of a natural disaster which could affect the CLIENT's ability to provide services to the public. ADOA-ASET also recommends that the CLIENT establish written procedures and/or contract for Disaster Recovery services. If the CLIENT chooses not to provide such measures or a separate server environment to ensure CLIENT Recovery after an event of a Natural Disaster, ADOA-ASET is not responsible, nor can ADOA-ASET provide total system support for such an event.**

**Payment for services shall be made in accordance with Schedule B.**

Between

Arizona Department of Administration  
Arizona Strategic Enterprise Technology (ASET) Office

And

Gila County

**SCHEDULE B**

**FUNDING OBLIGATIONS**

Commencing with this Agreement and for services rendered under this Agreement, and accepted by **CLIENT**, **CLIENT** agrees to reimburse **ADOA-ASET** for said services, to be billed on a monthly basis per the applicable **ADOA-ASET** service rate schedule for the fiscal year services are rendered.

Services provided as per Definitions and responsibilities of **ADOA-ASET** are outlined in Schedule A. Services will be billed according to attached **ADOA-ASET** service rate schedule. Rates are subject to change and **ADOA-ASET** rate schedule will be reviewed on an annual basis with **CLIENT**.

- **5731 Hosting: Copper - Shared Rack Space: \$30.00 per 1U / per month. Billing will be in accordance with ADOA-ASET's current published rate schedule.**

**In the event CLIENT requests the services or equipment of a 3<sup>rd</sup> Party Vendor, the CLIENT shall be solely responsible for all payments to be made to the 3<sup>rd</sup> Party Vendor for services or equipment provided by the 3<sup>rd</sup> Party Vendor in connection with the performance of their service.**

**Billing shall commence on the month corresponding to the date of signing of this agreement.**

**CLIENT 9-digit account number to be billed is 968GILACY.**

JANICE K. BREWER  
GOVERNOR



DAVID RABER  
INTERIM DIRECTOR

ARIZONA DEPARTMENT OF ADMINISTRATION  
INFORMATION SERVICES DIVISION  
100 N. 15<sup>th</sup> Avenue, Suite 400  
PHOENIX, ARIZONA 85007

## SERVICE AGREEMENT

### ADOA-ISD SA Number GCY11-16801

In accordance with Arizona Revised Statute (ARS) Section § 35-148, and 41-135.01, this Agreement is entered into by and between **Gila County** (hereinafter referred to as "**CLIENT**"), and the **Arizona Department of Administration, Information Services Division** (hereinafter referred to as "**ADOA-ISD**"), and shall be effective as indicated in Section 1. - Terms of Agreement, or cancelled pursuant to the terms set forth in Section 8 hereof.

For and in consideration of the terms and conditions set forth herein, the parties agree as follows:

#### 1. TERMS OF AGREEMENT

This Agreement shall be consistent with the State of Arizona Fiscal year and will be effective from **date the last party signs** through **June 30, 2013**. This Agreement may be renewed in accordance with Section 2, and may be terminated in accordance with Section 8.

#### 2. RENEWAL OF AGREEMENT

This Agreement may be renewed for three additional one-year terms upon mutual agreement of both parties and by both parties signing an Addendum to this Agreement. **ADOA-ISD** shall schedule a review of this Agreement no less than 45 calendar days prior to the renewal date. Upon agreement, **ADOA-ISD** shall prepare an Addendum for an additional one-year period for both parties' signatures. If either agency intends NOT to renew, written notice shall be given to the other party at least sixty (60) calendar days prior to the renewal date.

**CLIENT's** failure to provide such notice shall operate to renew the Agreement for an additional one-year term at the then published rates, included as Schedule C in this Agreement and also found on the **ADOA-ISD** Web Site: [http://isd.azdoa.gov/links/service\\_rates.aspx](http://isd.azdoa.gov/links/service_rates.aspx).

The published rates are subject to change. Any rate changes made to the **ADOA-ISD** rate schedule, will be published on the **ADOA-ISD** web site within 24 hours after any rate changes are approved and will then be the rates that govern this contract.

In the event the parties have determined the Scope of Services requires the acquisition of capital equipment necessary for the business functions of the **CLIENT** and determine to amortize the cost of such equipment over several years (such amounts, if any, are set forth in the attached Schedule B), the **CLIENT** shall reimburse **ADOA-ISD** for such unamortized amounts upon a determination by the **CLIENT** not to renew the agreement.

In the event resources other than capital equipment such as but not limited to; cooling units, server racks, specialized system or application's software, etc. have been specifically acquired for the **CLIENT**'s business function and upon the determination by **CLIENT** not to renew this Agreement prior to **ADOA-ISD**'s recovery of the cost of these resources, **CLIENT** shall be responsible to reimburse **ADOA-ISD** for the unrecovered cost of these resources.

Prior to the acquisition of specified capital equipment and/or resources, deemed necessary for this Scope of Services, the **CLIENT** will be advised of the intent and need to acquire and must agree to these acquisitions in writing, prior to any action being taken to obtain the capital equipment or resources.

### **3. SCOPE OF SERVICES**

The **CLIENT** is requesting that **ADOA-ISD** provide **CLIENT** Information Technology Support as identified in Schedule A.

**ADOA-ISD** and the **CLIENT** shall perform the obligations agreed to by each and set forth in Schedule A.

In performing the services, **ADOA-ISD** agrees to:

- a. Comply with all laws, statutes, ordinances, rules and regulations applicable to any Arizona State government body or authority;
- b. Diligently complete the services.

### **4. GITA Security Requirements**

**CLIENT** and **ADOA-ISD** understand the State's IT Planning Policy, P135, and Risk Management Standard, P800-S805, which mandates that each executive branch agency submit a Technology Infrastructure Standards Assessment (TISA) to the Government Information Technology Agency (GITA) on an annual basis.

If the **CLIENT** is found not to be in compliance with the GITA Statewide policy and standards, **ADOA - ISD** will be available on a time and materials basis, to assist the **CLIENT** in achieving compliance. If the **CLIENT** chooses not to

reach or maintain compliance with these standards, termination of service with ADOA - ISD may result.

## 5. Payment

**CLIENT** agrees to pay **ADOA-ISD** as set forth in Schedule B. Payment shall comply with requirements of A.R.S. Title 35-148.

Each month, **ADOA-ISD** shall provide **CLIENT** with a dated itemized statement of services rendered. **CLIENT** shall have thirty (30) calendar days from the date on the itemized statement to notify **ADOA-ISD** in writing of any disputed amounts on the monthly statement. Any amounts not disputed in writing within thirty (30) calendar days shall be paid by **CLIENT** to **ADOA-ISD**. Failure to dispute a monthly statement amount within thirty (30) calendar days shall not prejudice **CLIENT** in later disputing the amount; however disputes not timely raised shall not be reimbursed until resolved. **ADOA-ISD** agrees to provide **CLIENT** monthly all requested and reasonably available details of the monthly billing at no cost to **CLIENT**.

Upon final resolution of any dispute, the amount in question shall be included or subtracted in the next monthly payment, unless the last payment has already been made, then any amounts owed will be made to the party owed.

**ADOA-ISD** shall provide the **CLIENT** with an account number, reflected in Schedule B, to support a monthly billing process.

## 6. NON-AVAILABILITY OF FUNDS

Every payment obligation is conditioned upon the availability of funds appropriated for the payment of such obligation. If either agency fails to receive an appropriation that may lawfully be allocated to the performance of their obligations hereunder, this Agreement may be terminated at the end of the period for which such funds are available.

No liability for failure to perform shall accrue to **ADOA-ISD** or **CLIENT** in the event this provision is exercised, and **ADOA-ISD** shall not be obligated or liable for any damages as a result of termination under this paragraph. Notwithstanding the foregoing, this provision does not release either party for any prior or outstanding liability at the time of termination under this paragraph.

## 7. REPORTS AND RECORDS

Each party shall establish and maintain records regarding its performance under this Agreement, in accordance with the records retention standards established by the Department of Library and Archives.

## 8. TERMINATION

Either party may terminate this Agreement upon sixty (60) calendar day's written notice to the other party.

In the event the parties determine the Scope of Services requires the acquisition of capital equipment necessary for the business functions of the **CLIENT** and determine to amortize the cost of such equipment over several years (such amounts, if any, are set forth in the attached Schedule B), the **CLIENT** shall reimburse **ADOA-ISD** for such unamortized amounts on or before the date the contract is terminated.

In the event resources other than capital equipment have been specifically acquired for the **CLIENT**'s business function and upon the determination by **CLIENT** to terminate this Agreement prior to **ADOA-ISD**'s recovery of the cost of these resources, **CLIENT** shall be responsible to reimburse **ADOA-ISD** for the unrecovered cost of these resources, on or before the date the contract is terminated.

## 9. CANCELLATION FOR CONFLICT OF INTEREST

Pursuant to ARS § 38-511, the state, its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the state, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. A cancellation made pursuant to this provision shall be effective when the **CLIENT** receives written notice of the cancellation unless the notice specifies a later time.

## 10. CONFIDENTIALITY

By virtue of this Agreement, **ADOA-ISD** and **CLIENT**, its employees, and agents may have access to certain confidential and/or proprietary information of the other party, as defined below. **ADOA-ISD** and **CLIENT** agree to use Confidential Information received from the other Party only as expressly permitted in the Agreement and in furtherance of the purposes expressed in the Agreement. Neither **ADOA-ISD** nor **CLIENT** will disclose to any third party the other party's Confidential Information, in whole or in part, except as provided for in this Agreement, and in compliance with all applicable state and federal laws, including but not limited to the Federal Information Security Management Act of 2002 (FISMA), Federal Public Law 107-347, The Health Insurance Portability and Accountability Act (HIPAA) CFR 45, IRS Publication 1075, A.R.S. §35-121.01 thru

§ 39-127 and A.R.S. § 41-3504(A )(1) and, **ADOA-ISD** Information Security Policies and Standards.

**A. Definition of Confidential Information:** As used herein and for the purpose of this Agreement "Confidential Information" includes but is not limited to, names, addresses, social security numbers, telephone numbers, financial profiles, credit card information, driver license numbers, or other personally-identifiable information held in the public's trust by either **ADOA-ISD** or the **CLIENT**. Confidential Information can be stored electronically or in hard copy. Confidential Information does not include information that is or becomes public through no act of the recipient, information that was already in the possession of the recipient as of the date of disclosure, and information that is disclosed by court order.

**B. Identification of Confidential Information:** All tangible material (including without limitation, software, hardware, disks, and tapes), shall be considered Confidential Information and inherit the protection standards, until further definition occurs. If the Confidential Information is disclosed orally or visually, it shall be identified as such at the time of disclosure.

**C. Handling of Confidential Information:** **ADOA-ISD** and **CLIENT** shall use the same care to prevent disclosure of the other party's Confidential Information as it uses with respect to its own Confidential Information of a similar nature. Each party agrees that at all times, and notwithstanding any termination or expiration of this Agreement, to hold in strict confidence and not disclose to any third party Confidential Information of the other party, except as approved in writing by the other party to this Agreement, and will use the Confidential Information for no purpose other than approved by the other party to this Agreement. Each party shall only permit access to Confidential Information of the other party by pre-authorized employees or pre-authorized representatives having a need to know and are otherwise bound by confidentiality obligations at least as restrictive as those contained herein.

**D. Confidentiality Ownership, Term and Termination:** **ADOA-ISD** and **CLIENT** shall retain all right, title and interest in and to its own Confidential Information. No disclosure of Confidential Information shall be deemed to grant either party any license or other intellectual property right to the other party's Confidential Information. The recipient's obligations under this section (D.) survive termination and shall be binding until receipt of written notification of release from these obligations. Upon written request of the other party, the party shall promptly return to the other party all documents and other tangible materials representing the other's Confidential Information and all copies thereof.

**11. Miscellaneous**

It is mutually agreed by the parties that:

- a. In the event of a dispute, the parties agree to use arbitration to the extent required by ARS § 12-1518. The laws of the State of Arizona shall govern any interpretation of this Agreement and venue shall be in Maricopa County, Arizona.
- b. All parties shall comply with Executive Order 75-5, as amended by Executive Order 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules and regulations, including the Americans with Disabilities Act. All parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.
- c. All parties shall comply with ARS § 23-214, which requires verification of employment eligibility through the e-verify program.
- d. Purchases made in furtherance of this Agreement are subject to the Arizona Procurement Code (ARS § 41-2501, et seq.) and the administrative rules promulgated thereunder (AAC R2-7-901, et seq.).
- e. Any amendments to this Agreement must be in writing and signed by both parties.
- f. All requests for additional services shall be in writing and signed by both parties and subject to current established **ADOA-ISD** billing rates.
- g. All notices pertaining to this Agreement shall be addressed or faxed to the parties respectively as follows:

<b>CLIENT:</b>	<b>ADOA-ISD:</b>
Gila County	Arizona Department of Administration
1400 E Ash St.	Information Services Division
Globe, AZ 85501	100 N. 15 <sup>th</sup> Avenue, Suite 400
	Phoenix, AZ 85007
<b>ATTN: Darryl Griffin</b>	<b>ATTN: Patrick Quain</b>
	Assistant Director
Phone Number: 928-402-8778	Phone Number: 602-542-2250
FAX Number: 928-425-7056	FAX Number: 602-542-4272

**SERVICE AGREEMENT CONTRACT NO. GCY11-16801**

**THIS AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE UNDERSTANDING BETWEEN THE PARTIES, AND IT SUPERSEDES ALL PROPOSALS, ORAL OR WRITTEN, AND ALL OTHER DOCUMENTS OR COMMUNICATIONS BETWEEN THE PARTIES RELATIVE TO THE SUBJECT MATTER HEREIN COVERED, UNLESS SUCH DOCUMENTS OR COMMUNICATIONS ARE SPECIFICALLY INCLUDED BY REFERENCE.**

**IN WITNESS WHEREOF, the parties have executed this Agreement:**

**CLIENT:**

**ADOA-ISD:**

Gila County

Arizona Department of Administration  
Information Services Division

By: Michael A. Pastor

By: David Raber

Printed Name: Michael A. Pastor

Printed Name: David Raber

Title: Chairman Gila County  
Board of Supervisors

Title: Interim Director  
Department of Administration

Date: \_\_\_\_\_

Date: 6-30-10

Approved As To Form

Bryan B. Chambers

**Bryan B. Chambers**  
**Chief Deputy Gila County Attorney**

**Between**

**Arizona Department of Administration  
Information Services Division**

**And**

**Gila County**

**SCHEDULE A**

**ADOA-ISD services provided under this Agreement and  
ADOA-ISD, CLIENT and Joint Responsibilities**

<p><b>ADOA-ISD</b></p>	<p>ADOA-ISD and CLIENT shall jointly develop and maintain a list of Responsibilities for each service task being requested and/or provided, as set forth in Schedule C. Responsibilities will be listed as <b>ADOA-ISD Responsibilities</b>: Responsibilities that ADOA-ISD's staff personnel will be responsible for providing to the <b>CLIENT</b>; <b>CLIENT Responsibilities</b>: Those areas of Responsibility that will fall to the <b>CLIENT</b> in order to meet ADOA-ISD's requirements and abilities to provide the services as requested; <b>Joint Responsibilities</b>; Those processes and responsibilities that ADOA-ISD and the <b>CLIENT</b> will be responsible for performing as a team in order to reach the Goals and Service Requirements by both ADOA-ISD and the <b>CLIENT</b>.</p> <p>For updated changes to the Service Catalog and for changes to our Service Rates, CLIENT may view these online at our Website: <a href="http://www.isd.azdoa.gov">www.isd.azdoa.gov</a>.</p>
<p><b>Debit / Task Code</b></p>	<p><b>Service Description / Responsibilities</b></p>
<p><b>5731</b></p>	<p><b>Hosting - Copper (Shared Rack Space)</b></p> <p>This includes 1U space for racking the server with electrical, generator backup, fire protection, raised flooring, air conditioning, and physical security. The Copper support rate is based on the standard height of a rackmount server or chassis, which is a "U" The "U" refers to <i>Unit</i> or <i>Rack Unit</i>, and is sometimes abbreviated to "RU". One "U" or "RU" is equivalent to 1.75 inches.</p> <p>The Copper Service includes redundant electrical connections (when required); air conditioning and humidification control; generator backup; fire suppression; raised flooring; and physical security.</p> <p>All management of the system and data will be the responsibility of the owner of the equipment. The rate is the same whether the rack is provided by ADOA-ISD or belongs to the customer. ADOA-ISD limits a rack to contain no more than 64 blade servers.</p> <p>The Copper service is invoiced by each "U".</p>

	<p><b>ADOA-ISD Responsibilities</b></p> <ul style="list-style-type: none"> <li>• 24x7x365 monitoring and operations support.</li> <li>• Provide all necessary power connections for <b>CLIENT</b> equipment.</li> <li>• Provide air conditioning that meets with data center standards.</li> <li>• Provide physical security that meets with data center standards.</li> <li>• Notify <b>CLIENT</b> of any outage or interruption of service.</li> <li>• Provide badge access to the data center area where the <b>CLIENT</b> equipment resided.</li> </ul> <p><b>CLIENT Responsibilities</b></p> <ul style="list-style-type: none"> <li>• Notify <b>ADOA-ISD</b> of any scheduled maintenance that may require personnel that do not have data center badges, this includes <b>CLIENT</b> staff and <b>CLIENT</b> vendors.</li> <li>• Provide a list of individuals that will need access to the <b>CLIENT</b> equipment. These individuals will need to complete the UNAC training prior to receiving their badge access.</li> <li>• Payment of time installation charges. These charges are base on the server size and power requirements.</li> <li>• Only store data related to official state business.</li> <li>• Provide <b>ADOA-ISD</b> with as accurate as possible estimates of future hosting requirements.</li> <li>• Provide <b>ADOA-ISD</b> with <b>CLIENT</b> contact information during normal and outside of normal business hours.</li> <li>• Contact <b>ADOA-ISD</b> IT Support Services at 602-364-4444 for assistance or technical support in the use of or in the event of issues this service.</li> <li>• When necessary the <b>CLIENT</b> must be willing to share the rack they are in with other <b>ADOA-ISD</b> customers.</li> <li>• Pay all fees associated with the Shared Rack Space service.</li> </ul> <p><b>JOINT Responsibilities</b></p> <ul style="list-style-type: none"> <li>• Establishment of security for physical access to <b>CLIENT</b> servers and other equipment.</li> <li>• Environment change requests will be in writing.</li> <li>• Mutually maintain and abide by the Emergency Contingency Plan.</li> </ul>
--	--

**Change Advisory Board**

Change Advisory Board Meetings are set up on an on-going scheduled basis. These are set up weekly or monthly as considered necessary. If a **CLIENT** representative cannot physically attend a given CAB meeting then a phone number to facilitate attendance through a Conference Call can be obtained. In each instance the **CLIENT** can obtain the phone number and / or the monthly information for the CAB meeting pertinent to their site by calling the **ADOA-ISD** Help Desk: **602.364.4444**.

**Additional ADOA-ISD Responsibilities**

Level 1 Support Services are provided by the **ADOA-ISD**. This manned Help Desk is provided to log phoned-in problem requests, perform basic service requests that can be handled by Level 1 support personnel, and when necessary, escalate problem resolution to Level 2. Level 1 Support for the **CLIENT** Network is reached by dialing 602.364.4444.

Level 2 Support Services are provided Monday through Friday, 6:30 a.m. through 6:00 p.m. Highly specialized, technical staff familiar with the **CLIENT** Network will provide these services. These **ADOA-ISD** staff members are contacted when the Level 1 Support personnel cannot solve the reported problem or question. These technicians are also the individuals responsible for the various system administration functions required to maintain the **CLIENT** Network.

**Except for emergencies, ADOA-ISD will schedule all software upgrades and maintenance services during scheduled downtime.**

If a **CLIENT** has **Open Systems** being supported by **ADOA-ISD**, although **ADOA-ISD** will try to ensure availability of the **CLIENT** Network during normal business hours, there may be unavoidable emergencies that would require the application and/or server to be unavailable. **CLIENT** shall develop emergency/manual procedures to handle this possible scenario.

**To those CLIENT's doing business on an Open Systems environment, ADOA-ISD recommends the CLIENT obtain hardware to cover the CLIENT in the event of a natural disaster which could affect the CLIENT's ability to provide services to the public. ADOA-ISD also recommends that the CLIENT establish written procedures and/or contract for Disaster Recovery services. If the CLIENT chooses not to provide such measures or a separate server environment to ensure CLIENT Recovery after an event of a Natural Disaster, ADOA-ISD is not responsible, nor can ADOA-ISD provide total system support for such an event.**

**Payment for services shall be made in accordance with Schedule B.**

Between

Arizona Department of Administration  
Information Services Division

And

Gila County

## SCHEDULE B

### FUNDING OBLIGATIONS

Pursuant to Section 4 of this Agreement, commencing with this Agreement and for services rendered under this Agreement, **CLIENT** agrees to pay **ADOA-ISD** for said services, to be billed on a monthly basis per the applicable **ADOA-ISD** service rate schedule for the fiscal year services are rendered.

Services provided as per Definitions, in Schedule C and responsibilities of **ADOA-ISD** as outlined in Schedule A. Services will be billed according to the attached **ADOA-ISD** service rate schedule. Rates are subject to change and the **ADOA-ISD** rate schedule will be reviewed on an annual basis with **CLIENT**.

- **5731 - COPPER Hosting Shared Rack Space:** \$ 30.00 per 1U / per month. **Currently a total of 2 U's for a monthly total of \$60.00.** Billing may change if there are any additions or deletions by **CLIENT**. Billing will be in accordance with **ADOA-ISD's** current published rate schedule. (1)

(1) Also to be included will be an additional \$ .40 per month for cost of VPN connection.

### One Time Charges

A one time charge of **95.00** for 1 hour for installation of router.

A one time charge of **\$ 1,345.26** for initial **ADOA-ISD** and AZNet charges.

### Sole Use Acquisitions

If it is determined that **ADOA-ISD** is required to acquire additional hardware, software or other special equipment for use only by **CLIENT**, then all costs and purchases related to this item will become the responsibility of **CLIENT** and these costs will be billed back to the **CLIENT** either as a One Time Pass Thru Billing or added to **CLIENT's** monthly billing, over a specified period of time, until such time that the costs are totally reimbursed to **ADOA-ISD**. A signed agreement between **ADOA-ISD** and the **CLIENT** will be drafted and signed by all parties prior to such purchases being made.

**Billing Procedures**

CLIENT will be billed monthly for all contracted services. In the event of any unexpected problems encountered, outside of the contracted services, during any given month, the following will apply:

1. If the problem is related to ADOA-ISD errors or omissions, CLIENT will not be billed.
2. If a request is received for a billable service at the Time and Materials rate, CLIENT will be billed.

Any service(s) provided outside of the normal hours of coverage, as specified in the ISA, will be charged at the current hourly time and materials rate for that service.

(Clarification: Any work being done by the Data Center staff related to overall Network Support, System Support or Operational Support, and not due to customer error, such as upgrades, enhancements, patches, equipment replacement, etc. would not be billed to any customer since it would be considered "cost of doing business".)

All requests for additional services outside of the contracted items will be scheduled through CLIENT with CLIENT's input. If the request requires work to be done outside of the normal work hours, CLIENT will be advised of the time and cost, prior to scheduling, for CLIENT's approval to proceed.

Billing shall commence on the month corresponding to the date of signature.

CLIENT 9 digit account number to be billed is 168GILACY.

In the event CLIENT requests the services or equipment of a 3<sup>rd</sup> Party Vendor, the CLIENT shall be solely responsible for all payments to be made to the 3<sup>rd</sup> Party Vendor for services or equipment provided by the 3<sup>rd</sup> Party Vendor in connection with the performance of their service.

CLIENT:

Gila County

By: 

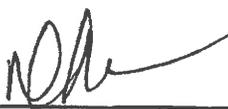
Printed Name: Michael A. Pastor

Title: Chairman Gila County  
Board of Supervisors

Date: \_\_\_\_\_

ADOA:

Arizona Department of Administration  
Information Services Division

By: 

Printed Name: David Raber

Title: Interim Director  
Department of Administration

Date: 6-30-10

  
Bryan B. Chambers  
Chief Deputy Gila County Attorney

**Arizona Department of Administration  
Information Services Division  
FY 10 Service Rates  
03/02/2010**

		Billing Unit	FY10	Prior Rate	% Change	Last Rate Sheet Change
<b>37140 Project Management Office (PMO)</b>						
1411	Project Management Support	Hour	\$95.00			
<b>37320 Mainframe Processing</b>						
<i>24/7:</i>						
3201	Customer Info Control System (CICS) Processing	CPU Hour	N/A	\$ 108.00	-100%	12/11/2009
3203	Customer Info Control System (CICS) Transaction	Transaction	N/A	\$ 0.00147	-100%	12/11/2009
3207	Time Sharing Option (TSO)	CPU Hour	\$99.00	\$ 108.00	-8%	12/11/2009
<i>Prime:</i>						
3210	Customer Info Control System (CICS) Proc.	CPU Hour	\$99.00	\$ 108.00	-8%	12/11/2009
3211	Batch	CPU Hour	\$99.00	\$ 108.00	-8%	12/11/2009
3212	Information Management System (IMS)	CPU Hour	\$99.00	\$ 108.00	-8%	12/11/2009
3214	Datacom	CPU Hour	\$99.00	\$ 108.00	-8%	12/11/2009
3215	Datacom Multi User Facility (MUF) Query	CPU Hour	\$99.00	\$ 108.00	-8%	12/11/2009
3216	ADABAS	CPU Hour	\$99.00	\$ 108.00	-8%	12/11/2009
3217	Open Database Connectivity (ODBC)	CPU Hour	\$99.00	\$ 108.00	-8%	12/11/2009
3218	DB/2	CPU Hour	\$99.00	\$ 108.00	-8%	12/11/2009
<i>Non-Prime:</i>						
3220	Customer Info Control System (CICS) Proc.	CPU Hour	\$49.50	\$ 54.00	-8%	12/11/2009
3221	Batch	CPU Hour	\$49.50	\$ 54.00	-8%	12/11/2009
3222	Information Management System (IMS)	CPU Hour	\$49.50	\$ 54.00	-8%	12/11/2009
3224	Datacom	CPU Hour	\$49.50	\$ 54.00	-8%	12/11/2009
3225	Datacom Multi User Facility (MUF) Query	CPU Hour	\$49.50	\$ 54.00	-8%	12/11/2009
3226	ADABAS	CPU Hour	\$49.50	\$ 54.00	-8%	12/11/2009
3227	Open Database Connectivity (ODBC)	CPU Hour	\$49.50	\$ 54.00	-8%	12/11/2009
3228	DB/2	CPU Hour	\$49.50	\$ 54.00	-8%	12/11/2009
<b>37330 Technical Support</b>						
3311	Technician Services	Hour	\$95.00			

**SERVICE AGREEMENT CONTRACT NO. GCY11-16801**

Arizona Department of Administration Information Services Division FY10 Service Rates			Billing Unit	FY10	Prior Rate	% Change	Last Rate Sheet Change
<b>37340 Disk Storage</b>							
<i>Mainframe:</i>							
3411	Tier 1 - Standard	Track/Month	\$0.00120	\$ 0.00140	-14%	12/11/2009	
3415	Tier 1 - Private (Reserved) Volumes	Track/Month	\$0.00120	\$ 0.00140	-14%	12/11/2009	
3421	Tier 2 Standard	Track/Month	\$0.00060	\$ 0.00070	-14%	12/11/2009	
3425	Tier 2 - Private (Reserved) Volumes	Track/Month	\$0.00060	\$ 0.00070	-14%	12/11/2009	
<i>Open Systems:</i>							
3431	Tier 1 - Standard	gb/Month	\$0.60333	\$ 0.70400	-14%	1/21/2010	
3441	Tier 2 - Standard	gb/Month	\$0.17311	\$ 0.20200	-14%	1/21/2010	
<b>37350 Tape Storage</b>							
<i>Mainframe:</i>							
3511	Data Stored	mb/Month	\$0.00040	\$ 0.00060	-33%	12/11/2009	
3521	Physical Tape Surcharge	Tape/Month	\$1.00	\$ 0.50	100%	7/1/2006	
3525	Physical Tape not in Tape Management System (TMS)	Tape/Month	\$1.00				
3531	Tape Mounts	Mount	\$2.00				
3541	Migrated Data	mb/Month	\$0.00833				
<i>Open Systems:</i>							
3561	Automated Tape Library (ATL) Storage	mb/Month	\$0.00020	\$ 0.00030	-33%	1/21/2010	
<i>Other:</i>							
3591	Tape Vault Storage (1" X 4 3/8" slot)	Slot/Month	\$0.09	\$ 0.50	-82%	2/12/2009	
3592	Tape Vault Handling	Instance	\$0.15			New	
<b>37360 Printing</b>							
3611	Page	Page	\$0.10	\$ 0.05	100%	7/1/2006	
3621	Impact (Line)	1,000 Lines	\$2.75	\$ 1.10	150%	7/1/2007	
<b>37520 Desktop Support</b>							
5211	PC/Laptop Support	Device/Month	\$30.00				
5221	Printer Support	Device/Month	\$50.00				
5231	Desktop Technician	Hour	\$85.00				
5241	Encryption Setup	Instance	\$318.75			New	
5243	Encryption License	Device/Month	\$33.00			New	
	<i>Virtual Desk</i>		Pending			New	
<b>37540 Application Development (SDLC)</b>							
5411	Programming Services	Hour	\$95.00				
5413	Analysis Services	Hour	\$95.00				
5415	Technical Services	Hour	\$95.00				

**SERVICE AGREEMENT CONTRACT NO. GCY11-16801**

Arizona Department of Administration Information Services Division FY10 Service Rates		<u>Billing Unit</u>	<u>FY10</u>	<u>Prior Rate</u>	<u>% Change</u>	<u>Last Rate Sheet Change</u>
<b>37550 Application Support</b>						
<b>Programming:</b>						
5511	Programming Services	Hour	\$95.00			
5513	Analysis Services	Hour	\$95.00			
5515	Technical Services	Hour	\$95.00			
<b>E-Mail:</b>						
5523	E-mail - Enterprise (Exchange)	User/Month	\$5.00	\$ 15.00	-67%	12/1/2009
5524	Enterprise (Exchange) (Additional Space over 1gb)	gb/Month	\$3.00			New
5525	Message Transfer Agent (E-mail Relay per Application)	Application/Month	\$12.00			
<b>Web Page Hosting:</b>						
5531	Shared Basic Environment	10MB/Website/Month	\$10.00			
5533	Shared Premium Environment	Website/Month	\$425.00			
5536	Basic Virtual Dedicated Environment	Server/Month	\$466.00			
<b>37550 Application Support</b>						
<b>Secure Sockets Layer (SSL) Certificate:</b>						
5541	Verisign	Website/Year	\$400.00			
5543	GoDaddy - New	Website/Year	\$30.00			
5545	GoDaddy - Renewal	Website/Year	\$20.00			
<b>Domain Name Services (DNS):</b>						
5551	Domain Name Registration for .gov domain	Website/Year	\$125.00			
5553	Domain Name Service parking	Website/Year	\$20.00			
<b>Clarity User Account (single user):</b>						
5571	Clarity Enterprise Visibility Option User Account	Account/Month	\$5.00	\$ 30.00	-83%	9/1/2009
5573	Clarity Team Member User Account	Account/Month	\$42.00	\$ 145.00	-71%	9/1/2009
5575	Clarity Manager User Account	Account/Month	\$175.00	\$ 195.00	-10%	9/1/2009
<b>Imaging/Document Mgmt. Services</b>			Pending			New
<b>Other:</b>						
5591	Payment Portal Processing Fee	Transaction	\$0.18			

**SERVICE AGREEMENT CONTRACT NO. GCY11-16801**

Arizona Department of Administration Information Services Division FY10 Service Rates		Billing Unit	FY10	Prior Rate	% Change	Last Rate Sheet Change
5593	Blackberry Enterprise Server (BES)	User/Month	\$15.00			New
5595	Subscription Email Service (SES) - (1-5,000 subscribers)	Account/Month	\$31.00			New
5596	Subscription Email Service (SES) - (5,000-60,000 subscribers)	Account/Month	\$112.00			New
<b>37570 Server Support</b>						
5715	PLATINUM Support (Includes GOLD Support)	Device/Month	\$702.00			New
5713	GOLD Support (Includes SILVER Support)	Device/Month	\$314.00	\$ 435.00	-28%	7/1/2006
5711	SILVER Support	Device/Month	\$202.00	\$ 255.00	-21%	7/1/2009
5751	BRONZE Virtual CPU (Hosting)	CPU/Month	\$45.00	\$ 83.00	-46%	7/14/2009
5753	BRONZE Virtual RAM (Hosting)	512Mb/Month	\$25.00	\$ 41.50	-40%	7/14/2009
5731	COPPER Hosting Shared Rack Space	1U/Month	\$30.00	\$ 36.25	-17%	7/1/2009
5739	Floor Space Rental (Non-Electric Consuming Equipment)	Sq Ft/Month	\$30.00			
5737	Shared File Server	Per Acct/Month	\$12.00	\$ 15.00	-20%	7/1/2009
5717	Directory User Administration	User/Month	\$13.00	\$ 14.00	-7%	7/1/2009
5742	SAN Connection	Port/Month	\$8.00	\$ 7.50	7%	7/1/2009
<b>Server Support:</b>						
5721	Server Technician	Hour	\$95.00	\$ 90.00	6%	7/1/2008
<b>AS/400:</b>						
5771	AS/400 Storage	Block 2,560	\$0.0073			
5775	AS/400 Technician	Hour	\$65.00			
<b>Other:</b>						
5791	Equipment Lease		ISA			
<b>37620 Security *</b>						
6201	ADOA Network Connection (SCIFI)	Port/Month	\$39.00			
6211	Security Technician	Hour	\$95.00			
6221	Account Setup	Transaction	\$23.75			
6231	Password Change/Reset	Transaction	\$5.00			
6241	Host based Intrusion Detection System (HIDS)	Host CPU/Month	\$50.00			
6251	Host Security Assessment (HSA)	Host CPU/Month	\$20.00			

**SERVICE AGREEMENT CONTRACT NO. GCY11-16801**

Arizona Department of Administration Information Services Division FY10 Service Rates		Billing Unit	FY10	Prior Rate	% Change	Last Rate Sheet Change
6261	Profense (Web site and application security)	Site/App/Month	\$12.00			
<b>37640 Disaster Recovery</b>						
6401	Disaster Recovery Technical Support	Hour	\$95.00			
6411	Hosting - Remote server/storage	1U/Month	\$25.00			
<b>Living Disaster Recovery Planning System (LDRPS) Agency Account (multiple users):</b>						
5561	LDRPS Account - Small Agency (1-99 FTE)	Account/Month	\$195.00			
5563	LDRPS Account - Medium Agency (100 - 749 FTE)	Account/Month	\$295.00			
5565	LDRPS Account - Large Agency (750+ FTE)	Account/Month	\$495.00			
<b>37720 Support Center</b>						
7211	Remedy User Registration	User/Month	\$144.00	\$ 140.00	3%	7/1/2009
	<i>Help Desk Support</i>	Activity	Pending			New
<b>37820 Data Base Management</b>						
<b>Technical Support:</b>						
8221	Data Base Specialist	Hour	\$95.00	\$ 80.00	19%	7/1/2006
<b>Mainframe Database Support:</b>						
8231	Mainframe Database Support		ISA			
<b>Dedicated Database Hosting:</b>						
8240	SQL Server Primary	APP/DB Server/Mo	\$1,000.00	\$ 1,500.00	-33%	3/2/2010
8241	SQL Server Secondary	APP/DB Server/Mo	\$500.00			
8242	Oracle Server Primary	APP/DB Server/Mo	\$1,500.00			
8243	Oracle Server Secondary	APP/DB Server/Mo	\$500.00			
8244	Domino Server Primary	APP/DB Server/Mo	\$1,000.00	\$ 1,500.00	-33%	3/2/2010
8245	Domino Server Secondary	APP/DB Server/Mo	\$500.00			
<b>Shared Database Hosting:</b>						
8250	Shared - Entry - 1 GB, 1 DB, 1 User	APP/Unit/Mo	\$23.95			New
8251	Additional User	DB/User/Mo	\$4.99			New
8252	Shared - Intermediate - 5 GB, 3 DB, 4 Users	APP/Unit/Mo	\$119.75			New

**SERVICE AGREEMENT CONTRACT NO. GCY11-16801**

Arizona Department of Administration Information Services Division FY10 Service Rates		<u>Billing Unit</u>	<u>FY10</u>		<u>Prior Rate</u>	<u>% Change</u>	<u>Last Rate Sheet Change</u>
8253	Additional User	DB/User/Mo	\$7.99				New
8254	Shared - Advanced - 10 GB, 5 DB, 10 Users	APP/Unit/Mo	\$287.40				New
8255	Additional User	DB/User/Mo	\$14.99				New
8256	Dedicated		ISA				New
<b>Other Services:</b>							
8298	SQL 2005 Database For Web Hosting (ERMA Only)	DB Record	\$0.0030				New
<b>37960 Pass-Thru Billing</b>							
9601	Pass-Thru Billing	One-time	Cost + 8%				
Note:	1024 MB equals 1 GB and 1024 GB equals 1 TB. *Security Services are included in published rates – these rates apply to additional services required by customer						

**Information Services Division  
Definitions for Information Technology Services FY10  
Effective July 1, 2009**

3/02/10

**37140 - Project Management Office (PMO)**

**1411 - Project Management Support**

This service provides a State Certified Project Manager for professional management of your Information Technology (IT) projects from design to implementation. Along with this service, projects can be tracked in the Clarity Project Portfolio Management System (see Clarity rates in section 37550, 5581) this service is billed in 15 minute increments and is invoiced monthly as incurred.

**37320 - Mainframe Processing**

**Prime and Non-Prime Time**

Prime Time is 7:00 A.M. to 5:00 P.M. Monday – Friday (Holidays excluded).  
Non-Prime Time is 5:00 P.M. to 7:00 A.M. Monday – Friday and Weekends and Holidays.

Mainframe Rates include a Disaster Recovery Facility capable of providing Processing Services for all Mainframe Customer Applications

**3207 - Time Sharing Option (TSO)**

TSO stands for (Time Sharing Option) and provides "interactive" time-sharing from remote terminals. TSO is a means of communicating with the system (mainframe) and among other functions allows the user to submit Batch Processing jobs, view data, monitor job flow, print, edit files and conduct library functions, etc.

**3210 (Prime) & 3220 (Non- Prime) Customer Information Control System (CICS) Processing**

CICS (Customer Information Control System) billable units are based on resource utilization per CPU Hour (CPU Hour is a calculation of units of processing time and is not related to wall clock time/hour).

**3211 (Prime) & 3221 (Non-Prime) - Batch**

Batch Processing refers to jobs submitted with Job Control Language (JCL) stack. Batch Processing is submitted in various ways including Control M – scheduler or other methods as determined by the user. Billable units are based on resource utilization per CPU Hour (CPU Hour is a calculation of units of processing time and is not related to wall clock time/hour).

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

**3212 (Prime) & 3222 (Non-Prime) - Information Management System (IMS)**

Information Management System (IMS) is IBM's transaction & hierarchical database management system. The database may be accessed through batch jobs or on-line transactions or processing from either IMS/Data Communications or CICS. Billable units are based on resource utilization per CPU Hour (CPU Hour is a calculation of units of processing time and is not related to wall clock time/hour).

**3214 (Prime) & 3224 (Non-Prime) - Datacom**

CA Datacom/DB is a high-performance; multi-user relational database management system based on z/OS host platforms. The database may be accessed through batch jobs or on-line processing from CICS. Billable units are based on resource utilization per CPU Hour (CPU Hour is a calculation of units of processing time and is not related to wall clock time/hour).

**3215 (Prime) & 3225 (Non-Prime) - DataQuery**

CA DataQuery for CA Datacom provides users throughout the organization with the ability to easily access, retrieve, report, and update information in Datacom/DB databases. Charges within this service are for queries on the Arizona Financial Information System (AFIS). Queries may be run through batch jobs or online/CICS activities. Billable units are based on resource utilization per CPU Hour (CPU Hour is a calculation of units of processing time and is not related to wall clock time/hour).

**3216 (Prime) & 3226 (Non-Prime) - ADABAS**

ADABAS (acronym for Adaptable DATA BAse System) is Software AG's advanced database management. The database may be accessed through batch jobs or on-line processing from CICS. Billable units are based on resource utilization per CPU Hour (CPU Hour is a calculation of units of processing time and is not related to wall clock time/hour).

**3217 (Prime) & 3227 (Non-Prime) - Datacom Server - ODBC**

Datacom Server, also called ODBC or Open Data Base Connectivity, is a common framework for accessing and altering the contents of databases. Datacom Server enables open application access from virtually all distributed platforms. Billable units are based on resource utilization per CPU Hour (CPU Hour is a calculation of units of processing time and is not related to wall clock time/hour).

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

**3218 (Prime) & 3228 (Non-Prime) – DB/2**

DB2 is one of IBM's relational database management systems (RDBMS). IBM refers to DB2 as a data server. Billable units are based on resource utilization per CPU Hour (CPU Hour is a calculation of units of processing time and is not related to wall clock time/hour).

**37330 - Technical Support****3311 - Technician Services**

This service is on a request basis and includes support of system and application activities. Involvement in special projects may also be requested on an as-needed basis. This service is billed in 15 minute increments and is invoiced monthly as incurred. These billable services are services that are not listed in the Responsibilities for each of the supported products in a CLIENT's service agreement.

**37340 - Disk Storage*****Mainframe Disk Storage***

Mainframe Rates include a Disaster Recovery Facility capable of providing Processing Services for all Reserved) Volumes are invoiced for all tracks on the volume.

**3411 (Standard) & 3415 (Private (Reserved) Volumes) - Tier 1**

Tier 1 storage is designed Mainframe Customer Applications. Customers that request Tier 1 and Tier 2 Private (for the highest availability and performance requirements. It is built on the most current disk technology and is based on a cache centric design that provides the fastest response times while sustaining large numbers of data transfers.

**3421 (Standard) & 3425 (Private (Reserved) Volumes) - Tier 2**

Tier 2 storage is most often selected for less critical data with low I/O requirements. It is built on current disk technology that provides a slower response time than Tier 1.

**Information Services Division  
Definitions for Information Technology Services FY10  
Effective July 1, 2009**

3/02/10

***Open System Disk Storage***

ISD is available to assist with Open System Disaster Recovery, which is a customer responsibility. Customers that request Tier 1 and Tier 2 Private (Reserved) Volumes are invoiced for all tracks on the volume.

**3431 - Tier 1**

Tier 1 storage is designed for the highest availability and performance requirements. It is built on the most current disk technology and is based on a cache centric design that provides the fastest response times while sustaining large numbers of data transfers.

**3441 - Tier 2**

Tier 2 storage is most often selected for less critical data with low I/O requirements. It is built on current disk technology that provides a lower response time than Tier 1.

**37350 - Tape Storage**

***Mainframe Tape Storage***

**3511 - Data Stored**

A Tape Management System (TMS) tracks all data stored on tape. Charges are based on the amount of data and the amount of time the data is stored on tape. **To maximize tape utilization, a tape may contain data for more than one CLIENT.** If CLIENT requires their data to be the only data on a tape(s), they will be charged for that tape(s) based upon current cost in addition to the charge for the data stored.

**3521 - Physical Tape Surcharge**

Surcharge assessed to all 3420 & 3480 tapes.

**3525 - Physical Tape not in Tape Management System (TMS)**

This charge is for physical tapes that are stored and managed in the ADOA-ISD Tape Library but are not recorded in the automated Tape Management System.

**3531 - Tape Mounts**

To mount the 3420 and 3480 tapes. This is a per mount charge.

**3541 - Migrated Data**

Customer data files that have been migrated from Mainframe disk storage to a secondary storage media. When a customer accesses one of these data files, it is automatically restored to Mainframe disk storage for processing.

**Information Services Division  
Definitions for Information Technology Services FY10  
Effective July 1, 2009**

3/02/10

***Open Systems Tape Storage***

**3561 - Automated Tape Library (ATL) Storage**

A Tape Management System (TMS) tracks all files in storage by MB. Storage charge(s) are based upon the amount of time that the data is allocated to the user during the month. **To maximize tape utilization, a tape may contain data for more than one customer.** If a customer requires their data to be the only backup on a tape(s) they will be charged for that tape(s) based upon current cost.

***Other***

**3591 - Tape Vault Storage (1" X 4 3/8")**

Tapes created at the customer sites that need to be stored offsite from their systems, and in a secure area can be stored in the **ADOA-ISD Data Center** tape vault located in the secured computer room. The monthly cost is for a 1" x 4 3/8" slot, and all tapes will be delivered and picked up at the tape transfer station of the **ADOA-ISD Data Center**. Once the tapes are delivered, management and handling of the tapes will be provided by **ADOA-ISD Operations**.

**3592 - Tape Vault Handling**

Tapes created at the customer sites that need to be stored offsite from their systems, and in a secure area, can be stored in the **ADOA-ISD Data Center** tape vault located in the secured computer room. The charge is for each time a tape is placed into storage in the **ADOA-ISD Data Center** tape vault or removed from storage in the **ADOA-ISD Data Center** tape vault. All tapes will be delivered and picked up at the front desk of the **ADOA-ISD Data Center**. Once the tapes are delivered, management and handling of the tapes will be provided by **ADOA-ISD Operations**.

**37360 – Printing**

**3611 - Page**

On-line Local Page printing is invoiced based on the number of "clicks" recorded by the Xerox printing machines. One "click" equals one impression or the number of times the sheet of paper passes through the print station. One sheet of paper (both sides) is capable of holding from one (1) to eight (8) pages of information; however one sheet of paper can represent no more than two clicks.

**3621 - Impact (Line)**

Initiated by Batch Jobs as well as CICS and TSO. Impact printing is performed on two (2) IBM 6262 machines that are normally loaded with green bar paper.

**Information Services Division  
Definitions for Information Technology Services FY10  
Effective July 1, 2009**

3/02/10

**37520 - Desktop**

**5211 - PC/Laptop Support**

External Support Services (ESS) will install PC's and laptops under applicable ISA charges; including peripheral equipment such as printers, scanners, cameras, etc. Break/fix and Planned Maintenance Program (PMP) of ESS installed equipment will be covered by ISA as well. Any additional or supplemental peripherals added after installation, virus removal and user training will be charged the cost of time and material.

**5221 - Printer Support**

Includes ADOA-ISD support time only per device. Hardware, software, user training and consumables (toner, paper, etc.) are not included.

**5231 - Desktop Technician**

Provides PC/laptop installation and maintenance including, new system set up, new hardware installation, diagnosis/repair of hardware problems, connection problems, and conducts file transfers. PC/laptop software support for Windows, MSOffice, Mac OS and WordPerfect including, installation of new software, software patches, the update of existing software, data recovery, folder and calendar sharing, diagnosis/repair of software problems, and the transition to ADOA-ISD's Exchange Server. Administers the planned Preventative Maintenance Program including update/installation of antivirus and antispyware software, remove viruses and spyware, and provide planned file cleaning and consolidation. Provides peripheral support including diagnosis of problems with printers, Blackberry's, Palm Pilots, fax machines, videophones and other authorized related hardware. Provides PC/laptop security and the diagnosis and resolution of password problems, file and folder permissions and data encryption. Provides customer training for Windows, Mac OS, Exchange E-mail, VPN and MS Office Suite. Provides surplus services including transportation of surplus equipment, sanitation certification, paperwork completion/submission and transporting equipment to surplus property warehouse. This service is billed in 15 minute increments and is invoiced monthly as incurred.

**5241 - Encryption Setup**

Perform encryption of PC's and laptops. After encryption software installation, create full backup of encrypted computer, create an image of encrypted computer and perform customer training on use of encryption and backup software.

**Information Services Division  
Definitions for Information Technology Services FY10  
Effective July 1, 2009**

3/02/10

**5243 – Encryption License**

Encrypt laptops and PC's by installing encryption software, installs FDR backup software, McAfee antivirus protection and performs planned maintenance on encrypted computers. Backup of data is not included in this rate and will be billed separately through other ADOA-ISD data backup rates.

**52XX - Virtual Desk  
Pending**

**37540 - Application Development (SDLC)**

Our professionals provide Analysis, and Programming services. Our goal is to develop custom web-based applications that meet your Agency's unique requirements which are hosted and supported in our world-class 24x7 Data Center.

Occasionally our Technical, Analyst and Programmer professionals are contracted to augment an Agency's current staff or to provide staff when an Agency does not employ personnel with the required area of expertise.

Any request in excess of 40 hours of work requires a Project Charter, Project Plan and Project Management.

**5411 - Programming Services**

Programming Services include requirement analysis, design and development of web software applications, integration to your existing in-house applications or websites, testing, 30-day product support and documentation based upon the Software Development Life Cycle (SDLC). After 30 days support is transitioned to our Application Support group. In addition to web applications, Programming Services offers application development for Blackberry and Windows Mobile devices, and CLIENT-server applications. This service is billed in 15 minute increments and is invoiced monthly as incurred.

**5413 - Analysis Services**

Analysis services include assistance in eliciting and documenting requirements for software development including business rules and functionality, system design and architecture, as well as quality testing, training and user documentation. This service is billed in 15 minute increments and is invoiced monthly as incurred.

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

**5415 - Technical Services**

Technical Services include Commercial Off-the-Shelf (COTS) implementation comprised of application installation and setup / configuration, and application operational support with problem trouble-shooting. It also includes email setup and configuration, website setup and install, DNS adds and changes, Domain Name Registration and, website SSL Certificate purchase, provisioning and deployment. This service is billed in 15 minute increments and is invoiced monthly as incurred.

**37550 - Application Support**

Our professionals provide Technical, Analysis, and Programming services. Our goal is to support custom web-based applications developed by our Application Development group which are hosted and supported in our 24x7 data center. In addition, we support turn-key Commercial Off-the-Shelf (COTS) applications as part of a developed solution or as stand alone software.

Occasionally our Technical, Analyst and Programmer professionals are contracted to augment an Agency's current staff or to provide staff when an agency does not employ personnel within the required area of expertise.

Any request in excess of 40 hours of work requires a Project Charter, Project Plan and Project Management.

***Programming***

**5511 – Programming Services**

Programming Services include maintenance of existing computer software applications; maintenance and enhancement of web software applications, integration development, testing, product support and documentation. This service is billed in 15 minute increments and is invoiced monthly as incurred.

**5513 – Analysis Services**

*Analysis services* include assistance in eliciting and documenting requirements for software enhancements including business rules and functionality, system design and architecture, as well as quality testing, training and user documentation. This service is billed in 15 minute increments and is invoiced monthly as incurred.

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

**5515 - Technical Services**

*Technical Services* include COTS implementation comprised of application installation and setup / configuration, and application operational support with problem trouble-shooting. It also includes email setup and configuration, website setup and install, DNS adds and changes, Domain Name Registration and, website SSL Certificate purchase, provisioning and deployment. This service is billed in 15 minute increments and is invoiced monthly as incurred.

***E-Mail***

**5523 - E-mail - Enterprise (Exchange)**

Provides small to medium-size Agencies with the enterprise-level email access and shared resources of Microsoft Exchange. This mobile email and collaboration suite provides services across the organization including email messaging, remote access, shared folders and calendars, shared contact lists and shared to-do lists. Each user receives one Microsoft Exchange email account, virus protection and support from ADOA-ISD. Includes 1 gb of space.

**5524 – Enterprise (Exchange) (Additional Space)**

For additional space necessary per account over 1gb. Billed in gb increments.

**5525 – Message Transfer Agent (E-mail Relay per Application)**

Please contact ADOA-ISD Finance and Planning at 602-541-0719 with any questions.

***Web Page Hosting***

**5531 - Shared Basic Environment**

The shared basic hosting service hosts multiple websites for multiple Agencies on enterprise class hardware housed in our world-class Data Center and where server resources are shared. The sharing of resources results in the monthly rate per website to be less than a website in a Dedicated Hosting environment. This service is best suited for those websites utilizing disk storage space between 10 MB and 300 MB. Setting up a website in the Shared Hosting environment including backup and site statistics (AWSTATS) usually requires a one-time charge for Technical Services in the amount of \$95.00.

**5533 - Shared Premium Environment**

The *Shared Premium Hosting* service hosts multiple websites for multiple agencies on enterprise class hardware housed in our world-class Data Center and where server resources are shared. This service is best suited for those websites utilizing disk storage space between 1 GB and 2 GB. Setting up a website in the Shared Hosting environment including backup and site statistics

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

(AWSTATS) usually requires a one-time charge for Technical Services in the amount of \$95.00.

**5536 – Basic Virtual Dedicated Environment**

The *Basic Virtual Dedicated Hosting* environment provides an exclusive virtual server environment hosted and maintained by ADOA-ISD, and devoted to an agency's website(s). The agency's websites do not share resources with any other agency's websites, however the physical server has multiple virtual environments and each environment has reserved resources. Setting up the virtual environment with a single website in the Virtual Dedicated Hosting environment usually requires a one-time charge for Technical Services (5515) in the amount of \$560.00.

Reserved resources: 1 CPU, 1GB RAM, 500 MB Tier 1 disk storage, 2 user accounts, Basic Server Support, Windows License, site statistics (AWSTATS), and Backup to tape on the following schedule: 7 days a week, once a month off site. Tape backup charged separately.

**Secure Sockets Layer (SSL) Certificate****5541 –Verisign**

For websites requiring secure access, Technical Services personnel purchase, provision and deploy a SSL Certificate for your website. The certificate allows the use of a cryptographic protocol providing secure communications on the Internet and applies to a single website. For additional information, please visit the Verisign and GoDaddy websites.

**5543 —GoDaddy - New**

For websites requiring secure access, Technical Services personnel purchase, provision and deploy a new SSL Certificate for your website. The certificate allows the use of a cryptographic protocol providing secure communications on the Internet and applies to a single website.

**5545 - GoDaddy - Renewal**

For websites requiring secure access, Technical Services personnel purchase, provision and deploy a renewal SSL Certificate for your website. The certificate allows the use of a cryptographic protocol providing secure communications on the Internet and applies to a single website.

**Information Services Division  
Definitions for Information Technology Services FY10  
Effective July 1, 2009**

3/02/10

***Domain Name Services (DNS)***

**5551 – Domain Name Registration for .gov Web domain**

For websites where a .gov domain is required or desired, Technical Services personnel purchase the domain name and configure the web server with the domain name information for the site to be hosted. A domain name applies to a single website.

**5553 – Domain Name Service parking**

Please contact ADOA-ISD Finance and Planning at 602-541-0719 with any questions.

***Project Management Using Clarity  
Clarity User Account (single user)***

With access to Clarity you can create simple project plans for the collaboration and tracking of key tasks and milestones, or detailed plans for capturing all of the information in a complex project. Plans can also include key tasks, WBS hierarchies, estimates, dependencies and deliverables, and staff assignments. Clarity also enables the creation of project templates to establish repeatability and speed up project creation. The templates leverage the extensive workflow capabilities of Clarity enforcing the execution of all the underlying milestones to complete the project. Clarity also records time and resource usage for each project. Once a timesheet is submitted through workflow management, managers with time-approval rights can review it for accuracy and completeness before approval is granted. Clarity also makes it easy to schedule key tasks and milestones and manage project and resource calendars – all within a web-native environment.

Clarity's program and portfolio management can be used to effectively manage programs. When you need to manage large programs with a related series of projects, Clarity provides top-down budgeting and forecasting, as well as bottom-up risk, status, cost and schedule reporting for subprojects. For the program manager, it is crucial to gain visibility across multiple linked projects in order to see the full impact that one change can make to an entire program — from budget to project progress.

**5571 – Clarity Enterprise Visibility Option User Account**

Users who can view portlets and pages. These users can also submit, track and update ideas, but otherwise cannot create or modify information.

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

**5573 – Clarity Team Member User Account**

Users who have specified limited use of functionality within licensed modules. For example, reporting time and project status, using discussions and documents, and viewing data and running reports. This license type includes all rights associated with the Enterprise Visibility Option license type.

**5575 – Clarity Manager User Account**

Users who have full use of all licensed modules other than Studio. This license type includes all access rights associated with the Team Member and Enterprise Visibility Option license types.

***Imaging/Document Management Services (Pending)******Other*****5591 - Payment Portal Processing Fee**

Please contact ADOA-ISD Finance and Planning at 602-541-0719 with any questions.

**5593 - Blackberry Enterprise Server (BES)**

The BES rate is for one user on a single device to connect to the ADOA-ISD Microsoft Exchange Email. BES connects to messaging and collaboration software on enterprise networks to synchronize email and [PIM] information between server and mobile software.

**5595 - Subscription Email Service (SES) - (1-5,000 subscribers)**

The SES rate is for one account, 2 users, to utilize the application. Each account may have a maximum of 5,000 subscribers. However, there may be multiple subscriber lists, newsletter campaigns, and an account may send an unlimited number of emails to the account's subscriber base. ADOA-ISD supports the eNewsletterPro application availability and infrastructure. Support for functionality of the application is provided by eNewsletterPro.

**5596 - Subscription Email Service (SES) - (5,000-60,000 subscribers)**

The SES rate is for one account, 2 users, to utilize the application. Each account may have a maximum of 60,000 subscribers. However, there may be multiple subscriber lists, newsletter campaigns, and an account may send an unlimited number of emails to the account's subscriber base. ADOA-ISD supports the eNewsletterPro application availability and infrastructure. Support for functionality of the application is provided by eNewsletterPro.

**Information Services Division  
Definitions for Information Technology Services FY10  
Effective July 1, 2009**

3/02/10

**37570 - Server Support**

***Server Support***

**5715 – Platinum Support**

This service includes services provided by the Gold Support and application related support (2+ apps), customer backup tools configuration and management, configuration of audit and control tools, operating system upgrades, hardware and operating system capacity planning and capacity planning recommendations.

**5713 – Gold Support**

This service includes service provided by Silver support and 24/7/365 support time, website monitoring, application monitoring, UNIX/LINUX operating system patching, basic application support (1 application), storage management (RAID 5, 10+1, SAN), advanced hardware upgrades and proactive performance tuning.

**5711- Silver Support**

This level of support includes 8am – 5pm support time, Monday through Friday. Silver support also includes up/down monitoring, hardware and operating system monitoring and troubleshooting, Windows operating system patching, McAfee VirusScan & Virus definition updates, scheduled maintenance setup, printer setup, FDR backup CLIENT install and configuration, basic storage management (Raid 0,1), basic hardware upgrades, performance monitoring, reporting and reactive performance tuning.

***BRONZE (Virtual Machine Guest)***

A VM Guest is a guest on a virtual server. A VM Guest is calculated by a combination of the number of virtual CPU's and virtual RAM. VM Guests use Tier 1 Open Systems Storage. Pricing for Tier 1 storage is listed on the Rates sheet. Pricing for a VM Guest does not include the operating system, backups, or Server Support.

**5751 – Bronze (Virtual CPU – Hosting)**

A VM Guest is a guest on a virtual server; a VM Guest is calculated by a combination of the number of virtual CPU's and virtual RAM. VM guests use Tier 1 Open Systems Storage. Pricing for Tier 1 storage is listed on the Rates sheet. Pricing for a VM Guest does not include the operating system, backups, or Server Support. The maximum number of virtual CPU's is 2.

**Information Services Division  
Definitions for Information Technology Services FY10  
Effective July 1, 2009**

3/02/10

**5753 – Bronze (Virtual RAM – Hosting)**

Virtual RAM is invoiced in 512 MB blocks. The maximum number of virtual RAM blocks is 30 or, 15GB of RAM.

**5731 – Copper (Hosting shared rack space)**

This includes 1U space for racking the server with electrical, generator backup, fire protection, raised flooring, air conditioning, and physical security. All management of the system and data will be the responsibility of the owner of the equipment. The rate is the same whether the rack is provided by ADOA-ISD or belongs to the customer. ADOA-ISD limits a rack to contain no more than 64 blade servers.

**Customers that wish to have a dedicated rack for their Agency will be charged a minimum of 24 U's per rack.**

**5739 - Floor Space Rental (Non-Electric Consuming Equipment)**

Space in the Data Center can be used for non-electric consuming equipment and can be placed where needed unless or until that space is need for production equipment. At that time, equipment will be relocated to the nearest available free space.

**5737 - Shared File Server**

Please contact ADOA-ISD Finance and Planning at 602-541-0719 with any questions.

**5717 – Directory User Administration**

Administration of user accounts on the server. Activities included in this service are additions, deletions and security administration of users, file systems, shares, and group policies. This is for both accounts on a stand alone server or a server on directory such as Active Directory. Other directories may require training which is a cost that will be covered by the customer.

An account is defined as any record that contains a valid username and password used to attach to shared resources. Any account used by an individual user, a group, or a service will be included. Any account created for ADOA-ISD to do their job is excluded from the count.

**5742 – SAN Connection**

Please contact ADOA-ISD Finance and Planning at 602-541-0719 with any questions.

**5721 - Server Technician**

This service provides technical support for the server and operating systems for the server. This service is billed in 15 minute increments and is invoiced monthly as incurred.

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

**AS/400**

**5771 - AS/400 Storage**

This service includes disk space on the ADOA-ISD AS/400 server for database and application programs.

**5775 - AS/400 Technician**

This service provides technical support for this server and operating systems for the ADOA-ISD AS/400 server. This service is billed in 15 minute increments and is invoiced monthly as incurred.

**Other**

**5791 - Equipment Lease**

This will include recovery costs of the server over a 36 month life cycle plus administrative costs. Rates will vary based upon server selection.

**37620 - Security**

**6201 - Network Connection (Server Consolidation and Infrastructure Facility Initiative or SCIFI)**

For all network and SAN (Storage Area Network) ports provided by ADOA-ISD to enable communication between to the customer's equipment and other systems. This includes dual, redundant failover network equipment for each circuit.

**6211 - Security Technician**

Security and network consulting service is on a request basis and includes support of system, application or activities. Involvement in special projects may also be requested on an as-needed basis. This service is billed in 15 minute increments and is invoiced monthly as incurred.

**6221 - Account Setup**

This service is on a request basis and includes account setup support of system, application or activities. Involvement in special projects may also be requested on an as-needed basis. This service is billed on a per event basis and is invoiced monthly as incurred.

**6231 - Password Change/Reset**

This service is on a request basis and includes password change/reset support of system, application or activities. Involvement in special projects may also be requested on an as-needed basis. This service is billed on a per event basis and is invoiced monthly as incurred.

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

**6241 - Host based Intrusion Detection System (HIDS)**

Host-based Intrusion Detection System (HIDS) is a security management system that is used to determine if a system has been compromised and can warn administrators when a security breach occurs. HIDS gathers and analyzes information from the Server/Host and/or network, to identify possible security breaches, which include both intrusions (attacks from outside the organization) and misuse (attacks from within the organization). HIDS is used to meet the security requirements defined in GITA and ADOA-ISD Information Security Policies and Standards. Monitored HIDS services billing rates are based on the number of CPU's in Server/Host and is invoiced on a monthly basis.

**6251 - Host Security Assessment (HSA)**

Host Security Assessment (HSA) is a combination of network based testing, patch verification, unused service testing, anti-virus, firewall, file permissions testing, unused accounts, password strength testing etc. Overall, a Host Security Assessment service is testing a Server/Host for security vulnerabilities and ensuring compliance with the required GITA and ADOA-ISD Information Security Policies and Standards. Host Security Assessment services billing rates are based on the number of CPU's in Server/Host and is invoiced on a monthly basis.

**6261 – Profense (Web site and application security)**

This is a service offered to provide Web Application security and protection against threats such as, buffer overflow, SQL injections, Cross- site scripting and JavaScript attacks. This protection ensures compliance with the required GITA and ADOA-ISD Information Security Policies and Standards. Web Application Security services billing rates are based on per web site application and invoiced on a monthly basis.

**37640 - Disaster Recovery****6401 – Disaster Recovery Technician Support**

The Information Services Division's Disaster Recovery Manager will assist with the development of DR plans and solutions for your IT Recovery & Continuity of Operations needs along with:

- Evaluating your Critical Business Processes
- Assessing Risks and Impacts
- Developing and/or Modify Continuity Plans
- Exercising and revising your DR Plans

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

**6411 - Hosting – Remote Server/Storage**

This service is offered as a DR Strategy for "remote data replication capability" on Magnet 2. Includes 1U space for racking a server, network security and local area network services in a raised floor environment in Tucson. Management of equipment, WAN and application specific services is the responsibility the requesting Agency. Physical facilities include fire protection (wet pipe), camera monitoring, temperature control, raised floor, back-up generators and battery backup.

***Living Disaster Recover Plan System (LDRPS) Agency Account (multiple users)***

An account on the Living Disaster Recovery Planning System allows an Agency user to create and update its disaster recovery plan which allows for true Statewide Continuity of Operations Planning (COOP) integration with other organizations. Included with each account is the capability for: web-based on-line training for personnel involved in the COOP process; standardized templates in creating plans; Administrator review, monitoring and scoring of plans, and the ability to provide immediate feedback and suggestions for improvement of the plan and standardized reporting tools and reports.

Although each plan is unique, the goal of every continuity planner is to build a continuity program that helps him or her respond to and recover from issues with minimal impact. The Plan Navigator is designed to assist users in reaching their planning objectives by giving step-by-step instructions on how to build plans.

There are four Plan Navigators offered in LDRPS: Corporate Crisis Management, Business Process Recovery, Application Recovery and Site Event Management. They offer built-in methodology and guidance based on years of research and development, prompting users to enter the most relevant data to complete plans. The Plan Navigators can be used in their standard form or easily customized to suit any personal planning focus or standard.

**5561 - LDRPS Account - Small Agency (1 – to 99 FTE)**

Agency Account (multiple users) - For Agencies with 1 to 99 FTEs, this account provides access to the LDRPS basic features that a small Agency would use such as the Business Process Recovery Plan Navigator and its reports.

**5563 - LDRPS Account - Medium Agency (100 – 749 FTE)**

Agency Account (multiple users) - For Agencies with 100 to 749 FTEs, this account provides access to the LDRPS additional Plan Navigators and, their features and reports.

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

**5565 - LDRPS Account - Large Agency (750+ FTE)**

Agency Account (multiple users) - For Agencies with 750 or more FTEs, this account provides access to all the LDRPS Plan Navigators and, their features and reports.

**37720 - Support Center**

**7211 - Remedy User Registration**

One Remedy user license and support. Includes read, write and update functionality.

**72XX - Remedy User Registration**  
***Pending***

**37820 - Data Base Management**

***Technical Support***

**8221 - Data Base Specialist**

This service is on a request basis and includes support of database design activities, analysis and maintenance activities involved in the Application Development life-cycle. Involvement in special projects may also be requested on an as-needed basis. This service is billed in 15 minute increments and is invoiced monthly as incurred.

***Mainframe Database Support***

**8231 - Mainframe Database Support**

Please contact ADOA-ISD Finance and Planning at 602-541-0719 with any questions.

***Dedicated Database Hosting:***

**8240 - SQL Server Primary**

Provides for installation of server software and one (1) application SQL Server database located in the ADOA-ISD Data Center and available according to customer requirements, excluding maintenance windows. Services provided on a monthly basis include database table maintenance, backups, monitoring of the Database Management System (DBMS) production environment, troubleshooting and problem resolution, meeting with auditors as required and on-call support during business hours.

This rate applies to single application database hosting services only and **does not include** application support. Application support services are invoiced on a Time & Materials (T&M) basis as per the Database Specialist or Technical Services hourly rate on the current, published ADOA-ISD rate sheet.

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

**8241 – SQL Server Secondary**

Provides for an additional application SQL Server database created and maintained in a non-production Database Management System (DBMS) environment. This rate applies to each additional database for the same application as the Primary database.

**8242 – Oracle Server Primary**

Provides for installation of server software and one (1) application Oracle database located in the ADOA-ISD Data Center and available according to customer requirements, excluding maintenance windows. Services provided on a monthly basis include database table maintenance, backups, monitoring of the Database Management System (DBMS) production environment, troubleshooting and problem resolution, meeting with auditors as required and on-call support during business hours.

This rate applies to single application database hosting services only and **does not include** application support. Application support services are invoiced on a Time & Materials (T&M) basis as per the Database Specialist or Technical Services hourly rate on the current, published ADOA-ISD rate sheet.

**8243 – Oracle Server Secondary**

Provides for an additional application Oracle database created and maintained in a non-production Database Management System (DBMS) environment. This rate applies to each additional database for the same application as the Primary database.

**8244 – Domino Server Primary**

Provides for installation of server software and one (1) application Domino database located in the ADOA-ISD Data Center and available according to customer requirements, excluding maintenance windows. Services provided on a monthly basis include database table maintenance, backups, monitoring of the Database Management System (DBMS) production environment, troubleshooting and problem resolution, meeting with auditors as required and on-call support during business hours.

This rate applies to single application database hosting services only and **does not include** application support. Application support services are invoiced on a Time & Materials (T&M) basis as per the Database Specialist or Technical Services hourly rate on the current, published ADOA-ISD rate sheet.

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

**8245 – Domino Server Secondary**

Provides for an additional application Domino database created and maintained in a non-production Database Management System (DBMS) environment. This rate applies to each additional database for the same application as the Primary database.

**Shared Database Hosting:****8250 – Shared - Entry - 1 GB, 1 DB, 1 User**

Provides one (1) application with a single backend database with a single log file for storing and retrieving data in a shared, secure DBMS environment customized to fit the needs of the application. Database backup to disk provided daily, with backup from prior day used for recovery. Recovery services will be provided at no charge if necessitated by failure or incapacity of the ADOA-ISD Hosted DBMS environment.

This rate applies to single application database hosting services only and **does not include** Database Owner (DBO) Rights, more than one (1) log file, ADOA-ISD Database Specialist services, or the setup fee required to begin hosting. The one time setup fee is *estimated* at \$23.75 which is ¼ hour of the hourly rate of \$95 for the services of a Database Specialist (8221).

**Note** – If disk space usage exceeds 1 GB or the number of databases exceeds 2 in any given month then invoicing, for that month, will automatically occur at the next highest level.

**8251 – Shared - Entry - 1 GB, 1 DB, 1 User - Additional User**

Provides an additional database user read/write account **without** Database Owner (DBO) rights. This rate applies to each additional user.

**8252 – Shared - Intermediate - 5 GB, 3 DB, 4 Users**

Provides one (1) application with up to three (3) backend databases and with up to five (5) log files for storing and retrieving data in a shared, secure DBMS environment customized to fit the needs of the application. Database backup to disk provided daily, with backup from prior day used for recovery. Recovery services will be provided at no charge if necessitated by failure or incapacity of the ADOA-ISD Hosted DBMS environment. Included in this rate are ten (10) hours of Database Specialist services at no extra charge when used during normal business hours.

This rate applies to single application database hosting services and **does not include** Database Owner (DBO) Rights, more than five (5) log files, ADOA-ISD Database Specialist services in excess of 10 hours, or the setup fee required to

**Information Services Division**  
**Definitions for Information Technology Services FY10**  
**Effective July 1, 2009**

3/02/10

begin hosting. The one time setup fee is *estimated* at \$47.50 which is ½ hour of the hourly rate of \$95 for the services of a Database Specialist (8221).

**Note** – If disk space usage exceeds 5 GB or the number of databases exceeds 3 in any given month then invoicing will occur at the next highest level automatically.

**8253 – Shared - Intermediate - 5 GB, 3 DB, 4 Users - Additional User**  
Provides an additional database user read/write account **without** Database Owner (DBO) rights. This rate applies to each additional user.

**8254 – Shared - Advanced - 10 GB, 5 DB, 10 Users**  
Provides one (1) application with up to five (5) backend databases and with up to ten (10) log files for storing and retrieving data in a shared, secure DBMS environment customized to fit the needs of the application. Database backup to disk provided daily, with backup from prior day used for recovery. Recovery services will be provided at no charge if necessitated by failure or incapacity of the ADOA-ISD Hosted DBMS environment. Included in this rate are 20 hours of Database Specialist services at no extra charge.

This rate applies to single application database hosting services and **does not include** ADOA-ISD Database Specialist services in excess of 20 hours, or the setup fee required to begin hosting. The one time setup fee is *estimated* at \$95.00 which is 1 hour of the hourly rate of \$95 for the services of a Database Specialist (8221).

**Note** – If disk space usage exceeds 10 GB then ADOA-ISD will contact **CLIENT** to determine the best offering that matches **CLIENT**'s needs. If the number of databases exceeds 5 then invoicing at this rate will be the number of databases divided by 5 rounded up to the next whole number. For example, if the number of databases is 9 divided by 5 with the result rounded up to 2 then this rate will be invoiced 2 times.

**8255 – Shared - Advanced - 10 GB, 5 DB, 10 Users - Additional User**  
Provides an additional database user account **with** Database Owner (DBO) rights. This rate applies to each additional user.

**8256 – Dedicated**  
Please contact ADOA-ISD Finance and Planning at 602-541-0719 with any questions.

**Information Services Division  
Definitions for Information Technology Services FY10  
Effective July 1, 2009**

3/02/10

**8298 – SQL 2005 Database For Web Hosting (ERMA Only)**

Provides websites with custom applications a backend database for storing and retrieving data through the site. One backup from the prior day is included. Database size is not limited as with other SQL 2005 rates as the invoice amount is calculated for each record in the database. A monthly report of the database record count is available.

**37960 - Pass-Thru Billing**

**9601 - Pass-Thru Billing**

This is a one-time charge to cover the cost of an item purchased by ADOA-ISD on behalf of a customer. The 8% admin fee is in place to cover the cost of Facilities Administrative staff, purchasing, accounting and billing.

Activities of these sections include:

- Monitoring systems
- Overseeing Data Center vendor work
- Coordinating maintenance and repairs
- Creating purchase orders
- Issuing and tracking payments
- Budget reporting
- Creating billing
- Processing payment receipts

**\* For any service not provided in the above definitions and rates, please contact ADOA-ISD F&P (Finance and Planning) at 602-541-0719**



## **GILA COUNTY ATTORNEY**

*Bradley D. Beauchamp*

Re: County Attorney's Office approval of IGA pursuant to A.R.S. § 11-952(D).

To whom it may concern:

The County Attorney's Office has reviewed the Intergovernmental Agreement attached to this agenda item and has determined that it is in its "proper form" and "is within the powers and authority granted under the laws of this state to such public agency or public procurement unit" pursuant to A.R.S. § 11-952(D).

### **Explanation of the Gila County Attorney's Office Intergovernmental Agreement (IGA) Review**

A.R.S. § 11-952(D) requires that

every agreement or contract involving any public agency or public procurement unit of this state . . . before its execution, shall be submitted to the attorney for each such public agency or public procurement unit, who shall determine whether the agreement is in proper form and is within the powers and authority granted under the laws of this state to such public agency or public procurement unit.

In performing this review, the County Attorney's Office reviews IGAs to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the IGA. That approval is solely the province of the public agency through its elected body.

Likewise, this approval is not a certification that the IGA has been properly executed. Proper execution can only be determined after all the entities entering into the IGA have taken legal action to approve the IGA. There is no statutory requirement for the County Attorney's Office to certify that IGAs are properly executed.

Nonetheless, it is imperative for each public agency to ensure that each IGA is properly executed because A.R.S. § 11-952(F) requires that "[a]ppropriate action ... applicable to the governing bodies of the participating agencies approving or extending the duration of the ... contract shall be necessary before any such agreement, contract or extension may be filed or become effective." This can be done by ensuring that the governing body gives the public proper notice of the meeting wherein action will be taken to approve the IGA, that the item is adequately described in the agenda accompanying the notice, and that the governing body takes such action. Any questions regarding whether the IGA has been properly executed may be directed to the County Attorney's Office.

Proper execution of IGAs is important because A.R.S. § 11-952(H) provides that "[p]ayment for services under this section shall not be made unless pursuant to a fully approved written contract." Additionally, A.R.S. § 11-952(I) provides that "[a] person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment."

The public agency or department submitting the IGA for review has the responsibility to read and understand the IGA in order to completely understand its obligations under the IGA if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the IGA as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor IGA compliance. Hence the public entity or submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the IGA will be necessary to monitor compliance.

Before determining whether an IGA contract "is in proper form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the IGA for review to ask any specific questions or address any concerns it has about the IGA to the County Attorney's Office at the same time they submit the IGA for review. Making such an inquiry also helps improve the County Attorney's Office review of the IGA because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the IGA.

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted For:** Malissa Buzan, Community Services Division Director **Submitted By:** Dana Sgroi, Contracts Support Specialist, Finance Department

**Department:** Community Services Division **Division:** Comm. Action Program/Housing Servs.

**Fiscal Year:** 2012-2013 **Budgeted?:** No

**Contract Dates Begin & End:** 3-19-13 to 5-18-13 **Grant?:** Yes

**Matching Requirement?:** No **Fund?:** New

InformationRequest/Subject

Approval of Amendment No. 1 to Professional Services Agreement No. 083112-1 with Rodriguez Constructions, Inc.

Background Information

On March 19, 2013, Gila County entered into Service Agreement No. 083112-1 with Rodriguez Constructions, Inc. to provide labor and material for Major Rehabilitation Project No. HH7469 in Miami, AZ. The contract was for a total amount of \$72,269.76. The contract term was from March 19, 2013, to May 18, 2013.

Evaluation

During the course of construction, more specifically, the replacement of the shower and surround portion of the contracted work, it was discovered that the shower wall framing needed replacement due to dry rot. The total amount requested by Rodriguez Constructions, Inc. to replace the shower wall framing is \$531.20.

Conclusion

The original amount of Service Agreement No. 083112-1 was for \$72,269.76. Gila County Community Services would like authorization to increase the contract amount for Service Agreement No. 083112-1, Major Rehabilitation Project No. HH7469, by \$531.20, for a new total contract amount of \$72,800.96, for the replacement of the shower wall framing due to dry rot.

Recommendation

Gila County Community Services recommends the Board's approval of Amendment No. 1 to Services Agreement No. 083112-1 with Rodriguez Constructions, Inc., to increase the original contract amount of \$72,269.76 by \$531.20 for a new total contract amount of \$72,800.96 for the work performed on Major Rehabilitation Project No. HH7469.

Suggested Motion

Approval of Amendment No. 1 to Service Agreement No. 083112-1 between Gila County and Rodriguez Constructions, Inc. to increase the contract amount by \$531.20, for replacement of the shower wall framing due to dry rot, for a total contract amount of \$72,800.96 for work performed on Major Rehabilitation Project No. HH7469.

Attachments

Amendment 1 to Contract No. 083112-1

Service Agreement 083112-1- Major Rehabilitation Project No. HH7469 with Rodriguez Constructions

Legal Explanation



**AMENDMENT NO. 1**

The following amendments are hereby incorporated into the contract documents for the below stated project:

**SERVICE AGREEMENT NO. 083112-1  
MAJOR REHABILITATION PROJECT NO. HH7469  
RODRIGUEZ CONSTRUCTIONS, INC.**

Effective March 19, 2013, Gila County and Rodriguez Constructions, Inc. entered into a contract whereby Rodriguez Constructions, Inc. agreed to provide labor and materials required for performing all work for construction in Bid No. 083112-1 Major Rehabilitation Project No. HH7469, in Miami, Arizona.

The contract was issued for a "not to exceed" fee of \$72,269.76. Amendment No. 1 is being issued to request an addition to the contract scope in the amount of Five Hundred, Thirty-One dollars and 20/100's to replace the shower wall framing due to dry rot. Consequently, the contract is amended to increase the unit bid by \$531.20 to \$72,800.96.

All other terms and conditions of the original agreement shall remain in full force and affect during the term of the contract.

**IN WITNESS WHEREOF**, two (2) identical counterparts of this amendment, each which shall include original signatures and for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

**OWNER:**

**GILA COUNTY BOARD OF SUPERVISORS**

\_\_\_\_\_  
Michael A. Pastor, Chairman Board of Supervisors

**ATTEST**

\_\_\_\_\_  
Marian Sheppard, Clerk of the Board

**RODRIGUEZ CONSTRUCTIONS, INC.**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Bryan B. Chambers, Deputy Attorney Principal  
for Bradley D. Beauchamp, County Attorney



GILA COUNTY OFFICE OF COMMUNITY SERVICES  
"Improving the quality of life for all residents"

HOUSING REHABILITATION

CHANGE ORDER

Date: 5-14-13

Client: Jessica Kessler

Contractor: Rodriguez Construction

Address: 471 Rose Road Miami AZ

Job No: \_\_\_\_\_

The following change(s) is/are authorized in the above identified Housing Rehabilitation Contract:

Item	Description of Change	Cost
<u>Framing</u>	<u>Replace shower wall framing and dry wall</u>	<u>\$ 531.20</u>

[Signature]  
Homeowner Signature

5-14-13  
Date

[Signature]  
Contractor Signature

5/14/13  
Date

[Signature]  
Rehab. Specialist Signature

5-8-13  
Date

Community Action Program  
Gila Employment and Special Training  
Housing Rehabilitation Program

Section Eight Housing Assistance  
Re-Employment and Pre-Layoff Assistance Center  
Workforce Investment Department



5515 S. Apache St., Suite 200  
Globe, AZ 85501  
T.D.D. Dial 7-1-1



Reasonable accommodations for persons with disabilities may be requested.



RES/COMM. LIC:  
 ROC247373K42  
 RES. LIC: ROC247371B  
 COMM. LIC: Roc247372 B-01

**Invoice**

P. O. Box 13  
 Miami, AZ 85539

Phone: 928-425-7244  
 Fax: 928-425-5337  
 rodriguezconst@hotmail.com

Date	Invoice #
5/7/2013	1272

Gila County Housing  
 5515 South Apache Avenue  
 P. O. Box 1254  
 Globe, AZ 85502  
 Attn: Valrie

HH7469 CDBG  
 871 W. Rose RD  
 Miami, AZ 85539  
 Wood replacement

		213-00000590	Net 15
Description	Qty	Rate	Amount
The rear shower ceramic shower surround was removed and we uncovered severely deteriorated lumber. Therefore we need to reframe all 3 walls of this shower stall, in addition we need to add new drywall to the exterior wall of shower walls, that need to be taped & textured. In addition, we have to purchase a new shower base as the old one can longer be utilized. Sales Tax		500 00	500 00T
		6.24%	31.20
		<b>Payments/Credits</b>	\$0.00
		<b>Balance Owed</b>	\$531.20

WE ACCEPT VISA AND MASTERCARD

**Tommie C. Martin, District I**  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

**Michael A. Pastor, District II**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

**John D. Marcanti, District III**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**Don E. McDaniel Jr., County Manager**  
Phone (928) 425-3231 Ext. 8761

**Joseph T. Heatherly, Finance Director**  
Phone (928) 425-3231 Ext. 8743  
Fax: (928) 425-7056

1400 E. Ash Street  
Globe, AZ 85501

**SERVICE AGREEMENT NO. 083112-1**  
**MAJOR REHABILITATION PROJECT NO. HH7469**

**THIS AGREEMENT**, made and entered into this 19<sup>th</sup> day of March, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and **Rodriguez Constructions, Inc.**, of the City of Globe, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 - SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below for Major Rehabilitation Project No. HH7469, and shall do so in a good, workmanlike and substantial manner and to the satisfaction of the County under the direction of the Housing Services Manager or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona and consistent with all Major Rehabilitation guidelines.

Scope of Work: Refer to attached Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A".

**ARTICLE 2 - TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such

contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 – INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: **"The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor"**.

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a **waiver of subrogation** against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

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

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

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
  2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
  3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** and shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501**. The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 - LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been

provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 – LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7– ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 – CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 – RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 – NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 – ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 – NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 – GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14– TERM:** Contract shall be effective date signed by the County Manager and expires sixty (60) days thereafter.

**ARTICLE 15 – PAYMENT/BILLING:** Contractor shall be paid in three separate increments. Contractor shall present an invoice to the Finance Department upon beginning the project for one third (1/3) of the total contract amount. The second invoice for one third (1/3) of the total contract amount shall be presented to the Finance Department by the Contractor upon fifty percent (50%) of project completion. The final invoice for one third (1/3) of the total contract amount shall be presented to the Finance Department by the Contractor upon one hundred percent (100%) completion of the project. This Service Agreement No. 083112-1 is for a total “not to exceed” fee of \$72,269.76 for completion of the projects as outlined in the Scope of Services.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, three (3) identical counterparts of Service Agreement No. 083112-1, each which shall include original signatures and for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on this 19<sup>th</sup> day of March, 2013.

**GILA COUNTY BOARD OF SUPERVISORS**

Michael A. Pastor  
Michael A. Pastor, Chairman Board of Supervisors

**RODRIGUEZ CONSTRUCTIONS, INC.**

Art Rodriguez  
Art Rodriguez  
Arturo Rodriguez  
Print Name

**ATTEST**

Marian Sheppard  
Marian Sheppard, Chief Deputy Clerk of the Board

**APPROVED AS TO FORM**

Bryan B. Chambers  
Bryan B. Chambers, Deputy Attorney Principal  
for Bradley D. Beauchamp, County Attorney



**#7 Install Fascia and Box Eves**

**\$ 2,050.00**

Install #2 grade 1" x pine fascia; prime all sides before installation. Use galvanized finished nails. All Butt seams must be backed; caulk all seams.

Box eves, remove and dispose of existing eves soffit and replace with new materials. Use galvanized nails, and caulk all seams and prime, including Gable ends.

**#8 Repair Chimney**

**\$ 665.00**

Remove all damaged and or missing spark arrestor material and replace with new to match existing. Structure shall be structurally sound, cleaned and tested to operate correctly, and any lost or missing bricks need to be reinstalled.

Interior	Main Structure	Single Family	House	Electric Repairs
----------	----------------	---------------	-------	------------------

**#9 Upgrade Electric to (200) Amp Service**

**\$ 2,100.00**

Disconnect existing service. Install new (200) amp 3 wire service and panel, complete with a main breaker, and breaker style circuits, with all circuits labeled and balanced. Square D, Cutler-Hammer, Westinghouse or approved equal. Upgrade to meet NEC.

**#10 Rewire House**

**\$ 3,025.00**

Remove and dispose of all existing wiring and boxes. Replace with new wiring, outlets and boxes to NEC requirements. Install all new switches, receptacles every 12' and 6' from corner, lighting fixtures except the few the home owner wishes to reuse, and conductors and wiring must be removed. Install new hard wired smoke alarms, and fluorescent lighting fixtures etc. Make sure all dedicated circuits are labeled and installed in correct locations also all outlets within 6 ft. of water are GFCI protected and labeled. Include circuits for garbage disposal and dryer required circuits.

Interior	Main Structure	Single Family	House	Interior Walls
----------	----------------	---------------	-------	----------------

**#11 Remove Ceramic Tile**

**\$ 1,200.00**

Remove all ceramic tile and repair surface beneath smooth, ready to receive new covering. In bathrooms one and two.

**#12 Relocate Door to Bathroom**

**\$ 1,000.00**

Remove all deteriorated and damaged materials. Frame in old rough opening; leave adequate room for plumbing and leveling of door unit. Include jacks studs sized to match the wall framing cover with sheetrock tape and finish to match the existing walls.

**#13 Install New Bathroom Door**

**\$ 500.00**

Frame in rough opening; leave adequate room for plumbing leveling of door unit. Include pre hung interior door with hardware and jacks studs sized to match the wall framing. Include header framing sized per code for the span and load. Door to be relocated from house to entry to bathroom.

**#14 Has been eliminated.**

**#15 Patch Holes**

**\$ 1,250.00**

Patch holes in the sheetrock in walls, ceilings and specified areas. Tapped and textured to match.

Interior	Main Structure	Single Family	House	Plumbing Repair
----------	----------------	---------------	-------	-----------------

**#16 Replace Water Lines**

**\$ 4,150.00**

Remove and dispose of all hot and cold existing lines, replace with copper lines and or pex plumbing according to code. Make provisions for hose bibs and fixtures inside include washer hookup dish washer ice maker ect.

**#17 Replace Drain Lines**

**\$ 2,650.00**

Remove and dispose of old lines; replace with new plastic lines to code include washer hookups vents ect.

**#18 Replace Hot Water Heater**

**\$ 1,550.00**

Remove and dispose of old unit and dog house and install new 40 gallon energy-efficient unit to code.

- 1) Include new shut off valve.
- 2) Install with new water flex lines
- 3) Install a drain line from the pop-off valve to below the floor level, then horizontally in sight.
- 4) Install to include dielectric unions.
- 5) Install a new gas flex line.

6) Remove old dog house and install a new manufactured unit made for the unit may relocate to the south/east side of home.

Interior	Main Structure	Single Family	House	Cabinets
----------	----------------	---------------	-------	----------

**#19 Install Vanity w/Sink**

**\$ 1,000.00**

Remove old vanity w/sink with counter top repair wall surface and replace with new to code. Install new vanity w/sink to code complete. (Allowance of up to \$240.00 for vanity and top, customer is to have a choice of style and color.)

Include trap, faucets, shut off valve, pop-up drain, caulk, ect. Faucet must e of water conserving type with max flow rate of 2.2 GPM at 60 psi home owners preference but must have housing rehab specialists approval prior to installation.

**#20 Install Vanity w/Sink**

**\$ 1,000.00**

Install new vanity w/sink to code complete. (Allowance of up to \$240.00 for vanity and top, customer is to have a choice in style and color.)

Include trap, faucets, shut off valve, pop-up drain, caulk, ect. Faucet must be of water conserving type with max flow rate of 2.2 GPM at 60psi home owner's preference, but must have housing rehab specialist's approval prior to installation.

**#21 Replace Tub Surround**

**\$ 1,900.00**

Remove old material and replace with fiberglass surround, Owens Corning or equal. (Marlite is not an acceptable material for this line item.) All plumbing is to covered in this procedure use low flow fixtures according to Weatherization program requirements, include any floor and or wall repair.

**#22 Replace Shower and Surround**

**\$ 1,900.00**

Remove old materials repair wall and replace with new fiberglass surround, Owens Corning or equal. (Marlite is not an acceptable material for this line item.) All plumbing with wall and floor repairs to be included with this measure. Home owner had preference on fixtures have to meet weatherization program requirements and have rehab specialist approval prior to installation.

**#23 Install Base and Wall Cabinets and Countertop**

**\$ 6,200.00**

Provide and install new mid line series "Kraft Line", "American Woodmark", or approved equal base and wall cabinetry and one full wall cabinet near refrigerator. All work to be level, plumb, and true. Cabinets are to be attached to studs in the wall. Seal all holes and openings where pipes, wires and other materials may come through cabinets with removable material such as "Thumb Gum" to keep out

any rodents. (Cabinet fronts are to be made of the flat panel/rail design vs. the raised panel type, and wood fronts vs. particle board fronts.)

Install Formica or Wilson laminated counter tops, securely attached to cabinets. All work to be level, plumb, and true. Seal all holes and openings where pipes, wires and other material may come through cabinets with removable material such as "Thumb Gum" to keep out any rodents. Also attach cabinets to studs in walls. Caulk all seams where counter top meets walls.

Include a double stainless steel sink with a new single lever low flow faucet with a exchangeable cartridge such as moen, price pfister, or delta design.

Interior	Main Structure	Single Family	House	Foundation
----------	----------------	---------------	-------	------------

**#24 Repair Floor Post** has been eliminated from this bid.

Interior	Main Structure	Single Family	House	Windows and Doors
----------	----------------	---------------	-------	-------------------

**#25 Replace All Windows**

\$ 2,850.00

Install new vinyl, double pane double slider windows in place of all existing windows unless otherwise specified. Make any repairs needed to insure the integrity of rough opening. Include all hardware and trim (exterior wood to be wrapped). Include drip cap and aluminum screen. All interior and exterior wall repairs to be included. Caulk as necessary.

Windows must have Energy Star rating. Central Zone Energy star ratings are u-factor 0.

40 solar heat gain 0.55 as of August 2002. Follow lead positive procedures.

(Window in living room West side is getting replaced with door.)

(Window in the south side of the kitchen is getting removed.)

**#26 Install Vinyl Replacement Picture Window Unit**

\$ 1,350.00

Install a new vinyl, double pane picture window with double hung flanker windows in place of the existing picture window unit.

Include all hardware and trim (exterior wood to be wrapped). Include drip cap and aluminum screen.

All interior and exterior wall repair to be included. Caulk as necessary.

Windows must have Energy Star Rating. Central Zone Energy star ratings are u-factor 0.40 solar heat gain 0.55 as of August 2002.

**#27 Install a Exterior Door with 2 Security Door**

\$ 1,200.00

Provide and install white, prep rimed steel insulated raised panel exterior 1-3/4" solid core door with window, (Pease, Thermatru, Stanley or approved equal). Set on 1-1/2 pair 3-1/2 x 3-1/2" butt hinges. Include matching keys to the rest of the homes keyed lockset, doorstop, deadbolt, and vinyl bubble weather-stripping. Owner to paint if desired.

Provide and install white, prefinished Security door with matching hardware (Larson or approved equal). Swing to complement exterior door. Caulk where necessary. One in front and one in rear of home.

**#28 Install Metal Clad Door**

**\$ 750.00**

Provide and install pre hung metal clad exterior door (Pease, Thermatru, Stanley or approved equal). Complete with matching keys to the rest of the home lockset and dead bolt. Location in living room where window is currently at the west side of home.

Interior	Main Structure	Single Family	House	Insulation
----------	----------------	---------------	-------	------------

**#29 Fiberglass Insulation, Wall-(R11/R19/R30) Batt**

**\$ 650.00**

Install the batt insulation in open wall cavities. Insulation shall be installed with the vapor barrier facing the conditioned area; insulation shall completely fill area between joints or studs and shall be secured with the appropriate mechanical fastener. Material shall meet ASTM C665-86 or subsequently amended.

**#30 Blown Cellulose, Open Attic-(R-38)**

**\$ 1,600.00**

Insulate attic. Coverage should be as level as possible and to the depth of material that corresponds with each R value. Each individual manufacturer's recommendation for initially installed thickness and settled density usually found in the coverage table on the material packaging. Material used will meet and conform to ASTM C739-91 and 16 CFR, Part 1209. Note: maintain clearance from combustible materials in accordance with NFPA requirements. (Install soffit baffles as needed.)

**#31. Fiberglass insulation for floor has been eliminated from this estimate.**

Interior	Main Structure	Single Family	House	Interior Walls
----------	----------------	---------------	-------	----------------

**#32 Repair Stud Wall**

**\$ 800.00**

Remove damaged wall area in, (Living room west and north walls and entry). Install new wall framing sized properly to conform with frame code. After framing is complete then install sheetrock tape and texture.

Remove built in hutch finish walls to match the existing.

**#33 Repair Walls and Ceilings**

**\$ 1,000.00**

Repair all holes, cracks or major imperfections thru-out interior of the homes walls and or ceilings including hole made to insulate, also remove water damaged areas of ceiling and replace sheetrock tape and texture to make a seamless repairs, in the walls and ceiling of living room and in kitchen and make repairs as needed. If needed replace with sheetrock tape and texture. Remove old ceiling acoustic with texture and knock down or skip trowel to match walls in the thru out home.

**#34 Remove and Close In Opening**

**\$ 500.00**

Remove prime window; frame in opening; insulate to full "r" value, and finish interior and exterior surfaces to match existing. Kitch south window.

Interior	Main Structure	Single Family	House	Floor
----------	----------------	---------------	-------	-------

**#35 Caulk House Complete**

**\$ 500.00**

Clean all surfaces and caulk to provide leak-free seal according to Performance Manual guidelines.

Interior	Main Structure	Single Family	House	Mechanical
----------	----------------	---------------	-------	------------

**#36 Remove Cooler and Floor Furnace**

**\$ 500.00**

Remove the cooler and duct system from the roof or other specified area seal against weather and rain.

**#37 Install 2.5 Ton Gas Pack System**

**\$ 8,300.00**

Install new Gas pack system, per manufactures instructions, include 14 Seer a/c gas furnace 80% afue system, Cased coil, ductwork, thermostat, registers, dedicated electrical breakers, gas line and shut offs with flex, installed to code. Outdoor unit elevation: PMI by area snowfall, or local code.

1) Size the new furnace/AC system to the home per ACCA Manual J, Residential Load Calculations, submit your load calculation form with your bid showing the sizing of the furnace for the design heat load. Do not over size the unit. NOTE: Unit size may round up to the nearest 1/2 ton, but must not be undersized.

2) Electrical supply must be a dedicated circuit.

3) Unit must have a minimum 30 inch front clearance, when installed.

4) Check the temp, rise and match to the unit (PMI)

All furnace work must meet or exceed NFPA #54, as well as any other local codes.

Install a new duct system complete with registers for best possible efficiency. Use a reduced plenum system if possible.

Size all ducts for best performance. (PMI)

1) All joints in return air and supply ducts must be sealed.

2) Install a filter register.

3) Filter to be of common, readily available size.

Interior	Main Structure	Single Family	House	Floor
----------	----------------	---------------	-------	-------

**#38 Repair Subfloor**

**\$ 625.00**

Remove all defective materials and replace with new materials to match existing in type of dimension include floor furnace opening and area where the built in hutch was removed, which needs to match existing finished floor as close as possible. "Not just a stained plywood patch!" Include underlayment and repairs as needed in tiled areas.

**#39 Install VCT Tile**

**\$ 1,400.00**

Provide and install standard brand VCT tile floor as per manufacturers recommendations include base trim. In the kitchen and in both bathrooms.

Interior	Main Structure	Single Family	House	Painting
----------	----------------	---------------	-------	----------

**#40 Paint House Complete**

**\$ 5,000.00**

Scrape all peeling and loose paint free from surface and apply one coat of breathable oil-based primer to all bare wood. Allow to dry, and apply finish coat of latex. Include all trim in complete house painting, also two coats of primer on exterior surfaces interior color of home owners choice exterior must be light in nature and have housing rehab specialist approval prior to purchase of paint must meet wear

requirements for a 20 year paint product such as ASTM D-659. Also make sure to follow ALL lead paint procedures to encapsulate or abate any positive lead tested areas correctly according to lead report positive summary.

Interior	Main Structure	Single Family	House	Appliances
----------	----------------	---------------	-------	------------

#41 Stove \$ 800.00

Replace the old stove with a new, sealed burner electric ignition model. Gas valve and flex line must be.

<b>Total For: House</b>	<b>\$ 37,975.00</b>
<b>Total For: Interior</b>	<b>\$ 30,050.00</b>
<b>Job Total Cost Plus 6.24% tax</b>	<b>\$ 72,269.76 *</b>

\*Contract amount includes 6.24% sales tax (\$4,244.76)



*GILA COUNTY ATTORNEY*  
*Bradley D. Beauchamp*

Re: County Attorney's Office "approval as to form" of contract or agreement.

To whom it may concern:

The County Attorney's Office has reviewed the contract or agreement attached to this agenda item and has determined that it is in its proper form and is within the powers and authority granted under the laws of this state to the public agency requesting the County Attorney's Office review.

**Explanation of the Gila County Attorney's Office  
"Approval as to Form" Review**

The Gila County Attorney's Office is often called upon to review contracts and other agreements between public entities represented by the County Attorney and private vendors, contractors, and individuals.

In performing this review, the County Attorney's Office reviews these contracts to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the contract. That approval is solely the province of the public agency through its elected body.

The public agency or department submitting the contract for review has the responsibility to read and understand the contract in order to completely understand its obligations under the contract if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the contract as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor contract compliance. Hence the public entity or

submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the contract will be necessary to monitor compliance.

Before signing a contract “approved as to form,” the County Attorney’s Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the contract for review to ask any specific questions or address any concerns it has about the contract to the County Attorney’s Office at the same time they submit the contract for review. Making such an inquiry also helps improve the County Attorney’s Office review of the contract because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney’s Office to meaningfully review the agreement.

**ARF-1875**

**Consent Agenda Item 4- F**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Don McDaniel Jr., County Manager  
Submitted By: Dana Sgroi, Contracts Support Specialist, Finance Department

Department: County Manager

Fiscal Year: FY 13-14      Budgeted?: Yes

Contract Dates July 1, 2013 to      Grant?: No

Begin & End: June 30, 2014

Matching No      Fund?: Renewal

Requirement?:

---

Information

Request/Subject

Extension of Intergovernmental Agreement between Yavapai County and Gila County for Restoration to Competency Services

Background Information

On September 7, 2010, the Gila County Board of Supervisors entered into an Intergovernmental Agreement (IGA) between Yavapai County and Gila County for Restoration to Competency (RTC) Services for FY 2010-2011. On July 5, 2011, the Board approved the extension of said IGA through FY 2011-2012.

The Gila County Board of Supervisors also designated Yavapai County RTC as Gila County's primary competency restoration program effective June 1, 2010, by Resolution No. 10-09-02.

On June 26, 2012, the Board approved the extension of said IGA through FY 2012-2013.

Evaluation

Yavapai County currently contracts with Wexford Health Sources for RTC services within Yavapai County's Adult Juvenile Facilities and has bed space sufficient to accept Gila County's Rule 11 inmates.

The cost to Gila County to contract with Yavapai County will remain the same (\$350 for the first day and \$250 for each day thereafter.) Some additional costs may arise for non-formulary mediations, Court testimony, etc.

Conclusion

Extension of the IGA between Yavapai County and Gila County for Restoration to Competency Services will run for an additional year from July 1, 2013, to June 30, 2014, under the same terms and conditions as set forth in the original IGA between the parties and under the same Resolution 10-09-02.

### Recommendation

The recommendation of staff is to approve the Extension of the IGA between Yavapai County and Gila County for Restoration to Competency Services for an additional one-year term.

### Suggested Motion

Approval of Extension of the Intergovernmental Agreement (IGA) between Yavapai County and Gila County for Restoration to Competency Services for one year from July 1, 2013, to June 30, 2014, under the same terms and conditions as set forth in the original IGA as agreed upon by both parties.

---

### Attachments

IGA Ext'd to 6-30-14

IGA Ext'd to 6-30-13

IGA Ext'd to 6-30-12

IGA Between Gila County & Yavapai County for Restoration to Competency Services Resolution

Legal Explanation

# Extension of Intergovernmental Agreement

## Restoration to Competency Services

WHEREAS, Yavapai County (the "PROVIDER") and Gila County (the "CLIENT"), have previously entered into an Intergovernmental Agreement (the "IGA"); whereby Yavapai County has agreed to provide Restoration to Competency Services to Gila County and

WHEREAS, the IGA provides that following the expiration of its initial term the IGA may be renewed for up to three additional renewal terms by mutual agreement of the parties; and

WHEREAS, the Parties wish to extend the IGA for an additional one-year term.

### NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS

The Agreement between the Parties for Restoration to Competency Services is hereby extended for an additional one-year term commencing on July 1, 2013 and terminating on June 30, 2014 subject to the same terms and conditions as set forth in said Agreement.

#### YAVAPAI COUNTY:

\_\_\_\_\_  
Chairman, Board of Supervisors      5/20/13  
Date

#### ATTEST:

\_\_\_\_\_  
Clerk of the Board

#### GILA COUNTY:

\_\_\_\_\_  
Chairman, Board of Supervisors      Date

#### ATTEST:

\_\_\_\_\_  
Clerk of the Board

### Determinations of Counsel

The foregoing Intergovernmental Agreement provisions have been reviewed pursuant to A.R.S § 11-952 by the undersigned who have determined that they are in the proper form and are within the powers and authority granted under the laws of the State of Arizona to the Parties represented by the undersigned.

#### Counsel for Provider

\_\_\_\_\_  
Deputy County Attorney

5/29/13.  
Date

#### Counsel for Client

\_\_\_\_\_  
Deputy County Attorney

\_\_\_\_\_  
Date

**INTERGOVERNMENTAL AGREEMENT EXTENSION  
BETWEEN  
GILA COUNTY  
AND  
YAVAPAI COUNTY**

**RESTORATION TO COMPETENCY SERVICES**

WHEREAS, on approximately October 4, 2010, Yavapai County "Provider", and Gila County "Client", entered into an Intergovernmental Agreement (IGA) whereby Yavapai County agreed to provide Restoration to Competency Services to Gila County; and

WHEREAS, under the terms of the IGA the agreement expires on June 30, 2011; and

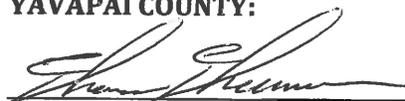
WHEREAS, under the terms of the IGA the agreement may be renewed annually for up to three additional one year terms; and

WHEREAS, under the terms of the IGA, on approximately July 5, 2011, the agreement was extended to June 30, 2012; and

WHEREAS, both Yavapai County and Gila County agree to extend the IGA for Restoration to Competency Services for an additional one year term;

NOW, THEREFORE, The Parties, Pursuant to the above, hereby agree that the IGA between them for Restoration to Competency Services has hereby extended from July 1, 2012, for an additional year term, to expire on June 30, 2013, under the same terms and conditions as set forth in the original agreement between the parties.

**YAVAPAI COUNTY:**

  
\_\_\_\_\_  
Chairman, Board of Supervisors

Date: May 21, 2012

**GILA COUNTY:**

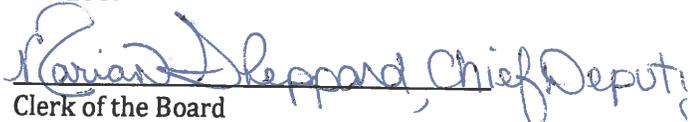
  
\_\_\_\_\_  
Chairman, Board of Supervisors

Date: June 26, 2012

**ATTEST:**

  
\_\_\_\_\_  
Clerk of the Board

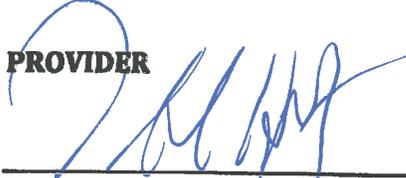
**ATTEST:**

  
\_\_\_\_\_  
Clerk of the Board

**Determination of Counsel**

The foregoing Intergovernmental Agreement between Yavapai County and Gila County has been reviewed pursuant to A.R.S. § 11-952 by the undersigned, who have determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to those parties to the Intergovernmental Agreement represented by the undersigned.

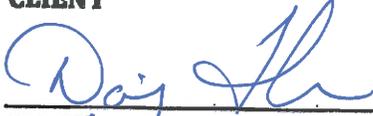
**PROVIDER**



---

Deputy County Attorney

**CLIENT**



---

Chief Deputy County Attorney

**Extension of Intergovernmental Agreement  
between  
Yavapai County and Gila County  
for  
Restoration to Competency Services**

WHEREAS on approximately October 4, 2010 Yavapai County ("Provider") and Gila County ("Client") have entered into an Intergovernmental Agreement (IGA) where Yavapai County will provide Restoration to Competency Services to Gila County, and

WHEREAS, under the terms of the IGA it will expire on June 30, 2011, and

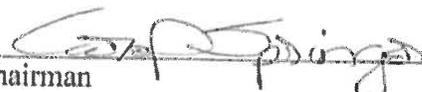
WHEREAS under the terms of said IGA the parties may agree to extend the IGA for an additional term of 1 year, and

WHEREAS, both Yavapai County and Gila County agree to extend the IGA for Restoration to Competency services for an additional year,

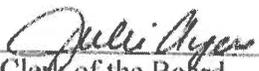
NOW, THEREFORE, The Parties, pursuant to the above, hereby agree that the IGA between them for Restoration to Competency Services his hereby extended from July 1, 2011 for an additional year, to expire on June 30, 2012, under the same terms and conditions as set forth in the original IGA between the parties.

**PROVIDER:**

Date 7/5, 20 11

  
Chairman  
Board of Supervisors

**ATTEST:**

  
Clerk of the Board

**CLIENT:**

Date 7/5/11, 20 11

  
Chairman  
Board of Supervisors

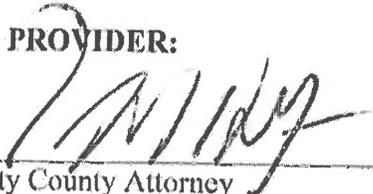
**ATTEST:**

  
Clerk of the Board

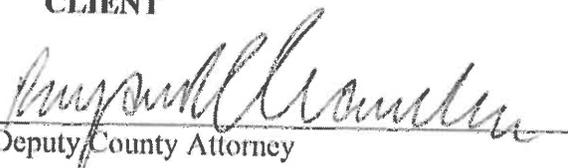
## Determinations of Counsel

The foregoing Intergovernmental Agreement between Provider and Client has been reviewed pursuant to A.R.S. § 11-952 by the undersigned, who have determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to those parties to the Intergovernmental Agreement represented by the undersigned.

**PROVIDER:**

  
\_\_\_\_\_  
Deputy County Attorney

**CLIENT**

  
\_\_\_\_\_  
Deputy County Attorney

When recorded deliver to:

**Marian Sheppard, Chief Deputy Clerk  
Gila County Board of Supervisors  
(09/07/10 #3D)**



---

**CAPTION HEADING:**

**Intergovernmental Agreement  
Between  
Gila County  
and  
Yavapai County  
(For Restoration to Competency Services)**

**DO NOT REMOVE**

**This is part of the official document**

THIS IS A CONFORMED COPY OF INSTRUMENT  
RECORDED ON DATE 10-7-10 TIME 10:13  
IN BOOK 4769 PAGE 305

ANA WAYMAN-TRUJILLO, RECORDER  
*[Signature]* DEPUTY

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
YAVAPAI COUNTY AND GILA COUNTY  
FOR  
RESTORATION TO COMPETENCY SERVICES**

This Intergovernmental Agreement (IGA) is entered into by and between Yavapai County, ("Provider") and Gila County ("Client"), bodies politic and corporate of the State of Arizona, pursuant to A.R.S. § 11-952.

**RECITALS:**

- A. The Parties may contract for services and enter into agreements with one another for joint or cooperative action pursuant to A.R.S. § 11-951, et seq.
- B. The Parties desire to enter into an agreement for the provision of restoration to competency services for Client pre-trial inmates.
- C. The Parties acknowledge that the Client's inmates will remain under the jurisdiction of Client during the period for which services are being provided by Provider pursuant to this Agreement and that Client will assign a defense attorney and prosecutor to the Client's case during the entirety of the service period.

**NOW, THEREFORE,** The Parties, pursuant to the above, and in consideration of the matters and things hereinafter set forth, do mutually agree as follows:

**AGREEMENT:**

- A. **Purpose.** The purpose of this IGA is to set forth the terms and conditions for admission of Client's pre-trial inmates into Provider's Restoration to Competency Program ("RTC Program") and provision of restoration services to Client inmates in the Provider's Adult Jail Facilities (AJF).
- B. **Scope.** Provider will receive and detain Client's pre-trial inmates after the inmate has been determined by the Superior Court in and for the Client's county through the Rule 11 process as not competent to stand trial and who are medically and administratively fit to be incarcerated by Provider, for the purpose of admitting the inmates into and providing the restoration services of the Provider's RTC Program.

Client shall e-mail [SheriffDetentionRTC@Co.Yavapai.AZ.US](mailto:SheriffDetentionRTC@Co.Yavapai.AZ.US) to inform the RTC team of Client's need for placement in Provider's program. A member of the RTC team will promptly reply to sender with a letter indicating what information is needed in order to determine acceptance into the program. If the program has no available bed space upon receipt of the initial e-mail from Client, the Client will be advised immediately and will

[Yavapai/Gila – RTC]

be given an estimated date of bed space availability. The information requested will constitute the "Request Package."

Provider will determine whether to accept the inmate within 3 business days after receiving the complete Request Package. Provider reserves the right to refuse to accept a Client's inmate or return an accepted inmate for any reason. If the inmate is accepted, Client shall deliver the inmate to the Provider's AJF Facility at a time specified by the Provider. Provider will house the Client's inmate based upon classification criteria established by the Provider's AJF and will provide for the onsite care, supervision, feeding and medical care, behavioral health and dental care of Client's inmates except as otherwise provided in this IGA. A court order from Client County is required for admission to the Provider's RTC Program (A.R.S. § 13-4510). The Court order committing an inmate into the Provider's RTC program must include authorization to administer medications involuntarily. The Provider's RTC program will begin the intake process after receiving the inmate and all necessary paperwork.

The Provider's RTC staff shall provide Client's Court with status reports on the inmate's progress every sixty (60) days from date the inmate was admitted into the Provider's RTC program. Date of admission shall be the date that all of the following actions are complete: acceptance by the Provider's RTC program, receipt by the Provider's RTC staff of the completed court order and other Rule 11 paperwork, and physical transfer of the inmate to the Provider's AJF.

It is the intention of the Parties that the inmate will remain at the Provider's AJF until a recommendation regarding competency is completed unless one of the following occurs:

1. If, at any time during the process of restoration it is determined that the inmate requires an intensive inpatient restoration setting in which case the Provider's RTC staff shall so notify the Client to allow the Client to seek issuance of an order by the Superior Court in and for the Client's county for transfer of the inmate to Arizona State Hospital (ASH) if applicable.
2. The Client directs that the Client's inmate be transferred to its custody pursuant to limitations imposed law with respect to competency or charges.
3. The Provider otherwise determines that the inmate is no longer appropriate for housing at the Provider's AJF. Client and Provider agree to exchange such documentation as is required by RTC staff or County Court in as expedient a fashion as reasonably possible.

Any non-English speaking inmates will be provided interpretation services. Costs for this service, as required, are included in the daily rate.

The Client shall, whenever indicated, initiate court-ordered treatment proceedings under A.R.S. Title 36, Chapter 5 prior to transfer of an inmate. If court-ordered treatment

[Yavapai/Gila - RTC]

proceedings become necessary or desirable at any time during the inmate's stay at the Provider's RTC program, or otherwise upon the request of Provider's RTC program, the Client will initiate such proceedings in the Client's county and shall be responsible for the costs of evaluation and court proceedings associated with such proceedings, as well as provision of mental health treatment services occurring as a result of court-ordered treatment. Client shall ensure that Provider's RTC physicians are listed in any treatment plan and that a copy of the treatment plan is delivered to Provider's RTC Program Director.

Client shall be separately responsible for paying any offsite health services for Client inmates housed at the Provider's AJF. Offsite health services include hospital inpatient or outpatient treatment or surgeries, specialty physician consults, or diagnostic services that Provider's AJF does not provide onsite for its inmates. Client shall also be responsible for paying any expenses related to exceptional medical care including, but not limited to, "non-formulary medications" as defined by the Provider's health care vendor contract.

Upon notification that a Client's inmate is to receive or has received offsite health services, Provider shall so notify offsite health providers and Client and confirm that such services are the financial responsibility of Client. If Client inmate must be transported offsite to receive health services in an inpatient setting, Provider shall provide transport and security for the inmate for a maximum of one shift to allow Client to make arrangements to either transport the inmate back to a provider in Client's county or to send officers to relieve Provider's officers at local inpatient facility.

Transportation of inmates to any Court or any other location, as ordered by the Superior Court in and for Client's county or done at the request of the Client shall be Client's responsibility.

Client shall specify a single point of contact for Client for all inquiries. Provider shall specify a single point of contact for RTC program service coordination and an additional single point of contact for billing and finance inquiries.

- C. **Financing.** For each inmate admitted to the RTC Program Client will pay Provider \$350.00 for the initial day and \$250.00 per day thereafter for inmate housing, routine onsite healthcare services and costs of restoration services. Client shall be billed separately for exceptional onsite healthcare services including Non-Formulary Medications as defined in Provider's healthcare vendor contract. The billing day as defined herein applies to each Client inmate who is an inmate in, or under control of the Provider's AJF. Neither the acceptance of the inmate into the program nor the acceptance of per diem payments is a guarantee of restoration to competency for any specific inmate. The RTC per diem rate shall remain in effect until June 30, 2011, at which time the Parties shall have agreed to a new RTC per diem rate pursuant to this IGA. Client must pay community providers directly for all health services provided outside the Provider's AJF.

[Yavapai/Gila – RTC]

Client shall reimburse Provider at the hourly rate of \$30.00 per corrections officer hour and \$.55 per mile for van transport for transporting a Client inmate outside the Provider's AJF. A minimum of 2 corrections officers will accompany the Client inmate per Provider policy. In the event a Provider County corrections officer or Sheriff's Deputy must post an officer at an offsite health service location Client shall reimburse Provider at the hourly rate of \$30.00 per corrections officer hour.

In the event that Provider's RTC staff is required by the Superior Court in and for Client's County to make a physical court appearance, Client shall reimburse Provider at the daily rate of \$900.00 for per diem, time and travel costs for the Provider's RTC Staff. Should Provider RTC staff be required to remain in Client's county overnight, Client will reimburse actual lodging expenses plus an additional \$750.00 per day.

In the event Provider RTC staff is required by the Superior Court in and for Client's county to appear in court via video, Client shall reimburse Provider at the hourly rate of \$85.00. Client county is responsible for procuring the tele-video equipment that is compatible with that utilized by Provider's RTC program and for any costs required for operation of the tele-video equipment.

In the event legal counsel is required on behalf of the Provider RTC program or staff related to provision of service to Client inmates, Client shall reimburse Provider 100% of billed charges for the Provider's RTC contracted legal service.

#### Criteria and Rules Governing Billing:

For purposes of this IGA a "billable day" is that period commencing at 0000 hours and ending at 2359 hours that same day, or any fractional part thereof, of any day the Client inmate is in the custody or control of Provider's AJF.

#### Criteria for Assessment of Billing:

The costs of housing a Client inmate shall commence on the day the inmate was booked into the Provider's AJF. Provider shall cease charging the RTC per diem under the guidelines established earlier in this IGA under the definition of "billable day."

In the event a Client inmate escapes, billing charges will cease to accrue after 2359 hours of the day of escape. Billing charges will begin again on the day that the inmate is recaptured and is actually being held in the Provider's AJF.

At the end of each month after a Client inmate is admitted into the RTC Program, Provider will submit to Client a statement of charges. This statement shall provide the

[Yavapai/Gila - RTC]

following information: name of inmate, booking date and hour, release date and hour, indication of booking day billing or subsequent day billing, billing period, daily rates, total billing days, and the total bill. Client shall be allowed access to necessary computer systems in a timely manner as necessary to verify the billing.

Client shall notify Provider in writing of any contested charges within 30 days following receipt of a monthly billing. If Client notifies Provider of a dispute within 30 days of receipt of the monthly billing, Client may withhold payment on each inmate for whom billing is disputed until the dispute has been resolved. It is understood and agreed that the billed charges are deemed accepted and will be paid if no dispute notice is received by Provider within 30 days after the receipt on the monthly billing. Disputes about the billing statement shall be jointly reviewed by both parties and satisfactorily resolved within 45 days of the monthly billing. Excluding contested charges all charges shall be paid within sixty days of receipt of a monthly billing. Contested charges shall be paid within 30 days of resolution of the dispute. A mutually acceptable third party may arbitrate charges remaining unresolved after the 60-day period.

Client shall pay interest on outstanding charges beginning on the 10<sup>th</sup> day after resolution of the billing at a rate of 10% per annum until paid. Upon paying a previously disputed charge, Client will attach a statement detailing the specific charges that are being paid. Client will attach statement to each check submitted to County indicating the dates for which the check is to be applied.

- D. **Term.** The initial term of this IGA shall be effective as of June 1, 2010 and shall continue in effect until June 30 2011. Thereafter it may be renewed annually beginning on July 1 for up to three renewal terms by mutual agreement of the Parties.
- E. **Disposal of Property.** Upon the termination of this IGA, all property involved shall revert back to its owner. Termination shall not relieve any party from liabilities or costs already incurred under this IGA, nor affect any ownership of property pursuant to this IGA.
- F. **Indemnification.** Each party (as Indemnitor) agrees to indemnify, defend and hold harmless the other party (as Indemnitee) from and against any and all claims, losses, liability, costs or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, employees, or volunteers. Client acknowledges that health care services at the Provider's AJF are provided by independent contractors.
- G. **Insurance.** Each party shall obtain and maintain at its own expense, during the entire term of this Contract the following type(s) and amounts of insurance:

[Yavapai/Gila - RTC]

1. Commercial General Liability in the amount of \$1,000,000.00 combined single limit Bodily Injury and Property Damage.
2. Commercial or Business automobile liability coverage for owned, non-owned and hired vehicles used in the performance of this Contract with limits in the amount of \$1,000,000.00 combined single limit or \$1,000,000.00 Bodily Injury, \$1,000,000.00 Property Damage.
3. Professional liability insurance in the amount of \$1,000,000.00 if this Contract involves Professional services
4. If required by law, workers' compensation coverage including employees' liability coverage.

Parties to this agreement shall provide thirty (30) days written notice to all parties to this IGA of cancellation, non-renewal or material change of coverage.

The above requirement may be alternatively met through self insurance pursuant to A.R.S. §§ 11-261 and 11-981 or participation in an insurance risk pool under A.R.S. § 11.952.01 at no less than the minimal coverage levels set forth in this article. Parties to this agreement shall provide thirty (30) days written notice to all other parties of cancellation, non-renewal or material change of coverage.

- H. **Compliance with Laws.** The parties shall comply with all federal, state and local laws, rules, regulations, standards and Executive Orders, without limitation to those designated within this IGA. The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this IGA and any disputes hereunder. Any action relating to this IGA shall be brought in an Arizona court in Provider County.
- I. **Non-Discrimination.** The parties shall not discriminate against any Provider or Client employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin in the course of carrying out their duties pursuant to this IGA. The parties shall comply with the provisions of Executive Order 75-5, as amended by Executive Order 99-4, which is incorporated into this IGA by reference, as if set forth in full herein.
- J. **ADA.** The parties shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.
- K. **Severability.** If any provision of this IGA or any application thereof to the parties or any person or circumstances, is held invalid, such invalidity shall not affect other provisions or applications of this IGA which can be given effect, without the invalid provision or application and to this end the provisions of this IGA are declared to be severable.



[Yavapai/Gila - RTC]

- L. **Conflict of Interest.** This contract is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated herein by reference.
- M. **Non-Appropriation.** Notwithstanding any other provision in this IGA, this IGA may be terminated if for any reason the Provider's or Client's Board of Supervisors does not appropriate sufficient monies for the purpose of maintaining this IGA. In the event of such cancellation, the parties shall have no further obligation to each other except for payment for services rendered prior to cancellation.
- N. **Legal Authority.** Neither party warrants to the other its legal authority to enter into this IGA. If a court, at the request of a third person, should declare that either party lacks authority to enter into this IGA, or any part of it, then the IGA, or parts of it affected by such order, shall be null and void, and no recovery may be had by either party against the other for lack of performance or otherwise.
- O. **Worker's Compensation.** Each party shall comply with the notice of A.R.S. § 23-1022 (E). For purposes of A.R.S. § 23-1022, irrespective of the operations protocol in place, each party is solely responsible for the payment of Worker's Compensation benefits for its employees.
- P. **No Joint Obligations.** Neither party shall be liable for any debts, accounts, obligations or other liabilities whatsoever of the other, including (without limitation) the other party's obligation to withhold Social Security and income taxes for itself or any of its employees.
- Q. **No Third Party Beneficiaries.** Nothing in the provisions of this IGA is intended to create duties or obligations to or rights in third parties not parties to this IGA or affect the legal liability of either party to the IGA by imposing any standard of care with respect to the maintenance of public facilities different from the standard of care imposed by law.
- R. **Notice.** Any notice required or permitted to be given under this IGA shall be in writing and shall be served by delivery or by certified mail upon the other party as follows (or at such other address as may be identified by a party in writing to the other party) :

Provider:

Yavapai County RTC  
2830 N. Commonwealth Dr., Ste 105  
Camp Verde, AZ 86322

*With copies to:*

County Administrator/  
Clerk of the Board  
1015 Fair Street  
Prescott, AZ 86305

Client:

Gila County  
1400 E. Ash Street  
Globe, AZ 85501

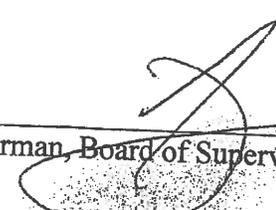
County Administrator/  
Clerk of the Board  
1400 E. Ash Street  
Globe, AZ 85501

[Yavapai/Gila - RTC]

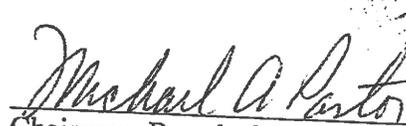
S. **Entire Agreement.** This document constitutes the entire Agreement between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This IGA shall not be modified, amended, altered or extended except through a written amendment signed by both Parties.

**APPROVALS:**

**YAVAPAI COUNTY**

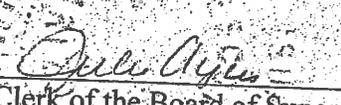
  
\_\_\_\_\_  
Chairman, Board of Supervisors      10/4/10  
Date

**GILA COUNTY**

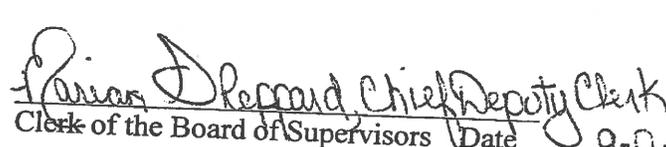
  
\_\_\_\_\_  
Chairman, Board of Supervisors      9/7/10  
Date



**ATTEST:**

  
\_\_\_\_\_  
Clerk of the Board of Supervisors      10/4/10  
Date

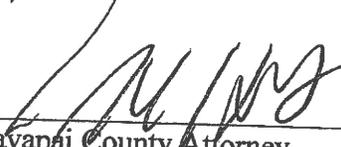
**ATTEST:**

  
\_\_\_\_\_  
Sharon Deppard, Chief Deputy Clerk  
Clerk of the Board of Supervisors      9-7-10  
Date

**DETERMINATIONS OF COUNSEL:**

The foregoing Intergovernmental Agreement between Yavapai County and Gila County has been reviewed pursuant to A.R.S. § 11-952 by the undersigned, who have determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to those parties to the Intergovernmental Agreement represented by the undersigned.

**YAVAPAI COUNTY**

  
\_\_\_\_\_  
Yavapai County Attorney      9/22/10  
Date

**GILA COUNTY**

  
\_\_\_\_\_  
Gila County Attorney      9-7-2010  
Date

when recorded,  
return to:  
Marian Sheppard, BOS  
(9/7/10 #3D)



RESOLUTION NO. 10-09-02

RESOLUTION OF THE GILA COUNTY BOARD OF SUPERVISORS TO  
DESIGNATE A COMPETENCY RESTORATION PROGRAM PURSUANT  
TO A.R.S. §13-4512(A).

WHEREAS, Gila County is fiscally responsible for in-custody services to restore criminal defendants to competency to stand trial; and,

WHEREAS, pursuant to A.R.S. §13-4512(A) the Gila County Board of Supervisors is authorized to designate a competency restoration treatment program for Gila County criminal defendants in need of restoration treatment; and,

WHEREAS, pursuant to A.R.S. §13-4512(C) the Gila County Board of Supervisors may enter into contracts with in-custody competency restoration treatment providers; and,

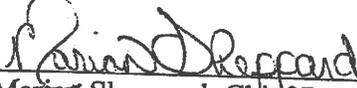
WHEREAS, Yavapai County, Arizona, has developed a competency restoration program ("Yavapai County RTC") that has been designated by the Yavapai County Board of Supervisors as the Yavapai County competency restoration program pursuant to A.R.S. §13-4512(A); and,

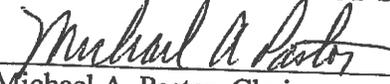
WHEREAS, the Gila County Board of Supervisors has, pursuant to A.R.S. §13-4512(C), considered and approved an inter-governmental agreement with Yavapai County, Arizona, wherein Yavapai County RTC will provide competency restoration treatment for Gila County criminal defendants.

NOW, THEREFORE, BE IT RESOLVED that the Gila County Board of Supervisors hereby designates Yavapai County RTC as Gila County's primary competency restoration program, effective June 1, 2010.

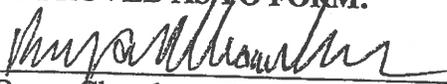
PASSED AND ADOPTED this 7th day of Sept., 2010, at Globe, Gila County, Arizona.

ATTEST:

  
Marian Sheppard, Chief Deputy Clerk

GILA COUNTY BOARD OF SUPERVISORS  
  
Michael A. Pastor, Chairman

APPROVED AS TO FORM:

  
Bryan Chambers, Deputy County Attorney



*GILA COUNTY ATTORNEY*  
*Bradley D. Beauchamp*

Re: County Attorney's Office approval of IGA pursuant to A.R.S. § 11-952(D).

To whom it may concern:

The County Attorney's Office has reviewed the Intergovernmental Agreement attached to this agenda item and has determined that it is in its "proper form" and "is within the powers and authority granted under the laws of this state to such public agency or public procurement unit" pursuant to A.R.S. § 11-952(D).

**Explanation of the Gila County Attorney's Office Intergovernmental Agreement (IGA) Review**

A.R.S. § 11-952(D) requires that

every agreement or contract involving any public agency or public procurement unit of this state . . . before its execution, shall be submitted to the attorney for each such public agency or public procurement unit, who shall determine whether the agreement is in proper form and is within the powers and authority granted under the laws of this state to such public agency or public procurement unit.

In performing this review, the County Attorney's Office reviews IGAs to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the IGA. That approval is solely the province of the public agency through its elected body.

Likewise, this approval is not a certification that the IGA has been properly executed. Proper execution can only be determined after all the entities entering into the IGA have taken legal action to approve the IGA. There is no statutory requirement for the County Attorney's Office to certify that IGAs are properly executed.

Nonetheless, it is imperative for each public agency to ensure that each IGA is properly executed because A.R.S. § 11-952(F) requires that "[a]ppropriate action ... applicable to the governing bodies of the participating agencies approving or extending the duration of the ... contract shall be necessary before any such agreement, contract or extension may be filed or become effective." This can be done by ensuring that the governing body gives the public proper notice of the meeting wherein action will be taken to approve the IGA, that the item is adequately described in the agenda accompanying the notice, and that the governing body takes such action. Any questions regarding whether the IGA has been properly executed may be directed to the County Attorney's Office.

Proper execution of IGAs is important because A.R.S. § 11-952(H) provides that "[p]ayment for services under this section shall not be made unless pursuant to a fully approved written contract." Additionally, A.R.S. § 11-952(I) provides that "[a] person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment."

The public agency or department submitting the IGA for review has the responsibility to read and understand the IGA in order to completely understand its obligations under the IGA if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the IGA as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor IGA compliance. Hence the public entity or submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the IGA will be necessary to monitor compliance.

Before determining whether an IGA contract "is in proper form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the IGA for review to ask any specific questions or address any concerns it has about the IGA to the County Attorney's Office at the same time they submit the IGA for review. Making such an inquiry also helps improve the County Attorney's Office review of the IGA because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the IGA.

**ARF-1903**

**Consent Agenda Item 4- G**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Sarah White,  
Chief  
Administrative  
Officer

Submitted By:  
Sarah White, Chief Administrative  
Officer, Sheriff's Office

Department: Sheriff's Office

Fiscal Year: 2014                      Budgeted?: Yes

Contract Dates November 25,              Grant?: No

Begin & End: 2010 through  
June 30, 2014

Matching No                              Fund?: Renewal

Requirement?:

---

Information

Request/Subject

Amendment No. 2 to the Intergovernmental Agreement Contract No. YH08-0080-01 between Arizona Health Care Cost Containment System and Gila County

Background Information

The original Intergovernmental Agreement Contract No. YH08-0080-01 was approved by the Board of Supervisors on November 25, 2008. Amendment No. 1 was approved by the Board of Supervisors on July 27, 2010 extending the contract term through November 24, 2010 and changing the rates.

Evaluation

Amendment No. 2 changes the rates and contract term as outlined in the original Contract No. YH08-0080-01, effective November 25, 2010. The changes are to extend the contract through June 30, 2014, and change the rates on page nineteen (19), Attachment A to cover November 25, 2010, through June 30, 2012, and attachment B to cover July 12, 2012, through June 30, 2014.

The purpose of this Agreement is for AHCCCS and Gila County to jointly develop and agree to an eligibility application and determination process that complies with both Federal and State Laws, Regulations, Rules and appropriate Centers for Medicare and Medicaid Services (CMS) approval and to adjudicate and pay claims for covered services provided to members in accordance with federal and state laws, regulations, and rules. It also provides AHCCCS with the funds to pay for administrative costs associated with this Agreement.

Conclusion

This Agreement is entered into pursuant to A.R.S. § 36-2903 to provide AHCCCS with the appropriate State match in order to pay for Medical Services that qualify for Federal Financial Participation (FFP) provided to inmates who qualify for Title XIX while they are an inpatient in a medical institution.

#### Recommendation

It is the recommendation of the Sheriff of Gila County that the Board of Supervisors approve Amendment No. 2 to Intergovernmental Agreement Contract No. YH08-0080-01 between Arizona Health Care Cost Containment System (AHCCCS) and Gila County for Inmate Eligibility and Inpatient Health Care.

#### Suggested Motion

Approval of Amendment No. 2 to Intergovernmental Agreement (Contract No. YH08-0080-01) between the Arizona Health Care Cost Containment System (AHCCCS) and Gila County changing the rates and extending the contract term through June 30, 2014, for Inmate Eligibility and Inpatient Health Care.

---

#### Attachments

Amendment #2

Amendment #1

Original Agreement

Cover Letter

Legal Explanation

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION  
DIVISION OF BUSINESS AND FINANCE  
INTERGOVERNMENTAL AGREEMENT AMENDMENT**

1. AMENDMENT NUMBER: <b>2</b>	2. CONTRACT NUMBER: <b>YH08-0080-01</b>	3. EFFECTIVE DATE OF AMENDMENT: <b>November 25, 2010</b>	4. PROGRAM: <b>DMS</b>
5. CONTRACTOR/PROVIDER NAME AND ADDRESS: <p align="center">Gila County 1400 E. Ash Globe, AZ 85501</p>			
6. PURPOSE: To revise rates and extend the term of the agreement through June 30, 2014.			

7. The above referenced contract is hereby amended as stated below:
- A. Pursuant to Section 3.8.8., Page 14, Contract Term, the contract term is hereby extended through June 30, 2014.
  - B. Change rates from Page 19, Attachment A (SFY2010) to the rates as shown in Amendment #2:  
Attachment A – To cover the period from 11/25/2010 through 6/30/2012.  
Attachment B - To cover the period from 7/01/2012 through 6/30/2014.

8. EXCEPT AS PROVIDED FOR HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT NOT HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL EFFECT.	
IN WITNESS WHEREOF THE PARTIES HERETO SIGN THEIR NAMES IN AGREEMENT.	
9. GILA COUNTY	10. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
SIGNATURE OF AUTHORIZED INDIVIDUAL:	SIGNATURE: 
TYPED NAME: <b>MICHAEL A. PASTOR</b>	TYPED NAME: <b>MEGGAN HARLEY</b>
TITLE: <b>CHAIRMAN, COUNTY BOARD OF SUPERVISORS</b>	TITLE: <b>PROCUREMENT AND CONTRACTS MANAGER</b>
DATE:	DATE: <b>MAY 24, 2013</b>
11. IN ACCORDANCE WITH STATE STATUTES, COUNTY RULES, AND BYLAWS, THIS AGREEMENT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAS DETERMINED THAT THIS AGREEMENT IS IN APPROPRIATE FORM AND IS WITHIN THE POWER AND AUTHORITY GRANTED TO THE COUNTY.	12. IN ACCORDANCE WITH § A.R.S. 11-952, THIS AMENDMENT IS IN PROPER FORM AND IS WITHIN THE POWER AND AUTHORITY GRANTED TO THE ADMINISTRATION UNDER § A.R.S 36-2903 ET SEQ. AND §36-2932 ET SEQ.
DATED THIS _____ DAY OF _____, 2013	DATED THIS <u>28<sup>th</sup></u> DAY OF <u>May</u> , 2013
BY _____ DEPUTY COUNTY ATTORNEY	 LEGAL COUNSEL FOR THE ADMINISTRATION

## AHCCCS

**Administrative Annual Cost Estimates for  
Gila County Medicaid Eligible Inmates FFS Project IGA**

\*To cover the period from:

11/25/2010 through 6/30/2012

Claims	Electronic 17%	Paper 83%	Total Fund 100%	County Share 50%	Federal Share 50%
Estimated total number of claims:					
Physician & Emergency Transport/Hospital	1	2	10	12	
DFSM Cost per Claim	\$ 0.73	\$ 1.32			
ISD Cost per Claim	\$ 2.01	\$ 2.03			
<hr/>					
		10%			
<b>Concurrent Review</b>	<b>Est. Cost</b>	<b>Increase</b>	<b>Current Cost</b>		
Estimated cost per case	2 \$111.40	\$10.13	\$101.27		
Estimated number of HSAG reviews	3 2				
<hr/>					
<b>Claims Processing costs:</b>					
DFSM	\$1.45	\$13.18	\$14.63	\$7.32	\$7.32
ISD	\$4.03	\$20.29	\$24.32	\$12.16	\$12.16
Total Claims Processing Costs	\$5.48	\$33.48	\$38.96	\$19.48	\$19.48
Direct DFSM Labor for Gila Co Claims Processing			\$0.00	\$0.00	\$0.00
Direct ISD Labor for Gila Co Claims Processing			\$1,000.00	\$500.00	\$500.00
<b>Concurrent Review Estimated costs:</b>					
Cost for 2 reviews			\$222.79	\$111.40	\$111.40
<b>Administrative Costs (see detail)</b>					
DBF Paper Processing Personnel costs	4		\$7,501.37	\$3,750.68	\$3,750.68
Postage			\$1.08	\$0.54	\$0.54
Data Center Charges @ \$.60/claim	5		\$7.20	\$3.60	\$3.60
Indirect at 10%			\$750.14	\$375.07	\$375.07
Total DBF Administrative Costs			\$8,259.78	\$4,129.89	\$4,129.89
Total Claims Processing Costs			\$9,521.53	\$4,760.77	\$4,760.77
<b>DMS Eligibility Costs</b>					
Application Processing Costs - DMS	6		\$294.00	\$147.00	\$147.00
<b>Estimated Total Annual Costs for Program</b>			\$9,815.53	\$4,907.77	\$4,907.77
<b>Cost per Claim</b>	7		\$799.40	\$399.70	\$399.70

<sup>1</sup> Actual number of claims may be higher. Number includes original, recoupment and adjustment claims.

<sup>2</sup> Estimate based on expected 10% increase. Actual costs will be a strict pass-through based on price negotiated on new contract.

<sup>3</sup> Actual number may be higher or lower depending on Gila Co requirements.

<sup>4</sup> Postage based on average cost per claim in FY08 times number of claims.

<sup>5</sup> Data Center charges calculated at \$108/hour. Estimated 180/Claims per hour.

<sup>6</sup> DMS Eligibility charges calculated at \$98/determination. Estimated 3 annual application/determinations.

<sup>7</sup> Cost per claim does not include a cost for concurrent reviews

**AHCCCS**  
**Administrative Annual Cost Estimates for**  
**Gila County Medicaid Eligible Inmates FFS Project IGA SFY13 & SFY14**

Claims	Electronic 55%	Paper 45%	Total Fund 100%	County Share 50%	Federal Share 50%
Estimated total number of claims:					
Physician & Emergency Transport/Hospital	1	11	9	20	
DFSM Cost per Claim	\$ 0.37	\$ 0.60			
OIG Cost per Claim	\$ 0.10	\$ 0.10			
ISD Cost per Claim	\$ 2.13	\$ 2.13			
<b>Concurrent Review</b>					
	<b>Average Cost</b>				
Estimated cost per case	2	\$ 96.25			
Estimated number of HSAG reviews	3	2			
<b>Claims Processing costs:</b>					
DFSM	\$4.07	\$5.36	\$9.44	\$4.72	\$4.72
OIG	\$1.10	\$0.90	\$2.00	\$1.00	\$1.00
ISD	\$23.38	\$19.17	\$42.56	\$21.28	\$21.28
Total Claims Processing Costs	\$28.56	\$25.44	\$54.00	\$27.00	\$27.00
Direct DFSM Labor for GilaCounty Claims Processing			-		
Direct ISD Labor for Gila County Claims Processing			\$1,750.00	\$875.00	\$875.00
<b>Concurrent Review Estimated costs:</b>					
Cost for 2 reviews			\$192.50	\$96.25	\$96.25
<b>Administrative Costs (see detail)</b>					
DBF Paper Processing Personnel costs			\$8,011.00	\$4,005.50	\$4,005.50
Postage @ \$.09/claim	4		\$1.80	\$0.90	\$0.90
Data Center Charges @ \$.31/claim	5		\$6.20	\$3.10	\$3.10
Indirect at 10%			\$801.10	\$400.55	\$400.55
Total DBF Administrative Costs			\$8,820.10	\$4,410.05	\$4,410.05
Total Claims Processing Costs			\$10,816.60	\$5,408.30	\$5,408.30
<b>DMS Eligibility Costs</b>					
Application Processing Costs - DMS	6		\$294.00	\$147.00	\$147.00
<b>Estimated Total Annual Costs for Program</b>					
			\$11,110.60	\$5,555.30	\$5,555.30
<b>Cost per Claim</b>					
	7		\$545.90	\$272.95	\$272.95

<sup>1</sup> Actual number of claims may be higher. Number includes original, recoupment and adjustment claims.

<sup>2</sup> Average rate per contract. Actual costs will be a strict pass-through based on price negotiated on new contract.

<sup>3</sup> Actual number may be higher or lower depending on Gila County Medicaid Inmate requirements.

<sup>4</sup> Postage based on average cost per claim times number of claims.

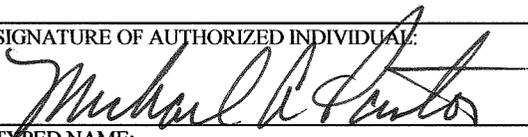
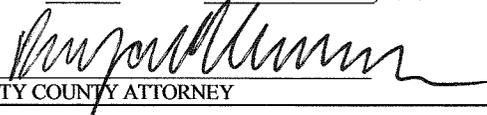
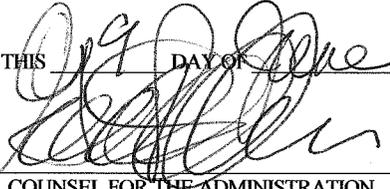
<sup>5</sup> Data Center charges calculated based on average SFY11 costs      <sup>7</sup> Cost per claim does not include a cost for concurrent reviews

<sup>6</sup> DMS Eligibility charges calculated at \$98/determination. Estimated 3 annual applications/determinations.

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION  
DIVISION OF BUSINESS AND FINANCE  
INTERGOVERNMENTAL AGREEMENT AMENDMENT**

1. AMENDMENT NUMBER: <b>1</b>	2. CONTRACT NUMBER: <b>YH08-0080-01</b>	3. EFFECTIVE DATE OF AMENDMENT: <b>November 25, 2009</b>	4. PROGRAM: <b>DMS</b>
5. CONTRACTOR/PROVIDER NAME AND ADDRESS: <p align="center">Gila County 1400 E. Ash Globe, AZ 85501</p>			
6. PURPOSE: To revise rates and extend the term of the agreement for an additional twelve (12) months.			

7. The above referenced contract is hereby amended as stated below:
- A. Pursuant to Section 3.8.8., Page 14, Contract Term, the contract term is hereby extended for an additional twelve months through November 24, 2010.
  - B. Change rates from Page 19, Attachment A (FY2009) to the rates as shown in Amendment #1, Attachment A (FY2010).

8. EXCEPT AS PROVIDED FOR HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT NOT HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL EFFECT.	
IN WITNESS WHEREOF THE PARTIES HERETO SIGN THEIR NAMES IN AGREEMENT.	
9. GILA COUNTY	10. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
SIGNATURE OF AUTHORIZED INDIVIDUAL: 	SIGNATURE: 
TYPED NAME: MICHAEL A. PASTOR	TYPED NAME: MICHAEL VEIT
TITLE: CHAIRMAN, COUNTY BOARD OF SUPERVISORS	TITLE: CONTRACTS AND PURCHASING ADMINISTRATOR
DATE: 7/27/10	DATE: JUNE 9, 2010
11. IN ACCORDANCE WITH STATE STATUTES, COUNTY RULES, AND BYLAWS, THIS AGREEMENT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAS DETERMINED THAT THIS AGREEMENT IS IN APPROPRIATE FORM AND IS WITHIN THE POWER AND AUTHORITY GRANTED TO THE COUNTY.	12. IN ACCORDANCE WITH § A.R.S. 11-952, THIS AMENDMENT IS IN PROPER FORM AND IS WITHIN THE POWER AND AUTHORITY GRANTED TO THE ADMINISTRATION UNDER § A.R.S 36-2903 ET SEQ. AND §36-2932 ET SEQ.
DATED THIS <u>22nd</u> DAY OF <u>June</u> , 2010	DATED THIS <u>09</u> DAY OF <u>June</u> , 2010
BY  DEPUTY COUNTY ATTORNEY	 LEGAL COUNSEL FOR THE ADMINISTRATION

## AHCCCS

**Administrative Annual Cost Estimates for  
Gila County Medicaid Eligible Inmates FFS Project IGA SFY10**

Claims	Electronic 17%	Paper 83%	Total Fund 100%	County Share 50%	Federal Share 50%
Estimated total number of claims:					
Physician & Emergency Transport/Hospital	1	2	10	12	
DFSM Cost per Claim	\$ 0.73	\$ 1.32			
ISD Cost per Claim	\$ 2.01	\$ 2.03			
<hr/>					
		<b>10%</b>			
<b>Concurrent Review</b>	<b>Est. Cost</b>	<b>Increase</b>	<b>Current Cost</b>		
Estimated cost per case	2 \$111.40	\$10.13	\$101.27		
Estimated number of HSAG reviews	3	2			
<hr/>					
<b>Claims Processing costs:</b>					
DFSM	\$1.45	\$13.18	\$14.63	\$7.32	\$7.32
ISD	\$4.03	\$20.29	\$24.32	\$12.16	\$12.16
Total Claims Processing Costs	\$5.48	\$33.48	\$38.96	\$19.48	\$19.48
Direct DFSM Labor for Gila Co Claims Processing			\$0.00	\$0.00	\$0.00
Direct ISD Labor for Gila Co Claims Processing			\$1,000.00	\$500.00	\$500.00
<b>Concurrent Review Estimated costs:</b>					
Cost for 2 reviews			\$222.79	\$111.40	\$111.40
<b>Administrative Costs (see detail)</b>					
DBF Paper Processing Personnel costs			\$7,501.37	\$3,750.68	\$3,750.68
Postage	4		\$1.08	\$0.54	\$0.54
Data Center Charges @ \$.60/claim	5		\$7.20	\$3.60	\$3.60
Indirect at 10%			\$750.14	\$375.07	\$375.07
Total DBF Administrative Costs			\$8,259.78	\$4,129.89	\$4,129.89
Total Claims Processing Costs			\$9,521.53	\$4,760.77	\$4,760.77
<b>DMS Eligibility Costs</b>					
Application Processing Costs - DMS	6		\$294.00	\$147.00	\$147.00
<b>Estimated Total Annual Costs for Program</b>			\$9,815.53	\$4,907.77	\$4,907.77
<b>Cost per Claim</b>	7		\$799.40	\$399.70	\$399.70

<sup>1</sup> Actual number of claims may be higher. Number includes original, recoupment and adjustment claims.

<sup>2</sup> Estimate based on expected 10% increase. Actual costs will be a strict pass-through based on price negotiated on new contract.

<sup>3</sup> Actual number may be higher or lower depending on Gila Co requirements.

<sup>4</sup> Postage based on average cost per claim in FY08 times number of claims.

<sup>5</sup> Data Center charges calculated at \$108/hour. Estimated 180/Claims per hour.

<sup>6</sup> DMS Eligibility charges calculated at \$98/determination. Estimated 3 annual application/determinations.

<sup>7</sup> Cost per claim does not include a cost for concurrent reviews



When recorded deliver to:

**Marian Sheppard, Chief Deputy Clerk  
Gila County Board of Supervisors  
(11/25/08 #2)**



---

## **CAPTION HEADING:**

**Intergovernmental Agreement  
Between  
Gila County  
and  
Arizona Health Care Cost Containment System Administration  
Contract No. YH08-0080-02**

**DO NOT REMOVE**

**This is part of the official document**



## INTERGOVERNMENTAL AGREEMENT

Between  
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION  
(AHCCCS)  
And  
GILA COUNTY (COUNTY)

**WHEREAS**, AHCCCS is duly authorized to execute and administer Agreements under A.R.S. § 36-2903 *ET Seq.* and § 36-2932 *et seq.* and

**WHEREAS**, Gila County, (hereinafter referred to as "County") is duly authorized to enter into this Agreement under A.R.S. §§ 11-251 *et seq.* and

**WHEREAS**, AHCCCS, and the County are authorized by A.R.S. § 11-951 *et seq.* to enter into Intergovernmental Agreements for cooperative action pertaining to reimbursement or advancements of funds for services performed; and

**WHEREAS**, THE County and AHCCCS wish to enter into this Agreement in order to establish procedures to permit AHCCCS to pay for Medical services that qualify for Federal Financial Participation (FFP) provided to Inmates of the County jail detention facilities or other penal facilities.

**NOW, THEREFORE**, County and AHCCCS (collectively, the "Parties"), pursuant to the above and in consideration of the matters and things hereinafter set forth, do mutually agree as follows:

- 1.0 **DEFINITIONS:** Unless otherwise defined in this Agreement, all terms shall have the same meaning as set forth in Title 36 of the Arizona Revised Statutes.
  - 1.1 **AAC:** Arizona Administrative Code
  - 1.2 **ADES:** Arizona Department of Economic Security
  - 1.3 **Agreement:** This document, together with any and all attachments, appendices, exhibits, schedules and future amendments as agreed to by the Parties.
  - 1.4 **AHCCCS:** Arizona Healthcare Cost Containment System
  - 1.5 **AHCCCS Provider Manual:** The Fee-for-Service Provider Manual promulgated by AHCCCS. The AHCCCS Provider Manual is available on-line at <http://www.azahcccs.gov/Publications/GuidesManuals/provman/index.asp>
  - 1.6 **Applicant:** A person who submits, or whose authorized representative submits a written, completed, signed, and dated eligibility application for AHCCCS benefits.
  - 1.7 **ARS:** Arizona revised Statutes

- 1.8 **CFR:** United States Code of Federal regulations, the official compilation of Federal rules and requirements.
- 1.9 **County:** Gila County, a county of the State of Arizona. Under this agreement, the County, on behalf of the Gila County Sheriff Office Medical Department.
- 1.10 **CMS:** Centers for Medicare and Medicaid Services, a Federal agency within the U.S. Department of Health and Human Services.
- 1.11 **CMS-37:** A report providing the State estimate of the quarterly award from the Federal government.
- 1.12 **Day:** A calendar day, unless specified otherwise.
- 1.13 **Documentation:** Copies of evidence that support an Applicant's eligibility determination. Documentation includes, but is not limited to, any of the following: birth certificates, death certificates, court orders, insurance policies, pay stubs, award letters, medical bills, expenses, letters and responses from collateral sources, Applicant's authorization to share the eligibility information and the County's or AHCCCS' entries in case records.
- 1.14 **Emergency Medical Services:** Services provided to treat a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain that the absence of immediate medical attention could reasonably be expected to result in any of the following:
- 1.14.1 labor and delivery;
  - 1.14.2 placing the patient's health in serious jeopardy
  - 1.14.3 serious impairment to bodily functions; or
  - 1.14.4 serious dysfunction of any bodily organ or part.
- 1.15 **Exparte Inmate Eligibility Determination:** A determination of Inmate eligibility made by AHCCCS after the person is released from a jail, detention facility or other penal facility and is no longer an Inmate at the time of the eligibility determination.
- 1.16 **Federal Emergency Services Program (FESP):** A Federal emergency services program covered under AAC R9-22-217, to treat an emergency medical condition for an Applicant who is determined eligible under A.R.S § 36-2903.03(D).
- 1.17 **Federal Financial Participation (FFP):** Federal Financial Participation refers to the Federal matching rate that the Federal government makes to the Title XIX program portion of AHCCCS, which are the monies that AHCCCS can claim from CMS for the Federal share of AHCCCS Program service and administration costs.



- 1.18 **IBNR:** Incurred But Not Reported claims refers to claims with dates of service within the effective dates of this Agreement but which have not been invoiced or recorded in the AHCCCS claims system.
- 1.19 **IMD:** Institution for Mental Disease as defined in 42 CFR 435.1010.
- 1.20 **Inmate:** A person, either adult or juvenile, who is living in a County jail, detention facility, or other penal facility, or in a Medical Institution where but for an illness or an injury, the person would be living in a County jail or detention facility or other penal facility, and who may be eligible for FFP payment as determined by AHCCCS.
- 1.21 **Inpatient:** A patient who has been admitted to a Medical Institution as an inpatient as defined in 42 CFR 435.1010. An Inpatient is a patient who has been admitted to a Medical Institution as an inpatient on recommendation of a physician or dentist and who:
- 1.21.1 receives room, board and professional services in the institution for a 24 hour period or longer; or
  - 1.21.2 is expected by the institution to receive room, board and professional services in the institution for a 24 hour period or longer even though it later develops that the patient dies, is discharged or is transferred to another facility and does not actually stay in the institution for 24 hours.
- 1.22 **Medical Institution:** Any facility, including IMDs providing FFP qualifying services, that is engaged in the delivery of health care services and is authorized to do so by the state in which those services are delivered. Medical Institution means an institution that:
- 1.22.1 is organized to provide medical care, including medical, surgical, psychiatric, nursing and convalescent care;
  - 1.22.2 has the necessary professional personnel, equipment, and facilities to manage the medical, nursing, and other health needs of patients on a continuing basis in accordance with accepted standards;
  - 1.22.3 is authorized under State law to provide medical care; and
  - 1.22.4 is staffed by professional personnel who are responsible to the institution for professional medical and nursing services. The services must include adequate and continual medical care and supervision by a physician; registered nurse or licensed practical nurse supervision and services and nurses' aid services, sufficient to meet nursing care needs; and a physician's guidance on the professional aspects of operating the institution.



- 1.23 **Medical Services:** Services provided by a medical provider in the community, including Medical Institution. Medical Services includes, but is not limited to, medical, surgical, psychiatric, diagnostic, and specialty physician services.
- 1.24 **Member:** An Inmate who qualifies for Title XIX coverage.
- 1.25 **Provider:** Any individual or entity that is engaged in the delivery of health care services and that is authorized to do so by the state in which those services are delivered.
- 1.26 **Recipient:** A person who has been determined eligible to receive AHCCCS benefits.
- 1.27 **Review:** An analysis of all factors affecting a family's or person's eligibility.
- 1.28 **State:** The State of Arizona.
- 1.29 **State Match:** The percentage of payment for health services usually paid by the State; but under this contract paid to the State by County to qualify for FFP.
- 1.30 **Subcontract:** Any contract or agreement between the County and a third party to provide, or be accountable for providing a service.
- 1.31 **Title XIX:** That section of the Social Security Act that authorizes the Medicaid Program.

2.0 **PURPOSE:**

The purpose of this Agreement is for AHCCCS and the County to jointly develop and mutually agree to an eligibility application and determination process that complies with both Federal and State laws, regulations, rules and appropriate CMS approval and to adjudicate and pay claims for covered services provided to Members in accordance with Federal and State laws, regulations, and rules. This Agreement is entered into pursuant to A.R.S. § 36-2903 to provide AHCCCS with the appropriate State Match in order to pay for Medical Services that qualify for FFP provided to Inmates who qualify for Title XIX while they are an inpatient in a Medical Institution. It also provides AHCCCS with the funds to pay for administrative costs associated with this Agreement.

3.0 **SCOPE:**

- 3.1 Eligibility Requirements and Application Process: When required to determine a non-citizens eligibility for FFS only, the disability determination will be made by ADES, Disability Determination Services Administration (DDSA), pursuant to an agreement between AHCCCS and ADES, for an additional cost to the County as set forth in Attachment A to this Agreement.



3.2 Claims Processing And Payment:

3.2.1 AHCCCS Administration and the County will jointly develop and mutually agree to a claims processing and payment process that complies with both Federal and State laws, regulations, and rules; and is not in conflict with the provisions of this contract.

3.2.2 AHCCCS will process and pay clean claims in accordance with AHCCCS policies and procedures.

3.3 Mutual Data Exchange: Subject to the confidentiality rules specified in AAC R9-22-512, 42 CFR Part 431, Subpart F, and 45 CFR, Parts 160 and 164, AHCCCS and County will timely provide to each other any information that may be required for program administration. Upon the request of either party, AHCCCS and the County will meet to address any issues regarding the transmission of information, identify corrective actions required, and monitor the effectiveness of the corrective actions. The County and AHCCCS will cooperate with all parties in the corrective actions. The County and AHCCCS will cooperate with all parties in the determination of an Applicant's eligibility for the Program, including supplying any needed information. AHCCCS and the County shall provide the information to each other in a timely manner.

3.4 Contact Information:

3.4.1 AHCCCS:  
Questions, comments and concerns regarding the duties and responsibilities of the AHCCCS shall be directed to:

**Eligibility Determination:**

Linda Skinner, Assistant Director DMS  
AHCCCS  
801 E. Jefferson, MD 2500  
Phoenix, AZ 85034  
Phone: 602-417-4635  
Fax: 602-253-0938  
E-Mail: [Linda.Skinner@azahcccs.gov](mailto:Linda.Skinner@azahcccs.gov)

**Claims Processing and Payment:**

John Molina, M.D., Medical Director/Assistant Director DFSM  
AHCCCS 801 E. Jefferson, MD 8500  
Phoenix, AZ 85034  
Phone: 602-417-4831  
Fax: 602-254-1769  
E-Mail: [John.Molina@azahcccs.gov](mailto:John.Molina@azahcccs.gov)



3.4.2 The County:

Questions, comments and concerns regarding the duties and responsibilities of the County shall be directed to:

Sgt. Linda Carnahan  
Gila County Jail  
1100 South Street  
P.O. Box 311  
Globe, AZ 85502  
Phone: 928-402-8637  
[lcarnahan@co.gila.az.us](mailto:lcarnahan@co.gila.az.us)

Richard Hobson, PA-C, Medical Director  
Gila County  
1400 E. Ash  
Globe, AZ 85501  
Phone: 978-402-1876  
Fax: 928-402-0075  
[RHobson@CO.Gila.AZ.US](mailto:RHobson@CO.Gila.AZ.US)

3.5 AHCCCS Rights and Obligations:

3.5.1 Eligibility Decision:

3.5.1.1 AHCCCS / ADES shall determine the eligibility of Inmates who apply for Title XIX while an Inpatient in an acute hospital and not in a separate county or contracted hospital unit that houses only county/state inmates. An eligibility determination for non-citizens who do not qualify for full Medical Services will be completed when the services qualify under A.R.S § 36-2903.03 (D) as an emergency service and when required, the County agrees to pay the cost of any DDSA determination in the amount set forth in Attachment A this Agreement. The eligibility determination may also include an Exparte Inmate Eligibility Determination when appropriate. The County is not financially liable for an Exparte Eligibility Determination.

3.5.1.2. AHCCCS/ADES shall contact the County, as appropriate and consistent with applicable privacy laws, to obtain additional information required to complete an Applicant's application and to determine the person's ongoing eligibility.

3.5.1.2 AHCCCS/ADES shall issue a decision notice to the Applicant and a copy to the County in accordance with the confidentiality rules of Title XIX.



3.5.2 Payment for Services in Agreement:

Payments made to AHCCCS by the County pursuant to this Agreement are conditioned upon the availability of the County funds authorized for expenditure in the manner and for the purpose(s) stated herein. AHCCCS is not liable for any purchases of subcontracts entered into by the County in anticipation of such funding. AHCCCS is not responsible for any payments to a Medical Institution or Provider for claims submitted under this Agreement if the County has not provided the State Match for such payments.

Notwithstanding the provisions of paragraph 3.8.1, AHCCCS and the County agree that changes in the claims processing and payment procedures that do not have a monetary effect may be made from time to time by mutual written agreement of the Assistant Director of AHCCCS and the County. Such changes shall become effective and binding without execution of an amendment to this Agreement.

3.5.3 AHCCCS Payment Recoupment from Medical Institutions and Providers:

3.5.3.1 AHCCCS shall require Medical Institutions and Providers submitting claims to reimburse AHCCCS upon demand or AHCCCS shall deduct from future payments to the Medical Institutions or Providers any amount:

3.5.3.1.1 received by a Medical Institution or Provider from AHCCCS for Agreement services that have been inaccurately reported or paid or are found to be for an excluded service; or

3.5.3.1.2 paid by AHCCCS for which a Medical Institution's or Provider's books, records, and other documents are not sufficient to clearly confirm that those amounts were used by the Medical Institution or Provider to perform billed services; or

3.5.3.1.3 identified as a questioned cost as the result of a financial management review or audit.

3.5.3.2 For purposes of this Agreement only, the County is responsible to reimburse AHCCCS for payments for services rendered that are not eligible for Federal financial participation (FFP) if AHCCCS is unable to recoup payments from the Medical Institutions or Providers. The County is not responsible for services where AHCCCS failure to recoup payments from Medical Institutions and Providers is due to AHCCCS' negligence or inattention.



- 3.5.3.3 If an Inmate is not AHCCCS eligible, and if the County is legally required to pay the medical expenses for the Inmate, the County shall pay Medical Institutions or Providers for services rendered if AHCCCS has recouped funds. This section does not obligate the County to pay a Medical Institution or Provider in excess of the terms of a contract between the County and a Medical Institution or Provider, or, where there is no contract, the actual cost of care.
- 3.5.4 Monitoring: AHCCCS shall monitor services covered by this Agreement that are provided by any Medical Institution, Provider, or any Provider subcontractor to ensure compliance with the AHCCCS Provider Manual.
- 3.5.5 Visitation, Inspection and Copying: After the date of this Agreement, all related County contracts with Medical Institutions, Providers and Providers' subcontractors shall require that the Medical Institution's, Provider's or a subcontractor's facilities, services, books, accounts, reports, files, and other records directly related to this Agreement shall be subject at all reasonable times to visitation, inspection, and copying by AHCCCS and any other appropriate agent of State or Federal government for five (5) years after completion of this Agreement. Such records shall be available at the Medical Institution's, Provider's, or a subcontractor's offices or shall be produced at the AHCCCS main office or any other office designated by AHCCCS.

### 3.6. County's Rights and Obligations

#### 3.6.1 Application for Title XIX:

- 3.6.1.1 The County shall assist Inmates who potentially qualify for Title XIX coverage while an Inpatient in an acute hospital, with the AHCCCS application process. Before assisting an individual with the application process, County shall obtain the Inmates' authorization to apply for AHCCCS in accordance with AAC R9-22-1406.
- 3.6.1.2 The County shall obtain the Applicant's authorization for AHCCCS to release eligibility information to the County and the County shall maintain the confidentiality of the Applicant's records in accordance with AAC R9-22-152.
- 3.6.1.3 The County shall attempt to obtain the required Documentation to establish eligibility for the budget month and to assist the AHCCCS Administration or the ADES in obtaining any information required for the Inmate's ongoing eligibility.
- 3.6.1.4 When authorized by an Inmate to assist with the application, the County shall take the application and obtain the Applicant's



signature in the month of the hospital stay. The completed application, all verification and Documentation will be submitted to AHCCCS during the first week of the month following the month of application. For cases in which additional time is needed to collect appropriate verification and/or Documentation, the County will submit the application as soon as the Documentation is complete, but no later than the 15<sup>th</sup> of the month following the month of application. The month of application is the month in which the inpatient service is received and the appropriate party signs the application.

3.6.2 Advance payment for Medical Services and Administrative Costs by the County:

3.6.2.1 Quarterly estimates of the State Match payments for program services will be determined by the County within 30 days prior to the beginning of each quarter of the County's fiscal year. Based on these estimates, the County shall pay AHCCCS the estimated amount on or before the last business day of the first month of each quarter.

3.6.2.2 Quarterly transfer amount of the State Match for the administrative costs of this Agreement will be determined by the County within 30 days prior to the beginning of the quarter. The charge per application or claim for administrative costs is estimated to be as shown in Attachment A.

3.6.2.3 If the actual cost for the administrative review and handling is less than the amounts listed in Attachment A for per application or claim, AHCCCS shall reduce the charge for administrative costs to reflect the actual costs. Charges for administrative costs in excess of the amounts listed above may only be assessed by written agreement of the Parties. Payment will be made on or before the last business day of the first month of the quarter.

3.6.2.4 AHCCCS shall deposit the quarterly payments made by the County into a separate account (the State Match Fund). All funds in the State Match Fund are the property of the County until withdrawn by AHCCCS to pay the State Match on a claim. Fifteen days prior to the beginning of each quarter, AHCCCS shall inform the County of the State Match Fund balance. Notwithstanding the previous sentence, AHCCCS shall immediately inform the County if, at any time, the State Match Fund contains less than \$10,000. In the event the State Match Fund falls below \$10,000, County shall pay into the State Match Fund sufficient money to increase the Fund to \$10,000. Except as provided in Section 3.7.5 below, any amount in the State Match Fund that is not expended at the end of a quarter shall be applied to



the payment for the subsequent quarter, and AHCCCS shall reduce the estimate for the subsequent quarter by such amount. If at any time this Agreement is terminated by either party, any money remaining in the State Match Fund shall be returned to the County after the claim submission deadline, as of the date of termination..

3.6.2.5 The County shall bear the administrative cost of any appeal process requested by the County of deferred or disallowed claims.

3.6.3 AHCCCS Recoupment from the County: In the event CMS modifies its methodology for allocating FFP, the County shall be responsible for the Federal portion of deferred or disallowed claims and any interest charged thereon pursuant to 42 CFR 433.38, subject to the payment limitations in Sections 3.5.3.2.

3.7 General Financial Responsibilities:

3.7.1 Quarterly Program Expenditure estimates: The County shall submit to the State a quarterly estimate of expenditures to be used for the development of the CMS-37. The estimates shall be submitted to the State thirty (30) days after the end of each quarter unless otherwise determined by Federal requirements.

3.7.2 AHCCCS Reporting:

3.7.2.1 Quarterly Expenditures Report. AHCCCS shall submit to the County reports that show actual quarterly program expenditures made pursuant to this Agreement. Each report shall detail the amount expended of State Match funds provided by the County and the matching FFP funds, and the administrative fees AHCCCS charged to the County. The expenditure reports shall be submitted within thirty (30) days after the end of each quarter.

3.7.2.2 Claims Paid Report. AHCCCS shall provide a report to the County reporting the claims paid by AHCCCS. The report will be produced weekly, monthly or quarterly if necessary depending on the frequency of claims paid.

3.7.3 AHCCCS Annual Reconciliation with the County:

3.7.3.1 AHCCCS shall provide to the County an annual report showing the actual amounts claimed and paid under this Agreement. This report shall also show any and all amounts paid in advance using estimate reports.

3.7.3.2 AHCCCS shall reconcile the actual amounts paid against the County's AHCCCS estimates and advanced payments for the twelve month period of the state fiscal year. This reconciliation



shall be completed within ninety (90) days of the end of the state fiscal year.

3.7.3.3 If any monies are due the County, these will be applied to the next quarterly payment.

3.7.4 Insufficient Appropriation: If at any time during the term of the Agreement, the County determines that the money the County budgeted to meet its obligations under this Agreement is insufficient, the County shall notify AHCCCS in writing and shall include in the notice recommendations as to the resolution of the shortage.

3.7.5 Unused Funds: After the close of each State of Arizona fiscal year and the administrative adjustment period, upon request of the County, any funds remaining in the State Match Fund, shall be returned to the County upon agreement and acceptance of the adjusted fourth quarter expenditure report which is due ninety (90) days after the State fiscal year-end in accordance with A.R.S. § 35-190, *et seq.* It is understood that if any valid INBR claim appears after funds are returned to the County, the County is still responsible for payment within the terms of this agreement.

3.7.6 County Annual Budget Submissions: The County shall provide AHCCCS with projected funding requirements for this Agreement by July 31 of each new fiscal year to allow AHCCCS to request the appropriate amount of Federal authority.

3.7.7 County Budget Revisions: Any revisions to expenditure projections shall be expeditiously forwarded to AHCCCS as soon as the need for revision becomes known to the County in order for AHCCCS to adjust the Federal cash projections to CMS.

3.8 General Provisions:

3.8.1 Amendments: This Agreement may be modified only through a written amendment, signed by the authorized signatory whenever:

3.8.1.1 the Agreement period is changed;

3.8.1.2 there is a change in Agreement services, the service delivery, methodology, or the level of service; or

3.8.1.3 the parties mutually agree to any other changes in the terms and conditions of this Agreement.

Notwithstanding Section 3.8.1, above, AHCCCS and the County shall give notice to each other of any change in:  
address;  
telephone number



authorized signatory or designee; or  
name and/or address of the person to whom notices are to be sent.

- 3.8.2 Arbitration: The Parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).
- 3.8.3 Audits and Inspections: Pursuant to A.R.S. 35-214 at any time during the term of this Contract, and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontracts.
- 3.8.4 Compliance with Laws, Rules and Regulations: AHCCCS, the County and their subcontractors shall comply with all applicable Federal and State laws, rules, regulations, standards and executive Orders, without limitation to those designated within this Agreement. The laws and regulations, of the State shall govern the rights of the Parties, the performance of this Agreement, and any disputes hereunder.
- 3.8.5 Compliance with the Federal Immigration and Nationality Act (FINA) and All Other Federal Immigration Laws and Regulations related to Immigration Status of its Employees:

By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer, upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at USACIS.GOV.

The State may request verification of compliance for any Contractor or subcontractor performing work under the Contract. Should the State suspect or find that the Contractor or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.



Additionally, as Independent Contractors the State and the COUNTY warrant compliance with immigration and anti-terrorism law

- 3.8.5.1 The Independent Contractors and each subcontractor warrant their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with A.R.S. Section 23-214, subsection A (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)
  - 3.8.5.2 A breach of warranty under paragraph 3.8.6.1 (above) shall be deemed a material breach of the contract that is subject to penalties up to and including termination of the contract.
  - 3.8.5.3 The COUNTY and the State both retain the legal right to inspect the papers of any employee or subcontractor employee who works on the contract to ensure that the employee or subcontractor(s) is complying with the warranty provided under paragraph 3.8.6.1 (above).
  - 3.8.5.4 Failure to comply with a State or COUNTY audit process to randomly verify the employment records of contractors and subcontractors shall be deemed a material breach of the contract and the contractor may be subject to penalties up to and including termination of the contract.
  - 3.8.5.5 Per A.R.S. §35-391, the Independent Contractors hereby warrant that they are in compliance with the Export Administration Act and not on the Excluded Parties List.
- 3.8.6 Confidentiality: AHCCCS, the County, and their subcontractors shall observe and abide by all applicable State and Federal statutes and regulations including the Health Insurance Portability and Accountability Act, (HIPAA), and regarding use or disclosure of information, including, but not limited to, information concerning Applicants for and Recipients of AHCCCS services. The County shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the State or from others carrying out its functions under the Agreement shall be used by or disclosed by it, its agents, officers, or employees except as required to efficiently perform duties under the agreement. Persons requesting such information shall be referred to AHCCCS. The County also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the County as needed for the performance of duties under the Agreement, unless otherwise agreed to in writing by AHCCCS.



- 3.8.7 Continuation of Performance through Termination: AHCCCS and the County shall continue to perform, in accordance with the requirements of the Agreement, up to the date of termination, as specified in the termination notice.
- 3.8.8 Contract Term: The term of this Agreement is for one (1) year from the date of this Agreement, with AHCCCS reserving the right to offer to renew up to four (4) additional one-year terms or any portion thereof. The date of this Agreement is the date this Agreement is signed by both parties. This Agreement shall be effective upon execution.
- 3.8.9 Entire Agreement: This document, its attachments and appendices, including any approved subcontracts, amendments and modifications made thereto, shall constitute the entire Agreement between the Parties, and supersedes all other understandings, oral or written.
- 3.8.10 Exercise of Rights: Failure to exercise any right, power or privilege under this Agreement shall not operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of that or any other right, power, or privilege.
- 3.8.11 Federal Immigration and Nationality Act: The State and the County shall comply with all federal, state, and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the State and the County shall flow down this requirement to all subcontractors utilized during the term of the contract. The each party shall retain the right to perform random audits of the other and its subcontractor's records or to inspect papers of any employee thereof to ensure compliance. Should the one party determine the other party and /or any subcontractors be found noncompliant, that party may pursue all remedies allowed by law, including, but not limited to: suspension of work, termination of the contract for default, and suspension and/or debarment of the noncompliant party.
- 3.8.12 Fraud and Abuse:
- 3.8.12.1 It shall be the responsibility of the State and the County to report all cases of suspected fraud and abuse by subcontractors, members or employees. The State and the County shall provide written notification of all such incidents to the Contracting Officer.
- 3.8.12.2 As stated in A.R.S. § 13-2310, incorporated herein by reference, any person who knowingly obtains any benefit by means of false or fraudulent pretenses, representations, promises or material omissions is guilty of a class 2 felony.



- 3.8.12.3 State and the County are required to research potential overpayments identified by a fraud and abuse investigation or audit conducted by AHCCCS or the County. After conducting a cost benefit analysis to determine if such action is warranted, the State and the County should attempt to recover any overpayments identified due to erroneous, false or fraudulent billings.
- 3.8.13 Indemnification: Each party (as Indemnitor) agrees to indemnify, defend and hold harmless the other party (as Indemnitee) from and against and all claims, losses, liability, costs or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.
- 3.8.14 No Third Party Beneficiaries: Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement or to affect the legal liability of either party to the IGA.
- 3.8.15 Non-Appropriation:
- 3.8.15.1 Funding for this Agreement is contingent upon the availability of funds authorized annually for the specific program services provided under this Agreement. An authority may be from a Federal, State, or other funding source or a combination of these sources.
- 3.8.15.2 Notwithstanding any other provision in this Agreement, this Agreement may be terminated if for any reason the County Board of Supervisors does not appropriate sufficient monies for the purpose of maintaining this Agreement.
- 3.8.16 Non-Discrimination: The State and the County shall comply with State Executive Order No. 99-4 and all other applicable federal and state laws, rules and regulations, including the Americans with Disabilities Act.
- 3.8.17 Notices: Notices to the County should be sent to the person indicated by the County stated in this Agreement. The County shall make notices to AHCCCS required by this Agreement to the Contact person indicated in this agreement unless otherwise stated in this Agreement. An authorized Procurement Officer and an authorized County representative may change their respective person to whom notice shall be given by written notice and an amendment to the Agreement shall not be necessary.

- 3.8.18 Offshore Performance of Work Prohibited: Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.
- 3.8.19 Prohibition from Doing Business with Companies in Excluded Countries: The Offeror shall submit a statement that the company and its subcontractors do not have scrutinized business operations in the following countries: Iran, Sudan, and countries that are in violation of the Export Administration Act (terrorist countries).
- 3.8.20 Records: Under A.R.S. § 35-214 and § 35-215, the State and the County shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the State or the County shall produce a legible copy of any or all such records at no cost to the other.
- 3.8.21 Severability: The provisions of this Agreement are severable. If any provision of this Agreement is held by a court to be invalid or unenforceable, the remaining provisions shall continue valid and enforceable to the full extent permitted by law.
- 3.8.22 Termination:
- 3.8.22.1 This Agreement may be terminated without cause upon sixty (60) days written notice by either Party during the term of this Agreement. AHCCCS has the right to terminate this Agreement upon forty-eight (48) hours notice when AHCCCS deems that the health or welfare of Applicants and recipients of AHCCCS services is endangered, or that the County's non-compliance jeopardizes FFP, or FFP funding to AHCCCS for the purposes stated herein is terminated or in any manner not available to AHCCCS.
- 3.8.22.2 Cancellation for Conflict of Interest: Pursuant to A.R.S. 38-511, the State may cancel this contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the



State is or becomes at any time, while the Contract or an extension of the Contract is in effect, an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation, unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. 38-511.

3.8.22.3 In the event of any material default by the County or AHCCCS, the non-defaulting party shall provide notice to the defaulting party, specifically setting forth the particulars of the breach. The defaulting party shall have thirty (30) days in which to cure the default or to begin appropriate action to cure the default if it cannot be reasonably cured within the thirty-day time period. If the default has not been reasonably cured within the thirty-day time period, or if the default cannot reasonably be cured within such period, then the non-defaulting party has the right to terminate this Agreement by giving five working days prior written notice of termination following the expiration of the thirty-day period.

3.8.23 Termination - Availability of Funds: Funds are not presently available for performance under this contract beyond the current fiscal year. No legal liability on the part of AHCCCS for any payment may arise under this contract until funds are made available for performance of this contract. AHCCCS shall make reasonable efforts to secure such funds.

3.8.24 Third Party Antitrust Violations: The County assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the County toward fulfillment of this Contract.



NOW THEREFORE, AHCCCS and the County agree to abide by the terms and conditions set forth in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year specified below.

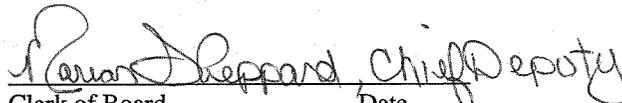
GILA COUNTY

ARIZONA HEALTH CARE COST  
CONTAINMENT SYSTEM (AHCCCS)

  
BY: Chairman, Board of Supervisors Date  
**Jose M. Sanchez** 11-25-08

  
BY: Michael Veit  
Contracts and Purchasing Administrator

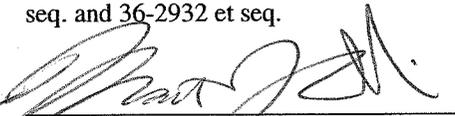
ATTEST:

  
Clerk of Board Date  
**Marian Sheppard, Chief Deputy**  
11-25-08

In accordance with A.R.S § 11-952, this Agreement has  
Been reviewed by the undersigned who has determined  
that this Agreement is in the appropriate form and is  
within the power and authority granted to Gila County.

In accordance with A.R.S. § 11-952, this  
Agreement is in the proper form and is  
within the power and authority granted to  
AHCCCS under A.R.S. §§ 36-2903 et  
seq. and 36-2932 et seq.

  
Deputy County Attorney Date  
**Bryan Chambers** 11-17-08

  
Legal Counsel for AHCCCS

Secretary of State filing information:

COUNTY  
REVIEW AND APPROVAL

COUNTY, DEPARTMENT OF INSTITUTIONAL HEALTH

BY: Name \_\_\_\_\_ Date \_\_\_\_\_  
Title \_\_\_\_\_



**Attachment A**

**AHCCCS**  
**Administrative Annual Cost Estimates for**  
**Gila County Correction Medicaid Eligible Inmates FFS Project IGA SFY09**

Claims	Electronic 70.00%	Paper 30.00%	Total Fund 100%	County Share 50%	Federal Share 50%
Estimated total number of claims:					
Physician & Emergency Transport/Hospital	1	8	4	12	
DFSM Cost per Claim	\$ 0.93	\$ 1.56			
ISD Cost per Claim	\$ 2.06	\$ 2.12			

Concurrent Review	Est. Cost	Increase	Current Cost
Estimated cost per case	2 \$111.40	\$10.13	\$101.27
Estimated number of HSAG reviews	3 2		

**Claims Processing costs:**

DFSM	\$7.85	\$5.62	\$13.47	\$6.73	\$6.73
ISD	\$17.29	\$7.62	\$24.91	\$12.45	\$12.45
<b>Total Claims Processing Costs</b>	<b>\$25.14</b>	<b>\$13.23</b>	<b>\$38.37</b>	<b>\$19.19</b>	<b>\$19.19</b>

Direct DFSM Labor for Yuma Co Claims Processing \$0.00

**Concurrent Review Estimated costs:**

Cost for 2 reviews	\$222.79	\$111.40	\$111.40
--------------------	----------	----------	----------

**Administrative Costs (see detail)**

DBF Paper Processing Personnel costs	\$7,503.03	\$3,751.51	\$3,751.51
Postage	4 \$0.72	\$0.36	\$0.36
Data Center Charges @ \$.76/claim	5 \$9.12	\$4.56	\$4.56
Indirect at 100%	\$750.30	\$375.15	\$375.15

Total Claims Processing Costs	<u>\$8,524.34</u>	<u>\$4,262.17</u>	<u>\$4,262.17</u>
-------------------------------	-------------------	-------------------	-------------------

**DMS Eligibility Costs**

Application Processing Costs - DMS <sup>6</sup>	<u>\$291.00</u>	<u>\$145.50</u>	<u>\$145.50</u>
---	-----------------	-----------------	-----------------

<b>Estimated Total Annual Costs for Program</b>	<u>\$8,815.34</u>	<u>\$4,407.67</u>	<u>\$4,407.67</u>
---	-------------------	-------------------	-------------------

<b>Cost per Claim</b> <sup>7</sup>	\$716.05	\$358.02	\$358.02
------------------------------------	----------	----------	----------

- <sup>1</sup> Actual number of claims may be higher. Number includes original, recoupment and adjustment claims.
- <sup>2</sup> Estimate based on expected 10% increase. Actual costs will be a strict pass-through based on price negotiated on new contract.
- <sup>3</sup> Actual number may be higher or lower depending on Gila Co requirements.
- <sup>4</sup> Postage based on average cost per claim in FY07 times number of claims.
- <sup>5</sup> Data Center charges calculated at \$275/hour. Estimated 360/Claims per hour.
- <sup>6</sup> DMS Eligibility charges calculated at \$97/determination. Estimated 3 annual application/determinations.
- <sup>7</sup> Cost per claim does not include a cost for concurrent reviews

Note: Disability Determination fee, if required, is additional:			
Disability Determination fee	\$354.00	\$177.00	\$177.00

2008-015067 AG Page: 21 of 21  
 11/25/2008 04:33:14 PM Receipt #: 08-7274,08-7275  
 Rec Fee: \$0 Gila County Bos/marian Sheppard  
 Gila County, Az, Sadie Tomerlin Dalton, Recorder



**Janice K. Brewer, Governor**  
**Thomas J. Betlach, Director**

801 East Jefferson, Phoenix, AZ 85034  
PO Box 25520, Phoenix, AZ 85002  
Phone: 602-417-4000  
www.azahcccs.gov



*Our first care is your health care*  
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

May 24, 2013

John F. Nelson  
Deputy County Manager  
Gila County  
1400 E. Ash Street  
Globe, AZ 85501-1414

**RE: YH08-0080-01 - IGA for Inmate Eligibility/Inpatient Health Care – Gila County  
Amendment #2**

Dear Mr. Nelson:

Enclosed are two (2) originals of Amendment #2 for the Intergovernmental Agreement between AHCCCS and Gila County. This amendment updates rates and extends the term of the agreement from November 25, 2010 through June 30, 2014.

Please have the Board Chair sign and date the two enclosed originals and return one signed original to:

Mark Held, Sr. Procurement Specialist  
AHCCCS  
701 E. Jefferson Street, MD 5700  
Phoenix, AZ 85034

If you have any questions regarding this amendment please contact me at (602) 417-4094 or via e-mail at [Mark.Held@azahcccs.gov](mailto:Mark.Held@azahcccs.gov).

Thank you for your assistance.

Sincerely,

Mark Held  
Sr. Procurement Specialist

Cc: Enclosures  
Contract file



*GILA COUNTY ATTORNEY*  
*Bradley D. Beauchamp*

Re: County Attorney's Office approval of IGA pursuant to A.R.S. § 11-952(D).

To whom it may concern:

The County Attorney's Office has reviewed the Intergovernmental Agreement attached to this agenda item and has determined that it is in its "proper form" and "is within the powers and authority granted under the laws of this state to such public agency or public procurement unit" pursuant to A.R.S. § 11-952(D).

**Explanation of the Gila County Attorney's Office Intergovernmental Agreement (IGA) Review**

A.R.S. § 11-952(D) requires that

every agreement or contract involving any public agency or public procurement unit of this state . . . before its execution, shall be submitted to the attorney for each such public agency or public procurement unit, who shall determine whether the agreement is in proper form and is within the powers and authority granted under the laws of this state to such public agency or public procurement unit.

In performing this review, the County Attorney's Office reviews IGAs to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the IGA. That approval is solely the province of the public agency through its elected body.

Likewise, this approval is not a certification that the IGA has been properly executed. Proper execution can only be determined after all the entities entering into the IGA have taken legal action to approve the IGA. There is no statutory requirement for the County Attorney's Office to certify that IGAs are properly executed.

Nonetheless, it is imperative for each public agency to ensure that each IGA is properly executed because A.R.S. § 11-952(F) requires that "[a]ppropriate action ... applicable to the governing bodies of the participating agencies approving or extending the duration of the ... contract shall be necessary before any such agreement, contract or extension may be filed or become effective." This can be done by ensuring that the governing body gives the public proper notice of the meeting wherein action will be taken to approve the IGA, that the item is adequately described in the agenda accompanying the notice, and that the governing body takes such action. Any questions regarding whether the IGA has been properly executed may be directed to the County Attorney's Office.

Proper execution of IGAs is important because A.R.S. § 11-952(H) provides that "[p]ayment for services under this section shall not be made unless pursuant to a fully approved written contract." Additionally, A.R.S. § 11-952(I) provides that "[a] person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment."

The public agency or department submitting the IGA for review has the responsibility to read and understand the IGA in order to completely understand its obligations under the IGA if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the IGA as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor IGA compliance. Hence the public entity or submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the IGA will be necessary to monitor compliance.

Before determining whether an IGA contract "is in proper form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the IGA for review to ask any specific questions or address any concerns it has about the IGA to the County Attorney's Office at the same time they submit the IGA for review. Making such an inquiry also helps improve the County Attorney's Office review of the IGA because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the IGA.

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted For:** Malissa Buzan, Community Services Division Director  
**Submitted By:** Cecilia Bejarano, Executive Administrative Assistant, Community Services Division

**Department:** Community Services Division **Division:** Comm. Action Program/Housing Servs.

---

Information

Request/Subject

Arizona Department of Housing Community Development Block Grant Contract No. 144-11 Closeout Report.

Background Information

Local communities in Arizona are faced with the increasing challenge of balancing future growth while keeping existing housing stock, infrastructure and community facilities from declining. The Arizona Department of Housing (ADOH) is dedicated to helping communities face these challenges through its Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) program funding sources.

The CDBG program is a federally funded program through the Department of Housing and Urban Development (HUD) and authorized by Title I of the Housing and Community Development Act of 1974. CDBG provides grant opportunities for community revitalization to ensure decent housing, in a suitable living environment and economic opportunity for rural Arizona.

Evaluation

Funding received from ADOH CDBG Contract No. 144-11 enabled Gila County Community Action/Housing services to rehabilitate four homes belonging to low-income Gila County residents.

The closeout report reflects that the amount expended on these homes was \$136,674.80.

By the Gila County Board of Supervisors signing CDBG Contract No. 144-11 Closeout Report, it will enable Gila County Community Action/Housing Services to finalize the contractual obligations to the Arizona Department of Housing for this grant.

Conclusion

By the Board of Supervisors signing ADOH CDBG Contract No. 144-11 Closeout Report, all contractual requirements will be met and finalization of the contract will be performed.

Recommendation

The Director of Community Services recommends that the Board of Supervisors approve said Closeout Report.

Suggested Motion

Approval of Arizona Department of Housing Community Development Block Grant Contract No. 144-11 Closeout Report to finalize the contract between the Arizona Department of Housing and the Gila County Community Action/Housing Services, which will successfully end the contract and ensure that Gila County Community Action/Housing Services has met all requirements of said contract.

---

Attachments

closeout report Contract No. 144-11

Original Contract No. 144-11 ADOH

Legal Explanation





### Closeout Report Checklist

Check each item as completed or N/A. This form should be page 2 (after the Closeout Certification).

A.  DRAFT CLOSEOUT OR  FINAL CLOSEOUT

B.  AUTHORIZED SIGNATURE ON CERTIFICATIONS

C. ATTACHMENTS

- 1. Certifications (required) page 1
- 2. Section I. Business Opportunities Report (required) page 3
- 3. Section II. Performance Report (required) page 4
- 4. Section III. Contract Accounting (required) page 5
- 5. Section IV. Housing Applicant/Beneficiary Statement  N/A or page \_\_\_\_\_
- 6. Section V. Job Creation/Retention Applicant/  
Beneficiary Statement  N/A or page \_\_\_\_\_
- 7. A description of all property acquired with CDBG  N/A or page \_\_\_\_\_
- 8. A description of how Program Income *was* used  N/A or page \_\_\_\_\_
- 9. A description of how Program Income *will be* used  N/A or page \_\_\_\_\_
- 10. Nomination Form for Outstanding CDBG Project  N/A or page \_\_\_\_\_

D. CONSISTENCY REVIEW

- 1. The total amount of contracts indicated in Section I.H shall be equal to the total of CDBG funds shown in Section III.A.5.
- 2. Ensure that the totals agree in Section II.G and Section III.A.5.
- 3. The list of providers on Section I. BOR, must be supported by other information in the file, e.g., contractor verification forms, contracts, and RFPs.
- 4. The total CDBG funds expended per activity (Section II.E) equals the total indicated on the RFPs and is at least as much as the contract amount in Section I.D.
- 5. The number of beneficiaries (and number of units if a housing activity) stated in Section II.D is the same as in Section IV. or Section V., as applicable.
- 6. All other descriptive information is consistent throughout the Closeout Report.

E.  COPY OF CLOSEOUT RETAINED FOR GRANTEE RECORDS

### Section I. BUSINESS OPPORTUNITIES REPORT (BOR)

Grantee:	Contract Number	Contact Person	Phone Number	Address, City, State Zip Code +4
Gila County	144-11	Malissa Buzan	928-425-7631	5515 S. Apache Ave, Ste 200, Globe 85501

Contractor/Subcontractor Information												
A. Amount of Contract	B. Type of Trade Code*	C. Racial Code*	D. Hispanic Owned (Y/N)	E. Women Owned (Y/N)	F. IRS Tax ID (EIN) and DUNS Numbers	G. Sec. 3 (Y/N)	H. Legal Name	I. Street Address	J. City	K. State	L. Zip Code	M. Date of Contract
\$33,837.44	2	11	N	N	526-33-8005 & 03-829-4362	N	Greentree Construction	P.O. Box 2215	Claypool	AZ	85532	12-6-12
\$11,526.14	2	11	N	N	526-33-8005 & 03-829-4362	N	Greentree Construction	P.O. Box 2215	Claypool	AZ	85532	9-14-12
\$16,642.79	2	11	Y	N	20-2958914 & 162230952	N	Rodriguez Construction	P.O. Box 12	Miami	AZ	85539	3-19-13
\$30,823.65	2	11	N	N	26-4534717 & 94-875-1206		Pointe Companies, Inc.	1792 Commerce Dr.	Lakeside	AZ	85929	2-13-13
\$												

\*See Demographic and Trade Code table below for information

Vendors/Suppliers/Professional Service Providers Information												
A. Amount of Contract	B. Type of Trade Code*	C. Racial Code*	D. Hispanic Owned (Y/N)	E. Women Owned (Y/N)	F. IRS Tax ID (EIN) and DUNS Numbers	G. Sec. 3 (Y/N)	H. Legal Name	I. Street Address	J. City	K. State	L. Zip Code	M. Date of Contract
\$ 440.00	4	11	N	N	86-0506255 & 148941628	N	Pioneer Title Agency	PO Box 250	Payson	AZ	85501	Multiple
\$1,665.00	4	11	N	N	31-1274947 & 025806406	N	Environmental Consulting Service	4727 E. Bell Road, Suite 45-250	Phoenix	AZ	85032	Multiple
\$473.70	4	11	N	N	86-0938049 & 176648635	N	DJ'S Companies Inc.	978 E. Saguaro Drive	Globe	AZ	85501	Multiple
\$												
\$												
\$												
\$												

\*See Demographic and Trade Code table below for information

Demographic and Trade Codes	
Race	Type of Trade Code
11 – White	1- New Construction
12 – African American	2 – Substantial Rehab
13 – Asian	3 – Repair
14 – American Indian or Alaskan Native	4 – Service
15 – Native Hawaiian or Other Pacific Islander	5- Project Management
16 – American Indian or Alaskan Native and White	6 – Professional
17 – Asian and White	7 – Tenant Services
18 – African American and White	8 – Educational Training
19 – American Indian or Alaskan Native and African American	9- Architecture/Engineering
20 – Other Multi-racial	10 – Other



**Section III. CONTRACT ACCOUNTING**

**A. GRANT BALANCE (round all numbers to the nearest dollar)**

- 1. TOTAL CDBG FUNDS as stated in the *original* contract \$ 139,635.00
- 2. CDBG FUNDS ADDED TO THIS CONTRACT \$ 0.00  
From CDBG contract no. \_\_\_\_\_ Amount: \_\_\_\_\_  
From CDBG contract no. \_\_\_\_\_ Amount: \_\_\_\_\_
- 3. FUNDS TRANSFERRED TO OTHER CDBG CONTRACT(S) \$ 0.00  
To CDBG contract no. \_\_\_\_\_ Amount: \_\_\_\_\_  
To CDBG contract no. \_\_\_\_\_ Amount: \_\_\_\_\_
- 4. DEOBLIGATED FUNDS \$ 2,960.20
- 5. TOTAL CDBG FUNDS PER MOST RECENT FORM 1-R \$ 0.00
- 6. TOTAL CDBG FUNDS RECEIVED AND DISBURSED \$ 136,674.80
- 7. TOTAL LEVERAGE FUNDS RECEIVED AND DISBURSED \$ 0.00
- 8. TOTAL EXPENDITURES (CDBG, LEVERAGE, and OTHER FUNDS) \$ 136,674.80

**B. PROGRAM INCOME (PI):**  Yes  N/A

- 1. Amount of Program Income earned during grant period \$ \_\_\_\_\_
- 2. Amount of Program Income disbursed during grant period \$ \_\_\_\_\_
- 3. Balance of Program Income retained by grantee \$ \_\_\_\_\_
- 4. Description of how Program Income *was* used is attached as page \_\_\_\_\_.
- 5. Description of how Program Income retained by grantee *will be* used is attached as page \_\_\_\_\_.

Prepared By: Malissa Buzan Malissa Buzan  
(Signature) (Printed Name)

**FUNDING AGREEMENT**  
**with**  
**ARIZONA DEPARTMENT OF HOUSING**

**Table of Contents**

<b>SECTION 1. FUNDS PROVIDED .....</b>	<b>2</b>
<b>SECTION 2. OTHER FUNDS.....</b>	<b>2</b>
<b>SECTION 3. ACCEPTANCE OF FUNDS.....</b>	<b>2</b>
<b>SECTION 4. DURATION.....</b>	<b>3</b>
<b>SECTION 5. INCORPORATION OF TERMS FOR COMPLIANCE WITH PROGRAM REQUIREMENTS AND APPLICABLE STATE AND FEDERAL LAW .....</b>	<b>3</b>
<b>SECTION 6. SCOPE OF WORK.....</b>	<b>4</b>
<b>SECTION 7. REPORTS.....</b>	<b>4</b>
<b>SECTION 8. SCHEDULE OF COMPLETION.....</b>	<b>6</b>
<b>SECTION 9. BUDGET .....</b>	<b>7</b>
<b>SECTION 10. AMENDMENTS AND MODIFICATIONS .....</b>	<b>8</b>
<b>SECTION 11. ENVIRONMENTAL REVIEW CONDITIONS .....</b>	<b>8</b>
<b>SECTION 12. APPLICATION AND OTHER PRE-AWARD COSTS .....</b>	<b>9</b>
<b>SECTION 13. COMPENSATION AND METHOD OF PAYMENT .....</b>	<b>9</b>
<b>SECTION 14. FUNDS RECOUPED BY THE RECIPIENT, INTEREST AND PROGRAM INCOME ....</b>	<b>10</b>
<b>SECTION 15. DEOBLIGATION, RECAPTURE AND REPAYMENT OF FUNDS .....</b>	<b>11</b>
<b>SECTION 16. REVERSION OF ASSETS.....</b>	<b>12</b>
<b>SECTION 17. DEPARTMENT OF HOUSING RESPONSIBILITIES .....</b>	<b>13</b>
<b>SECTION 18. SUBCONTRACTING.....</b>	<b>14</b>
<b>SECTION 19. FAILURE TO MAKE PROGRESS.....</b>	<b>14</b>
<b>SECTION 20. TERMINATION FOR CAUSE.....</b>	<b>14</b>
<b>SECTION 21. TERMINATION FOR CONVENIENCE.....</b>	<b>15</b>
<b>SECTION 22. ENFORCEMENT .....</b>	<b>15</b>
<b>SECTION 23. CANCELLATION .....</b>	<b>16</b>
<b>SECTION 24. RECORDS RETENTION .....</b>	<b>16</b>
<b>SECTION 25. NO OBLIGATION OF STATE GENERAL APPROPRIATIONS FUNDS.....</b>	<b>16</b>
<b>SECTION 26. AVAILABILITY OF FUNDS .....</b>	<b>16</b>
<b>SECTION 27. APPLICABLE LAW AND ARBITRATION.....</b>	<b>17</b>
<b>SECTION 28. INDEMNIFICATION.....</b>	<b>17</b>

**FUNDING AGREEMENT**  
**with**  
**ARIZONA DEPARTMENT OF HOUSING**

**Table of Contents**

**SECTION 29. FEDERAL GOVERNMENT LIABILITY..... 17**

**SECTION 30. AUDIT..... 17**

**SECTION 31. AUDIT EXCEPTIONS..... 18**

**SECTION 32. UNALLOWABLE USE OF FUNDS..... 18**

**SECTION 33. INTEREST OF MEMBERS OF DEPARTMENT OF HOUSING AND OTHERS ..... 18**

**SECTION 34. ACCESS TO RECORDS, PARTICIPANTS AND STAFF..... 18**

**SECTION 35. IDENTIFICATION OF DOCUMENTS..... 18**

**SECTION 36. COPYRIGHT..... 19**

**SECTION 37. RIGHTS IN DATA..... 19**

**SECTION 38. FUNDING CONDITIONS..... 19**

**SECTION 39. NON-DISCRIMINATION ..... 19**

**SECTION 40. THIRD PARTY ANTITRUST VIOLATIONS..... 19**

**SECTION 41. SCRUTINIZED BUSINESS OPERATIONS..... 19**

**SECTION 42. COMPLIANCE REQUIREMENTS FOR A.R.S. § 41-4401—IMMIGRATION LAWS AND  
E-VERIFY REQUIREMENT ..... 20**

**SECTION 43. INSURANCE..... 20**

**SECTION 44. NOTICES ..... 22**

**SECTION 45. REGISTRATION WITH SOCIAL SERVE..... 23**

**SECTION 46. ADOH SIGNAGE ..... 23**

**SECTION 47. PHOTOGRAPHS ..... 23**

**ATTACHMENTS**

- A**     **Scope of Work**
- B**     **Performance Report/Schedule of Completion**
- C**     **Budget**
- D**     **Request for Payment Form**
- E**     **Special Conditions of the Agreement**
- F**     **Certification and Other Requirements Relating to Title I or Title II Assistance**
- G**     **Authorizing Resolution(s)**

AGREEMENT NO. 144 -11  
TERMINATION DATE April 15, 2013

**FUNDING AGREEMENT  
BETWEEN THE ARIZONA DEPARTMENT OF HOUSING  
AND  
Gila County  
FOR  
Owner-Occupied Housing Rehabilitation**

This Funding Agreement is made by and between:

The **Arizona Department Of Housing (ADOH)**, located at, 1110 West Washington, Suite 310, Phoenix, Arizona 85007, acting pursuant to A.R.S. § 41-3953 and (please select applicable funding source):

- Title I of the Housing and Community Development Act of 1974, as amended ("CDBG")
- Title II of the National Affordable Housing Act of 1990, as amended (HOME Investments Partnerships Act) ("HOME")
- A.R.S. § 41-3955 (State Housing Trust Fund) ("HTF")
- Title 24 Part 574 and 42 U.S.C. Section 12902 of the AIDS Housing Opportunity Act of (Housing Opportunities for Persons With HIV/AIDS) ("HOPWA")
- Title IV Part 582 of the Stewart B. McKinney Homeless Assistance Act of 1987, as amended (Shelter Plus Care) ("SPC")
- Title IV Part 583 of the Stewart B. McKinney Homeless Assistance Act of 1987, as amended (Supportive Housing Program) ("SHP")
- Title III of the Housing and Economic Recovery Act of 2008, Pub. Law 110-289, July 30, 2008, (the Neighborhood Stabilization Program which provides emergency assistance for redevelopment of abandoned and foreclosed homes and multifamily housing)("NSP").

and

**Gila County**  
(Entity)

An Arizona County (Recipient), located at

**5515 South Apache Avenue, Suite 200  
Globe, Arizona 85501**

In consideration of the mutual representations and obligations hereunder ADOH and Recipient agree as follows:

**Section 1. FUNDS PROVIDED**

ADOH agrees to provide \$ 139,635 in the following type of funds to Recipient in accordance with this Agreement.

- CDBG, CFDA # 14.228**  
Federal Fiscal Year 2010  
\$139,635
  
- HOME, CFDA # 14.239**  
\$ \_\_\_\_\_
  
- HTF**  
\$ \_\_\_\_\_
  
- HOPWA, CFDA # 14.241**  
Federal Fiscal Year \_\_\_\_\_  
\$ \_\_\_\_\_
  
- SHP, CFDA # 14.235**  
Federal Fiscal Year \_\_\_\_\_  
\$ \_\_\_\_\_
  
- SPC, CFDA # 14.238**  
Federal Fiscal Year \_\_\_\_\_  
\$ \_\_\_\_\_
  
- NSP, CFDA #**  
Federal Fiscal Year \_\_\_\_\_  
\$ \_\_\_\_\_

**Section 2. OTHER FUNDS**

If applicable, Recipient agrees to secure funding other than that listed in **Section 1** for the completion of this Agreement as indicated in the **Budget** attached hereto as **Attachment C**. ADOH reserves the right to rescind some or all of the funding committed through this Agreement if other funding sources become unavailable.

**Section 3. ACCEPTANCE OF FUNDS**

Recipient hereby accepts the award of funds under the terms of this Agreement and agrees to execute and return this Agreement to ADOH within 30 days of receipt unless Recipient receives a written waiver of this requirement by ADOH.

#### Section 4. DURATION

This Agreement shall be effective beginning on the date of execution by ADOH and shall remain in effect until **April 15, 2013** unless sooner terminated, extended or otherwise amended in accordance with the terms of this Agreement.

#### Section 5. INCORPORATION OF TERMS FOR COMPLIANCE WITH PROGRAM REQUIREMENTS AND APPLICABLE STATE AND FEDERAL LAW

Recipient shall carry out each activity in compliance with all applicable State and Federal laws, Federal regulations and other requirements including, but not limited to the provisions indicated as marked below and hereby incorporated into this Agreement, as if fully set forth herein. Also incorporated into this Agreement, as applicable, are the terms of any resolution authorizing Recipient's application for funds, which is attached hereto as **Attachment G, Authorizing Resolution(s)** and any *Special Conditions of the Agreement* attached hereto as **Attachment E**.

- CDBG** funds requires adherence to the following additional provisions: (1) the provisions of 24 CFR, Part 570 as revised; (2) *Certification and Other Requirements Relating to Title I Assistance* attached hereto as **Attachment F**; (3) the provisions contained in the *State of Arizona Consolidated Plan*; (4) *ADOH ERR Handbook*; (5) *ADOH Labor Standards Handbook* (6) *CDBG Application Handbook*; (7) *CDBG Grant Administration Handbook*; and (8) *CDBG Procurement, Contracts and Acquisition Handbook* (collectively "the Incorporated Documents") as each may be amended from time to time. In the event of a conflict between the terms of this Agreement and the terms of the Incorporated Documents, the terms of this Agreement shall govern.
- HOME** funds requires adherence to the following additional provisions: (1) the provisions contained in 24 CFR Part 92 Home Investment Partnerships Program as revised, (2) *Certification and Other Requirements Relating to Title II Assistance* attached hereto as **Attachment F**; (3) the provisions contained in the *State of Arizona Consolidated Plan*; (4) *ADOH ERR Handbook*; (5) *ADOH Labor Standards Handbook* (6) the *State Housing Fund Program Summary and Application Guide* and any revisions thereto.
- The use of Housing Trust Funds (HTF)** requires adherence to the following additional provisions: (1) the *State Housing Fund Program Summary and Application Guide* as revised.
- Special Needs Housing "homeless" funding from SPC** requires adherence to 24 CFR Part 582 as revised.
- Special Needs Housing "homeless" funding from SHP** requires adherence to 24 CFR Part 583 as revised.

- Special Needs Housing “homeless” funding from HOPWA requires adherence to 24 CFR Part 574 as revised.**
- Neighborhood Stabilization Program, NSP, requires adherence to specific reporting requirements described in Attachment A, B & D to this Agreement..**

## Section 6. SCOPE OF WORK

Recipient agrees to utilize all funds made available under this Agreement only for the purpose of implementing the *Scope of Work* hereby incorporated into this Agreement and described in **Attachment A**.

**Revisions to Scope of Work.** Recipient agrees to follow the procedures indicated as marked below regarding changes to the *Scope of Work*.

Revisions to the *Scope of Work* that change the manner in which an activity is to be executed or that change final outcome such as number of units, feet of utility line, number of households served, square footage of building, etc. require written approval from ADOH. The following substantial revisions to the *Scope of Work* require written amendment to the this Agreement:

- (a) The purpose of the project changes;
- (b) The location of the project changes;
- (c) A project activity is added, deleted or altered such that it becomes a different activity;
- (d) The beneficiary of any activity changes; and
- (e) The Recipient is requesting a change to the loan or grant terms. Recipient must submit a written request for an Agreement amendment to ADOH, with a revised *Scope of Work* attached;
- (f) The ownership entity changes;
- (g) Any other changes that involve program requirements.

ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.

## Section 7. REPORTS

Recipient shall be responsible for providing various reports of all activities related to this Agreement both as identified below and as requested by ADOH or HUD. The Recipient shall also provide to ADOH any additional written information requested by ADOH in a timely manner and within reasonable deadlines as shall be set by ADOH.

**7.1 Performance Report.** Recipient agrees to submit the ADOH *Performance Report* respective of the funding source indicated below and attached as Attachment B.

- RENTAL Projects funded with HOME OR HTF.** Recipient must submit a

- Bimonthly Progress Report* attached hereto as **Attachment B**. The Bimonthly Progress Report must be submitted to ADOH on the 20<sup>th</sup> of January, March, May, July, September and November and address activities of the preceding two months, i.e., the January report covers the months of November and December.
- All OTHER projects funded with HOME, HTF and CDBG.** Recipient must submit a *Quarterly Progress Report* attached hereto as **Attachment B**. The Quarterly Progress Report must be submitted to ADOH on the 15<sup>th</sup> of July, October, January and April and address activities of the preceding three months, i.e., the July report covers the months of April, May and June. Failure to submit timely Quarterly Progress Reports will result in suspension of payment reimbursement requests until such reports are brought current.
- Special Needs Housing “homeless” funding from SPC or SHP.** ADOH is required to administer the program during the contract term, which is synonymous with the HUD grant term and as set forth in **Section 4**. Recipient shall submit one (1) *HUD Annual Progress Report (APR) document No. 40118*, attached hereto as **Attachment B** no later than 60 days following the contract termination date listed on Page 1 of the Agreement. Recipient shall enter information reported on the APR into the Homeless Management Information System (HMIS).
- Special Needs Housing “homeless” funding HOPWA.** A Recipient of HOPWA awarded funding shall administer said program in the contract term as set forth in **Section 4** and submit one (1) *HUD Annual Progress Report (APR) document No. 40110-C* attached hereto as **Attachment B** no later than 60 days following the contract termination date listed on Page 1 of the Agreement.
- HTF “Eviction Prevention / Emergency Housing/EPEH” funding.** ADOH shall administer said program in accordance with the dates listed in **Section 4**. Recipient shall submit monthly payment requests accompanied by ADOH generated *Monthly report* attached hereto as **Attachment B** and a bi-annual program narrative report.
- NSP.** Specific reporting requirements for the NSP funding are attached to this Agreement as Attachment A,B & D.

**7.2 Contract Closeout—Completion Reports and Post-Funding Audits.** The Recipient’s obligation to ADOH under this Agreement shall not end until all closeout requirements described in this paragraph are completed. ADOH will notify Recipient in writing that a **Completion Report** is due to ADOH within Sixty (60) days of one of the following occurrences:

- (a) The funds have been expended;
- (b) The Scope of Work has been completed;
- (c) The contract period set forth in this Agreement has expired; or
- (d) The Agreement has been otherwise terminated.

The Completion Report shall contain the information identified in the notice.

Following the receipt and approval of the Completion Report, ADOH will notify Recipient in writing that the Agreement is Administratively Closed.

After the project is administratively closed the recipient must submit all required audits to ADOH. All audits for fiscal years in which Recipient received funds from ADOH must be received, reviewed and found to be satisfactory by ADOH. In the event that ADOH determines that any project costs described in a post funding audit are unjustified or describe ineligible activities, the Recipient will be required to refund such monies back to ADOH.

## Section 8. SCHEDULE OF COMPLETION

Recipient agrees to make progress with the *Scope of Work* in accordance with the *Schedule of Completion* hereby incorporated into this Agreement and described in **Attachment B**.

**Revisions to the Schedule of Completion.** Recipient agrees to follow the procedures indicated as marked below regarding changes to the Schedule of Completion.

- RENTAL Projects funded with HOME OR HTF.** Recipient must notify ADOH of revisions to the *Schedule of Completion* using the *Bimonthly Performance Report*, attached hereto as **Attachment B**. To the extent that the changes cause the schedule timeline to be extended Recipient must submit a written request for a contract amendment to ADOH with a revised *Schedule of Completion* attached. Contract amendment requests must be received by ADOH a minimum of 30 days prior to the contract expiration date. ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.
- All OTHER projects funded with HOME, HTF and CDBG.** Recipient must notify ADOH of revisions to the *Schedule of Completion* using the *Quarterly Performance Report*, attached hereto as **Attachment B**. To the extent that the changes cause the schedule timeline to be extended Recipient must submit a written request for a contract amendment to ADOH with a revised *Schedule of Completion* attached. Contract amendment requests must be received by ADOH a minimum of 30 days prior to the contract expiration date. ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.
- Special Needs Housing "homeless" funding from SPC or SHP.** To the extent that the changes cause the schedule timeline to be extended Recipient must submit a written request for a contract amendment to ADOH with a revised *Schedule of Completion* attached. Contract amendment requests must be received by ADOH a

minimum of 30 days prior to the contract expiration date. ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.

- HTF “Eviction Prevention/Emergency Housing/EPEH” funding.** To the extent that the changes cause the schedule timeline to be extended Recipient must submit a written request for a contract amendment to ADOH with a revised *Schedule of Completion* attached. Contract amendment requests must be received by ADOH a minimum of 30 days prior to the contract expiration date. ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.

## Section 9. BUDGET

Recipient agrees to use the funds provided pursuant to this Agreement in accordance with the **Budget** that is attached as **Attachment C**. Recipient further agrees that any project costs, unless otherwise specified, exceeding the Budget shall be the sole responsibility of Recipient.

Availability of funding under this Agreement is contingent on final review and approval of the Budget. Budgetary considerations for specific programs are described below:

**CDBG Revisions to the Budget.** Recipient must obtain written approval from ADOH to move funds from one Budget Activity Line Item to another. The following substantial revisions to the **Budget** require a contract amendment:

- (a) Funds are moved from one Budget Activity Line Item to another and the change in the Budget Activity Line from which it is moved or to which it is being moved exceeds 50%, unless the move is from administration to a non-administration activity, in which case only written notice without a contract amendment is required;
- (b) Additional funding sources are added to the Project;
- (c) Recipient is requesting a change to the grant terms.

**HOME and HTF Revisions to the Budget.** Recipient must obtain prior written approval from ADOH to move funds from one Budget Activity Line Item to another. ADOH will only approve changes to the Budget for eligible costs as outlined in the State Housing Fund program. The following substantial revisions to the **Budget** require a contract amendment:

- (a) Additional funding sources are added to the Project which required a project to be re-underwritten to determine gap;
- (b) Recipient is requesting a change to the loan terms.

See Section 10 for changes that affect the Budget.

The Recipient shall not retain any funds that are drawn down in excess of immediate cash

needs (to be utilized within 15 days of draw down) to cover subsequent requests for reimbursement, and must return them to ADOH within 30 days of receipt. The Recipient must also return to ADOH any interest that is earned on these funds that are drawn down and not expended for eligible costs within 15 days of draw down.

#### **Section 10. AMENDMENTS AND MODIFICATIONS**

ADOH may consent to amendment or modification of this Agreement upon written request of the Recipient. All amendments or modifications to this agreement shall be by mutual consent of the parties in writing.

Requests for amendments or modifications that result in changes to the Budget must be supported by a revised Budget that is otherwise consistent with Section 9.

ADOH will respond to the request for amendment or modification to the Agreement within 14 business days.

#### **Section 11. ENVIRONMENTAL REVIEW CONDITIONS**

In accordance with 24 CFR 50 and 24 CFR 58 (Environmental Review), the environmental effects of each activity carried out with Federal funds must be assessed. Local government entities are responsible for environmental reviews and requesting a release of funds from ADOH. Non-profits and other non-governmental entities are responsible for assisting ADOH with environmental review and ADOH then requests a release of funds from HUD. Completion of the Environmental Review Record (ERR) is mandatory before taking any physical action on a site or entering into contracts. Only exempt activities such as architecture, engineering and administration may be undertaken and reimbursed by ADOH prior to receiving a written release of funds. Exempt activities described in 24 CFR 58.34(a)(1)-(11) are activities that generally have no physical impact on the environment. If federal funds are involved in a project, neither federal nor non-federal funds may be expended or committed by contract (conditional or not) for property acquisition, rehabilitation, conversion, lease, repair or construction activities, until HUD or ADOH has provided written authorization based on approval of an ERR.

An option agreement (to purchase land) on a proposed site or property is allowable prior to the completion of the environmental review if the option agreement is contingent upon an ADOH or HUD authorization to use funds based on a completed ERR. The cost of the option must be a nominal portion of the purchase price.

Projects funded solely with Housing Trust Funds do not require an ERR but are required to meet the requirements of the State Historic Preservation Act by consulting with the State Historic Preservation Office (SHPO). For State Housing Funded projects Phase I Environmental Assessments are required to be completed on properties for which new construction/change in use is proposed, regardless of whether Federal or State funds are the

source of funding. Expenditures incurred or obligated by construction contract prior to ADOH's release of funds or consultation with SHPO will not be reimbursed by ADOH.

Recipients who had committed or expended non-Federal funds to begin a project before receiving the authorization from ADOH or HUD may still be eligible to use federal funds on the project under the following circumstances:

- (a) Recipients started the project without the intention of using Federal assistance (e.g., as evidenced by other anticipated funding, the original project budget, etc.);
- (b) All work on the project ceases once an application for federal funds is made and an ERR is begun on all activities, i.e., acquisition, construction, etc. ADOH or HUD provides authorization to proceed based on the completed ERR.

## Section 12. APPLICATION AND OTHER PRE-AWARD COSTS

Recipient may use a portion of the funds provided hereunder to reimburse itself for exempt activities pursuant to 24 CFR 58.34(a)(1)-(11) such as architecture, engineering, testing and sampling of asbestos and capital needs assessments and environmental reviews.

- CDBG.** If the Recipient is receiving funding under this Agreement from the CDBG program, in accordance with federal procedures, Recipient may use funds provided hereunder to reimburse it or to pay for costs incurred in preparing the application. In no event shall such compensation exceed 18 percent of the total funding provided to Recipient by ADOH.

## Section 13. COMPENSATION AND METHOD OF PAYMENT

Subject to availability of and receipt of funds from the State's Unclaimed Property Fund (for state HTF funds) and/or the United States Treasury (for HOME, CDBG, SHP, SPC and HOPWA funds) and the commitment of other required funding as indicated in Recipient's application, ADOH agrees to reimburse or advance Recipient for authorized expenditures according to the *Budget* in **Attachment C**. Recipient must maintain invoices and other similar documentation to support payment expenses under those generally accepted accounting principles and procedures approved by ADOH and outlined in OMB Circulars A-87, A-122, and A-133, as applicable, and 24 CFR Parts 44, 84, 85, 92 and 570 as applicable.

Recipient may request funds only after the date of the executed Agreement and other legal documents as applicable, provided Recipient has satisfied ADOH funding contingencies and federal environmental review conditions. Requests for reimbursement must be made using the Arizona Department of Housing *Request for Payment* form hereby incorporated into this Agreement and attached as **Attachment D**. For construction projects Release of

Lien documents must be attached to the Request for Payment in amounts proportionate to contractor reimbursement requests.

Recipient must maintain proof of said expenditures including checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges as may be required by applicable federal rules and regulations, including requirements by the Federal Office of Management and Budget, and as may be otherwise reasonably required to permit ADOH to determine or confirm that any such expenditures are prudent and within the Scope of Work.

Recipient's right to incur expenses under Agreement shall cease upon expiration of Agreement. All requests for reimbursement on expenditures made prior to expiration of Agreement must be requested within 60-days after expiration. Unless expressly authorized by ADOH in writing, expenditures not requested within the 60-day period after expiration of Agreement shall be disallowed and all funds shall be reclaimed by ADOH.

#### **Section 14. FUNDS RECOUPED BY THE RECIPIENT, INTEREST AND PROGRAM INCOME**

**14.1 Definitions.** For purposes of this section the following definitions shall apply:

**"Funds Recouped by the Recipient"** means funds initially provided by ADOH to the Recipient under this Agreement and any matching contributions that are recouped by the Recipient when: (1) the funds provided by ADOH under this Agreement or matching contributions or the proceeds of funds provided by ADOH (including, but not limited to, equipment or housing) do not continue to be used for an approved purpose or eligible activity, as described in applicable law or regulations, for the full period of affordability required by this Agreement, or (2) when a State-assisted homeownership housing does not continue to be the principal residence of the assisted homebuyer for the full affordability period required by this Agreement. Funds Recouped by the Recipient are subject to all the requirements of Program Income described below with the exception that the Recipient shall not use Funds Recouped by the Recipient for administrative purposes. For this reason, the Recipient must separately account for all Funds Recouped by the Recipient.

**"Interest"** means any compensation paid or to be paid for the use or deposit of the funds provided by ADOH to the Recipient under this Agreement.

**"Program Income"** means gross income received by the Recipient directly generated from the use of funds provided by ADOH under this Agreement. When Program Income is generated by housing that is only partially assisted with funds provided by ADOH under this Agreement or matching contributions, the income shall be prorated to reflect the percentage of funds provided by ADOH under this Agreement. Program Income includes, but is not limited to, the following: (1) proceeds from the disposition by sale or long-term lease of real property purchased or improved with funds provided by ADOH under this Agreement; (2) gross income from the use or rental of real or personal property acquired by the Recipient with funds provided by ADOH under this Agreement, less costs incidental to generation of the income; (3) payments of principal and interest on loans made using funds

provided by ADOH under this Agreement or matching contributions; (4) proceeds from the sale of loans made with funds provided by ADOH under this Agreement or matching contributions; (5) proceeds from sale of obligations secured by loans made with funds provided by ADOH under this Agreement or matching contributions; (6) Interest earned on Program Income pending its disposition; (7) proceeds from the disposition of equipment purchased with CDBG funds; (8) gross income from the use or rental of real property, owned by the Recipient, that was constructed or improved with funds provided by ADOH under this Agreement, less costs incidental to generation of the income; (9) if the funds provided by ADOH under this Agreement are from the CDBG Program, funds collected through special assessments made against properties owned and occupied by households not of low and moderate income, where the assessments are used to recover all or part of the CDBG portion of a public improvement; and (10) if the funds provided by ADOH under this Agreement are from the HOME Program, any other interest or return on the investment permitted under 24 C.F.R. Part 92.205(b) of HOME funds or matching contributions.

#### **14.2 Use of Program Income and Funds Recouped by the Recipient.**

The Recipient is not authorized by ADOH to retain and reuse Program Income, Funds Recouped by the Recipient or accrued Interest as described in the following paragraph(s) except as authorized by ADOH through a written agreement.

The Recipient must return all Program Income, Funds Recouped by the Recipient, and Interest to ADOH within 30 days of receipt.

The Recipient must remit to ADOH any Program Income, Funds Recouped by the Recipient or Interest on hand at the time of expiration, cancellation, or termination of this Agreement or subsequently received by Recipient within 30 days of receipt by Recipient.

### **Section 15. DEOBLIGATION, RECAPTURE AND REPAYMENT OF FUNDS**

**15.1 De-obligation.** ADOH may reduce funds from the funding award evidenced by this Agreement without regard to the source of funding, under the following circumstances: (1) the Recipient has completed performance under the *Scope of Work (Attachment A)* without using all of the funds provided by ADOH under this Agreement; (2) this Agreement expires and not all funds have been expended; (3) ADOH's original allocation was a loan and Recipient or Sub-recipient paid the loan; (4) the Recipient, with the consent of ADOH, cancelled or changed an activity required under the *Scope of Work* for reasons other than non-performance; or (5) the Recipient receives Program Income that has not been included in the budget or set forth in the *Scope of Work*; and (6) this Agreement has otherwise been terminated. ADOH may de-obligate funds under this Agreement under the foregoing circumstances upon written notice to the Recipient.

**15.2 Reallocation of De-obligated HOME or State HTF Funds.** If the funds provided by ADOH under this Agreement are from the State HTF or the HOME Program, ADOH may reallocate funds that it has de-obligated under this Agreement as it determines

in its sole discretion.

**15.3 Reallocation of De-obligated CDBG Funds.** If the funds provided by ADOH under this Agreement are from the CDBG Program, ADOH may reallocate funds that it has de-obligated under this Agreement to the Recipient from which the funds were de-obligated for use under an existing or new funding contract of the same funding year if the Recipient can immediately commit the reallocated funds to a project and execute a new or amended funding contract within sixty (60) calendar days of the reallocation. If ADOH is not able to reallocate funds that it has de-obligated under this Agreement in accord with the foregoing sentence of this subsection, ADOH may reallocate those funds as it determines in its sole discretion.

**15.4 Recapture.** ADOH may reduce funds from the amount of the funding award evidenced by this Agreement, without regard to the source of funding, under the following circumstances: (1) ADOH determines that the Recipient has failed to use the funds provided by ADOH under this Agreement in compliance with the terms of this Agreement or the requirements of applicable laws and regulations (non-compliance); or (2) the Recipient fails to perform in accordance with the performance obligations set forth in the *Scope of Work (Attachment A)* and the *Schedule of Completion (Attachment B)* or the terms of this Agreement. ADOH may recapture funds under this Agreement under the foregoing circumstances upon written notice to the Recipient.

**15.5 Reallocation of Recaptured Funds.** ADOH may reallocate funds that it has recaptured under this Agreement, without regard to the source of funding, as it determines in its sole discretion.

**15.6 Repayment of Funds.** Recipient agrees to repay funds provided under this contract if ADOH determines that the Recipient has failed to use the funds provided by ADOH under this Agreement in compliance with the terms of this Agreement or the requirements of applicable laws and regulations. ADOH may specify in writing the terms of the repayment or alternative terms in lieu of repayment however in no case shall repayment or alternative terms be accomplished later than One Hundred Eighty (180) days following the written determination of non-compliance by ADOH.

## **Section 16. REVERSION OF ASSETS**

**16.1 Funds Remaining at Expiration.** Upon expiration of this Agreement, the Recipient shall transfer to ADOH any unexpended funds advanced to Recipient by ADOH under this Agreement.

**16.2 Real Property Acquired or Improved with CDBG Funds.** Upon expiration of this Agreement, any real property under the Recipient's control that was acquired or improved in whole or in part with CDBG funds, for non-owner occupied use, provided to Recipient by ADOH under this Agreement (including CDBG funds provided to the Recipient in the form of a loan) in excess of \$25,000, shall either: (1) be used to meet one of

the national objectives in 24 CFR Part 570.208 until five years after expiration of this Agreement, or for such longer period of time as determined to be appropriate by the Recipient; or (2) not be used in accordance with 24CFR Part 570.503(b)(8)(i), in which event the Recipient shall pay to ADOH an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property. No payment is required after the period of time specified in 24CFR Part 570.503 (b)(8)(i).

**16.3 Real Property Acquired or Improved with HOME Funds.** Upon expiration of this Agreement, any real property under the Recipient's control that was acquired or improved in whole or in part with HOME funds, for non-owner occupied uses, provided to Recipient by ADOH under this Agreement (including funds provided to the Recipient in the form of a loan), must be occupied only by households that are eligible as low-income families and must meet the requirements to qualify as affordable housing and is subject to encumbrances and obligations described in any applicable Declaration of Conditions, Covenants, and Restrictions ("CC&Rs") for the period of affordability set forth in 24 CFR Part 92.252.

**16.4 Real Property Acquired or Improved With State Housing Trust Funds.** Upon expiration of this Agreement, any real property under the Recipient's control that was acquired or improved in whole or in part with state HTF funds, for non-owner occupied uses, provided to Recipient by ADOH under this Agreement (including funds provided to the Recipient in the form of a loan), must be occupied only by households that are eligible as low-income families and must meet the requirements to qualify as affordable housing and is subject to encumbrances and obligations described in any applicable Declaration of CC&Rs for the period of affordability set forth in the CC&Rs.

## **Section 17. DEPARTMENT OF HOUSING RESPONSIBILITIES**

ADOH shall monitor and evaluate the Recipient to determine compliance with and performance under this Agreement. A summary of discrepancies noted by ADOH during monitoring visits will be specified in writing. Appropriate time for correction of discrepancies will be specified in the written report to the Recipient. ADOH shall follow up on discrepancies to ensure that they have been corrected in a timely manner. The failure of ADOH to require timely performance of any provision of this Agreement shall in no way affect the right of ADOH thereafter to enforce such provision nor shall the waiver of any succeeding breach of such provision act as waiver of the provision itself.

ADOH shall provide reasonable technical assistance to assist the Recipient to comply with program requirements for the provision of services under this Agreement. However, this in no way relieves the Recipient of full responsibility for its acts or omissions in the performance of activities required by this Agreement.

## Section 18. SUBCONTRACTING

Recipient shall not disburse any funds received under this Agreement without fully completed written agreements with subcontractors requiring they follow all provisions of this Agreement and a completed Environmental Review pursuant to **Section 11** of the Agreement.

The use of subcontractors does not relieve Recipient of responsibility for ensuring the administration of the provided funds in accordance with all applicable program requirements. Recipient is responsible for determining the adequacy of performance under subcontractor agreements and procurement contracts and for taking appropriate action when performance issues arise.

## Section 19. FAILURE TO MAKE PROGRESS

Failure of Recipient to make progress according to the **Schedule of Completion**, attached hereto as **Attachment B** may result in contract termination, deobligation of funds or recapture of funds. Recipient agrees to meet with ADOH at the site in which the funded activity is taking place to discuss progress and allow ADOH to provide technical assistance if:

- (a) The Recipient fails to begin work on its Environmental Review pursuant to **Section 11** within the sixty (60) calendar days from the date ADOH executes the Agreement;
- (b) The Recipient fails to expend any funds in performance of and in accordance with the terms of this Agreement within ninety (90) calendar days from the inception date of this Agreement.

ADOH will terminate any Agreement and recapture funds from the same Agreement in which the Recipient does not commence any of the activities described in the *Scope of Work (Attachment A)* or fails to expend any funds in accordance with the *Budget (Attachment C)* within One hundred eighty (180) calendar days from the full execution date of this Agreement. ADOH may in its sole discretion, forgo providing technical assistance and recapture funds as outlined in this Agreement under **Section 15.4** hereof and/or terminate this Agreement for cause pursuant to **Section 20** of this Agreement.

## Section 20. TERMINATION FOR CAUSE

ADOH may terminate this Agreement in whole or in part at any time whenever it determines that Recipient has failed to comply with the conditions hereof including, but not limited to the **Scope of Work** set forth in **Attachment A**, **Schedule of Completion** set forth in **Attachment B** and **Budget** set forth in **Attachment C** to this Agreement. If ADOH so determines, it shall notify Recipient in writing by certified mail, return receipt requested, of such termination for cause with such notification to include the reason(s) for the termination and the effective date of termination. If ADOH terminates the Agreement pursuant to this Section, ADOH shall recapture all funds allocated to the Recipient under this Agreement pursuant to **Section 15.4** hereof and obtain repayment of funds expended pursuant to **Section 15.6**, hereof.

## **Section 21. TERMINATION FOR CONVENIENCE**

ADOH or Recipient may terminate this Agreement in whole or part (one or more activities) if either Party believes that continuation will not produce beneficial results. If ADOH so determines, it shall notify Recipient in writing by certified mail, return receipt requested, of such termination for convenience and the effective date of termination. If Recipient so determines, it shall notify ADOH in writing by certified mail, return receipt requested, of such termination for convenience and the effective date of termination. If ADOH terminates the Agreement pursuant to this Section, ADOH shall de-obligate, recapture or receive repayment, as applicable, all funds allocated to the Recipient under this Agreement pursuant to **Section 15** hereof.

## **Section 22. ENFORCEMENT**

**22.1 Remedies for Noncompliance.** If a Recipient materially fails to comply with any term of this Agreement or applicable law, ADOH may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the Recipient or more severe enforcement action by the awarding agency,
- (b) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
- (c) Wholly or partly suspend or terminate the award evidenced by this Agreement,
- (d) Withhold further awards to the Recipient's project funded by the award evidenced by this Agreement,
- (e) Recapture funds and terminate contract,
- (f) Withhold future ADOH grant awards from all sources, or
- (g) Take other remedies that may be legally available.

**22.2 Appealable Agency Action.** Enforcement action taken under this section is an appealable agency action pursuant to A.R.S., Title 41, Chapter 6, Article 10.

**22.3 Effects of suspension and termination.** Costs incurred by Recipient resulting from obligations incurred by the Recipient during a suspension or after termination of an award are not allowable unless ADOH expressly authorizes them in the notice of suspension or termination or subsequently.

**22.4 Relationship to debarment and suspension.** The enforcement remedies identified in this section, including suspension and termination, do not preclude Recipient from being subject to "Debarment and Suspension" under the United States President's Executive Order 12549.

### **Section 23. CANCELLATION**

Pursuant to A.R.S. § 38-511, ADOH may, within three years after its execution, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of ADOH is, at any time while the Agreement or any extension of the Agreement is in effect, be an employee or agent of any other party to the Agreement in any capacity or a consultant to any party of the Agreement with respect to the subject matter of the contract. A cancellation notice made pursuant to this provision shall be effective when the Recipient receives written notice of the cancellation unless the notice specifies a later time.

### **Section 24. RECORDS RETENTION**

Pursuant to A.R.S. § 35-214, Recipient shall retain and require that its subcontractors retain, for inspection and audit by ADOH, all books, accounts, reports, files, including information regarding actual beneficiaries of the fund, and other records relating to the bidding and performance of this Agreement for a period of five (5) years following the date of the letter informing Recipient of the Administrative Closeout or termination.

Upon request by ADOH, Recipient shall produce a legible copy of all such records at the Administrative Office of ADOH or at the Office of the Auditor General. The original records shall be available and produced for inspection and audit when required by ADOH or the Auditor General.

Recipient shall maintain records that adequately identify the source and application of the funds provided under this Agreement (including Program Income and Recaptured Funds) as part of the financial transactions of their funding program, consistent with generally accepted accounting principles and the requirements of 24 CFR Part 85.20. Recipient will provide reports regarding the capture and reuse of Program Income and Recaptured Funds as requested by ADOH from time to time.

In addition, in the event that the project resulted in Recipient holding any liens or notes as a result of this funding, Recipient must retain all pertinent records for five (5) years beyond the expiration or release of such liens or notes.

### **Section 25. NO OBLIGATION OF STATE GENERAL APPROPRIATIONS FUNDS**

Nothing herein shall be construed as obligating state general appropriation funds, excepting HTF funds, for payment of any debt or liability of any nature arising hereunder. The parties expressly recognize that all payments to be made by ADOH are from federal funds and HTF funds made available to ADOH for this purpose.

### **Section 26. AVAILABILITY OF FUNDS**

Payments under this Agreement are subject to the availability of the federal funds provided to the Arizona Department of Housing for the HOME and CDBG programs and

the availability of state funds provided for the state HTF Program. Every payment obligation of ADOH under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by ADOH at the end of the period for which funds are available. No liability shall accrue to ADOH in the event this provision is exercised, and ADOH shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

#### **Section 27. APPLICABLE LAW AND ARBITRATION**

This Agreement shall be governed and interpreted by the laws of the State of Arizona. The parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable statutes.

#### **Section 28. INDEMNIFICATION**

Recipient shall indemnify, defend, and save harmless ADOH, the State of Arizona and its agents, officials, and employees from any and all claims, demands, suits, actions, proceedings, loss, costs, and damages of every kind and description, including any attorney's fees and litigation expenses, which may be brought or made against or incurred by the State on account of loss of or damage to any property or for injuries to or death of any person, caused by, arising out of or contributed to, in whole or in part, by reasons of any alleged act, omission, professional error, fault, mistake, or negligence of Recipient, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives in connection with or incidental to the performance of the Agreement, or arising out of Workmen's Compensation claims, Unemployment Compensation claims, or Unemployment Disability Compensation claims of employees of Recipient or its subcontractors or claims under similar such laws or obligations. Recipient's obligation under this section shall not extend to any liability caused by the sole negligence of ADOH, the State or Arizona, or its employees.

#### **Section 29. FEDERAL GOVERNMENT LIABILITY**

It is agreed by all parties that the Federal Government and particularly the U.S. Department of Housing and Urban Development is not a party to this Agreement, and that no legal liability on the part of the Federal Government is inferred or implied under the terms of this Agreement.

#### **Section 30. AUDIT**

If federal funds are paid to Recipient through this Agreement, Recipient shall comply with the audit requirements set forth in 24 CFR Part 84. Recipient shall comply with A.R.S. § 35-181.03 if any state funds are paid through this Agreement. Recipient agrees to rectify issues identified in audits within ADOH prescribed time periods. Failure to comply

shall result in withholding of all present and future ADOH provided funds.

### **Section 31. AUDIT EXCEPTIONS**

If federal or state audit exceptions are made relating to this Agreement, Recipient shall reimburse all costs incurred by the State of Arizona and ADOH associated with defending against the audit exception or performing an audit or follow-up audit including but not limited to: audit fees, court costs, attorneys' fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments, and all other costs of whatever nature.

Immediately upon notification from ADOH, Recipient shall reimburse the amount of the audit exception and any other related costs directly to ADOH as specified by ADOH in the notification.

### **Section 32. UNALLOWABLE USE OF FUNDS**

Recipient, its officers, employees and agents, shall not utilize any of the federal funds or HTF provided under this Agreement to solicit or influence, or attempt to solicit or influence, directly or indirectly, any member of Congress regarding pending or prospective legislation.

### **Section 33. INTEREST OF MEMBERS OF DEPARTMENT OF HOUSING AND OTHERS**

No officer or employee of ADOH and no public official, employee or member of the governing body of Recipient who exercises any functions or responsibilities in review or approval of the undertaking or carrying out of the Agreement shall participate in any decision relating to this Agreement which affects their personal interest or the interest of any corporation, partnership, or association in which they are directly or indirectly interested, or have any interest, direct or indirect, in this Agreement or its proceeds.

### **Section 34. ACCESS TO RECORDS, PARTICIPANTS AND STAFF**

Recipient agrees to provide ADOH and its representatives access at any reasonable time to all participants and staff involved in this Agreement and to all records and reports involving this Agreement.

### **Section 35. IDENTIFICATION OF DOCUMENTS**

All materials used for public outreach and for informational purposes as a part of this Agreement, other than documents exclusively for internal use by ADOH, shall identify the source of federal (CDBG, HOME, SHP, SPC, HOPWA) or state (HTF) funds used is part of this Agreement as well as acknowledgement of support from ADOH.

### **Section 36. COPYRIGHT**

Reports, maps or other documents produced in whole or in part under this Agreement are works for hire and shall not be the subject of any application for copyright by or on behalf of Recipient by any employee or subcontractor of Recipient. Recipient shall advise ADOH or its designee at the time of delivery of any copyrighted or copyrightable work furnished under this Agreement, or any adversely held copyrighted or copyrightable material incorporated in any such work and of any invasion of the right of privacy therein contained.

### **Section 37. RIGHTS IN DATA**

ADOH may duplicate, use and disclose in any manner and for any purpose whatsoever, within the limits established by federal and state laws and regulations, all information relating to this Agreement.

### **Section 38. FUNDING CONDITIONS**

ADOH will make the funding assistance available to the Recipient upon execution of this Agreement by the parties. The obligation and utilization of the funding assistance provided through this Agreement are subject to the proper observation of the requirements incorporated by reference. The Recipient shall require any subcontracting entities to observe and follow all provisions of this Agreement.

### **Section 39. NON-DISCRIMINATION**

Recipient shall comply with Executive Order 99-4, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. Recipient shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, age, national origin or disability.

### **Section 40. THIRD PARTY ANTITRUST VIOLATIONS**

Recipient assigns to the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the Recipient toward fulfillment of this Agreement.

### **Section 41. SCRUTINIZED BUSINESS OPERATIONS**

Pursuant to A.R.S. § 35-391.06 and 35-393.06, the Recipient certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in A.R.S. § 35-391 or and 35-393, as applicable. If the State of Arizona or the Department determines that the

Recipient submitted a false certification, the Department may impose remedies as provided by law including cancellation or termination of this Agreement.

**SECTION 42. COMPLIANCE REQUIREMENTS FOR A.R.S. § 41-4401—  
IMMIGRATION LAWS AND E-VERIFY REQUIREMENT**

- (a) The Recipient warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)
- (b) A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the Recipient may be subject to penalties up to and including termination of the Agreement.
- (c) The Department retains the legal right to inspect the papers of any employee who works on the Agreement to ensure that the Recipient or Recipient's subcontractor is complying with the warranty under paragraph (a).

**Section 43. INSURANCE**

During the contract period, Recipient shall purchase and maintain in full force the following insurance. All certifications of insurance must provide for a thirty (30) day notice to ADOH of cancellation, non-renewal, or material change. Proof of Insurance from the Recipient shall be provided to ADOH prior to execution of this contract and periodic certifications must be furnished at the request of the Program Specialist.

The Recipient and its Subcontractor, at Recipients' and Subcontractors' own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of A-, 7, local government insurance pools formed pursuant to ARS 11-952.01 or other as approved by ADOH, and licensed in the State of Arizona with policies and forms satisfactory to ADOH.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Agreement is completed satisfactorily and formally accepted; failure to do so may, at the sole discretion of ADOH, constitute a material breach of this Agreement.

The Recipient's insurance shall be primary insurance as respects ADOH, and any insurance or self-insurance maintained by ADOH shall not contribute to it.

Recipient shall not fail to comply with the claim reporting provisions of the insurance

policies or cause any breach of an insurance policy warranty, which would affect coverage afforded under insurance policies to protect ADOH.

The insurance policies, except Worker's Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against ADOH, its agents, representatives, directors, officers, and employees for any claims arising out of the Recipient's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage, which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to ADOH under such policies. The Recipient shall be solely responsible for the deductible and/or self-insured retention, and ADOH, at its option, may require the Recipient to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit.

ADOH reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. ADOH shall not be obligated, however, to review same or to advise Recipient of any deficiencies in such policies and endorsements, and such receipt shall not relieve Recipient from, or be deemed a waiver of ADOH's right to insist on, strict fulfillment of Recipient's obligations under this Agreement.

The insurance policies, except Worker's Compensation and Professional Liability, required by this Agreement, shall name ADOH, its agents, representatives, officers, directors, officials and employees as additionally insured.

#### **43.1 Required Coverage**

**Commercial General Liability.** Recipients shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The Policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage. Coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011093 or any replacements thereof.

Such policy shall contain a severability of interest provision and shall not contain a sunset provision or commutation clause, nor any provision that would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc. Additional Insured, Form B, CG 20101185, and shall include coverage for Recipient's operations and products and completed operations.

**Automobile Liability.** Recipient shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of

not less than \$1,000,000 each occurrence with respect to the Recipient's any auto, all owned autos, scheduled autos, hired autos, non-owned autos assigned to or used in performance of the Recipient's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof).

**Worker's Compensation.** The Recipient shall carry Worker's Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Recipient's employees engaged in the performance of the work or services; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

In case any work is subcontracted, the Recipient will require the Subcontractor to provide Worker's Compensation and Employer's Liability to at least the same extent as required of the Recipient.

#### **43.2 Certificates of Insurance**

Prior to commencing work or services under this Agreement, Recipient shall furnish ADOH with Certificates of Insurance, or formal endorsements as required by the Agreement, issued by Recipient's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect.

In the event any insurance policy(ies) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the Recipient's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Agreement, a renewal certificate must be sent to ADOH fifteen (15) days prior to the expiration date.

#### **43.3 Cancellation and Expiration Notice**

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days written notice to ADOH.

### **Section 44. NOTICES**

When routine reports or correspondence is required to be sent to ADOH it shall be addressed to Arizona Department of Housing, to the attention of the assigned Program Specialist at 1110 West Washington Street, Suite 310, Phoenix, AZ 85007. Notices or correspondence regarding material changes to the contract or requests for amendment shall be addressed to the same. All correspondence regarding this Agreement must be identified by its ADOH Agreement number (which is located on the top left hand corner of the first page of this Agreement).

When notice or correspondence is required to be sent to the Recipient, it shall be addressed to:

**Gila County**  
**ATTENTION: Malissa Buzan, Housing Services Manager**  
**5515 South Apache Avenue, Suite 200**  
**Globe, Arizona 85501**

**Section 45. REGISTRATION WITH SOCIAL SERVE**

For new construction or rehabilitation of rental projects, recipient agrees to register the project with socialserve.com and keep the project listed with socialserve.com for the duration of the period of affordability as indicated in the Conditions, Covenants and Restrictions.

**Section 46. ADOH SIGNAGE**

For new construction and rehabilitation projects, Recipients must erect a sign at the project site indicating that the project is funded through the Arizona Department of Housing and indicate the sources of funds. The sign must be a minimum size of 24 inches high by 36 inches wide, include a minimum 5-inch high ADOH logo and text printed at a minimum 72 point font. An individual ADOH sign does not have to be provided if Recipient incorporates ADOH information into a larger group sign.

**Section 47. PHOTOGRAPHS**

For new construction and rehabilitation projects, Recipients are required to provide to ADOH before and after photographs of the project in digital or film format.

**THE STATE OF ARIZONA,**  
**ARIZONA DEPARTMENT OF HOUSING    Gila County, RECIPIENT**

BY:

BY:

\_\_\_\_\_  
Michael Traylor  
Director

\_\_\_\_\_  
TITLE: Michael A. Pastor, Chairman  
Gila County Board of Supervisors

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Bryan B. Chambers  
Chief Deputy County Attorney  
Date: \_\_\_\_\_

---

## Attachment A

### SCOPE OF WORK

#### Activity #1 - Administration

\$25,134 CDBG

To carry out required actions in the administration of all activities funded from the FY 2010 CAAG Regional Account for Gila County. Actions are to include requisite record keeping, reporting, monitoring and all other actions necessary to ensure compliance with CDBG Program requirements as identified in the 24 CFR 570.500 –570.614 and current Arizona Department of Housing Handbooks.

#### Activity #2 –Owner Occupied Housing Rehab

\$114,501 CDBG

To use CDBG funds for single family owner occupied housing rehab. The activity will be conducted within Gila County boundaries excluding Indian Reservations. The project will rehab 3 units at approximately \$28,000 each. Qualified homeowners (at 80% or below AMI) will be selected from a Gila County Housing Rehab waiting list, on a first come first served basis. The homeowner will receive the help in the form of a forgivable, non-interest bearing deferred payment loan. All rehab services provided will be completed by in-house staff, and all construction services will be completed by licensed and insured general contractors.

This activity will meet the Low Moderate Income Benefit National Objective (LMH) and will benefit approximately 6 people. 100% are considered low to moderate income.

#### HUD Performance Measures

Objective: Decent Housing

Outcome: Accessibility/Affordability

Indicator(s): Number of units brought to standard condition

Data Collection Methodology: 1) Activity logs that show units and households assisted, code violations remedied, 2) Agency specific reports and/or systems that show costs per unit – increases/decreases, 3) Surveys that show customer satisfaction

---

**HOUSING PERFORMANCE REPORT**

**ATTACHMENT B**

**Recipient** \_\_\_\_\_ **Report Period** \_\_\_\_\_ **Year** \_\_\_\_\_

**Contract #** \_\_\_\_\_ October January April July

**APPLICANT/BENEFICIARY DATA**

**Homeownership Activity**

Homeownership activities are deemed completed when the mortgage closing has taken place. Homeownership counseling activities are deemed complete when the persons have completed all required counseling sessions.

**Housing - New Construction Activity**

New construction activities are deemed completed when construction is complete, final payment has been issued to all contractors and a certificate of occupancy has been issued.

**Rehabilitation Activity (including wells/septic installations for individual households; replacement of manufactured homes (mobile homes); private sewer/water hookups and meters)**

Housing rehabilitation activities are deemed complete when the rehabilitation of the unit is complete, the release of liens is signed and final payments have been issued to all contractors.

RACIAL CATEGORIES (HUD DESIGNATED)	TOTAL NUMBER OF ELIGIBLE APPLICANTS **		TOTAL HOUSEHOLDS BENEFITING***		TOTAL PERSONS BENEFITING***	
	RACIAL GROUP	*HISPANIC	RACIAL GROUP	*HISPANIC	RACIAL GROUP	* HISPANIC
WHITE						
BLACK/AFRICAN AMERICAN						
ASIAN						
AMERICAN INDIAN/ALASKAN NATIVE						
NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER						
AMERICAN INDIAN/ALASKAN NATIVE AND WHITE						
ASIAN AND WHITE						
BLACK/AFRICAN AMERICAN AND WHITE						
AMERICAN INDIAN/ALASKAN NATIVE & BLACK/AFRICAN AMERICAN						
OTHER MULTI-RACIAL						
<b>TOTALS</b>						

\*Hispanic HUD has designated Hispanic as an ethnic group. A household or person can be identified as both a member of a racial group and an ethnic group.

\*\* Applicant A person/household who has applied for and has been determined to be eligible to receive assistance based on the requirements specific to that program regarding income, location of home, type of home, type of rehab needed, age, family size, etc. or a person/household who has applied for a specific public service. The "applicant" may or may not receive a benefit, depending on the length of the program and the availability of funds. If multiple persons apply for housing or public services under one household application form, only one person can be deemed "applicant" and thus determines the race and ethnicity of the household. This determination can be made by the recipient.

\*\*\*Benefiting A household/person that meets the eligibility requirements of the program *and* has actually received the benefit, e.g. received a rehab loan/grant, homeownership assistance or public service being offered.

Complete chart below to show how many of the total number of households/persons benefiting were in these categories:

OTHER BENEFICIARY DATA		
TOTAL NUMBER BENEFITING:	HOUSEHOLDS BENEFITING***	PERSONS BENEFITING***
FEMALE HEAD OF HOUSEHOLDS		
ELDERLY		
DISABLED		

**NARRATIVE**

**PART 1**

In the space below, provide a summary of the current status including significant accomplishments and milestones of each grant including, but not limited to the following specific project type information:

- For Housing activities, number of applications received, being processed and awarded; projects out to bid; under construction; status of loan portfolio; closings scheduled; persons on waiting list; etc.

**PART 2**

- A. Explain any variances between accomplishments (proposed and actual beneficiaries) previously reported and the accomplishments being reported this period.
- B. When will the project be completed? Describe the steps to be taken to ensure the completion of the project within the required timeframes.
- C. Provide a detailed description of any problems that are impeding the progress and/or schedule of the project and the efforts taken to resolve the problems.

Prepared by (print) \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Phone \_\_\_\_\_

email \_\_\_\_\_

Housing PR Rev. 10-08









**ARIZONA DEPARTMENT OF HOUSING REQUEST FOR PAYMENT - ITEMIZED PAYMENT STATEMENT PAGE 2 OF 2**

Recipient	Gila Co	Date	
Contract No	144-11	Contract Period:	4/1/11 to 4/15/13
		Pay Req. No	

Budget Line Item or Activity No	Description of Expense (List in according to funding source)	Paid (or Payable) to	Address of Payee	Federal Employer Identification Number (EIN)	Date Paid	Check # Invoice PO	Amount of Request Column "g"	Balance paid by other source	Name of other source
Totals							0.00	0.00	

## ATTACHMENT F

### CERTIFICATION AND OTHER REQUIREMENTS RELATING TO TITLE I ASSISTANCE

The applicant hereby assures and certifies that:

1. It possesses legal authority to apply for Community Development Block Grant funds, and to execute the proposed program.
2. Prior to the submission of the application, the applicant's governing body has duly adopted or passed as an official act a resolution authorizing the submission of the application, including all understandings, assurances, statutes, regulations and orders contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
3. Its chief executive officer or other officer of the applicant approved by the State:
  - a. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified at 24 CFR 58.1(a) (3) and (a)(4), which further the purposes of NEPA insofar as the provisions of such Federal law apply to this program.
  - b. Is authorized and consents on behalf of the applicant and him(her)self to accept the jurisdiction of the federal and State courts for the purpose of enforcement of his/her responsibilities as such an official.
4. It will comply with the provisions of Executive Order 11990, relating to evaluation of flood hazards and Executive Order 11288 relating to the prevention, control and abatement of water pollution.
5. It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966, P.L. 93-291 (16 U.S.C. 469a-1, et.seq.).
6. It will administer and enforce the labor standard requirements of the Davis Bacon Act, as amended at 40 U.S.C. 276a-276a-5, and the Contract Work Hours and Safety Standards Act at 40 U.S.C. 327-333.
7. It will comply with the provisions of 24 CFR Part 24 relating to the employment, engagement of services, awarding of contracts or funding of any contractors or subcontractors during any period of debarment, suspension or placement in ineligibility status.
8. It shall comply with the requirements of the 1992 Lead Based Paint Poisoning Prevention Act of 42 U.S.C. 4821-4846 (also Title X of the Housing and Community Development Act of 1992) and implementing regulations at 24 CFR Part 35.
9. It will comply with the provisions of 24 CFR part 58 "Uniform Grant Administrative Requirements" and OMB Circular A-87.
10. It will comply with the American Disabilities Act and Section 504 of the Rehabilitation Act, as amended.
11. It will comply with
  - a. Title VI of the Civil Rights Act of 1964 (Pub. L. 88- 352), and the regulations issued pursuant thereto (24 CFR Part 1).
  - b. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90- 284), as amended.

- c. Section 109 of the Housing and Community Development Act of 1974.
  - d. Executive Order 11063 pertaining to equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
  - e. Executive Order 11246, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60).
  - f. Section 3 of the Housing and Urban Development Act of 1968, as amended.
  - g. Federal Fair Housing Act of 1988, P.L. 100-430.
  - h. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1973, 42 U.S.C. 6101-07, and the prohibitions against discrimination against persons with handicaps under Section 504 of the Rehabilitation Act of 1973, (P.L. 93-112), as amended, and the regulations at 24 CFR Part 8.
  - i. The requirements of the Architectural Barriers Act of 1966 at 42 U.S.C. 4151-415.
12. It will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations.
  13. It will comply with applicable conflict of interest provisions, incorporate such in all contracts and establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
  14. It will comply with the provisions of the Hatch Act which limit the political activity of employees.
  15. It will give representatives of the State, the Secretary of HUD, the Inspector General, and the General Accounting Office access to all books, accounts, records, reports, files and other papers, things, or property belonging to it or in use by it pertaining to the administration of State CDBG assistance.
  16. It will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of violating facilities and that it will notify the State of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
  17. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Pub.L. 93-234, 87 Stat., 975, approved December 31, 1973. Section 103 (a) required, on and after March 2, 1974.
  18. It has AND WILL COMPLY WITH THE PROVISIONS OF THE STATE OF ARIZONA CITIZEN AND PUBLIC PARTICIPATION PLAN FOR THE STATE OF ARIZONA CDBG PROGRAM.
  19. It has developed plans to minimize displacement of persons as a result of activities assisted in whole or in part with CDBG funds and to assist persons actually displaced as a result of such activities, and has provided information about such plans to the public.
  20. It will not recover any capital costs of public improvements assisted in whole or in part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements **unless**:
    - a. the CDBG funds are used to pay the proportion of the fee or assessment that is financed from other revenue sources, or:
    - b. it will certify to the State in writing that it lacks sufficient CDBG funds to comply with (a) but that it will not assess properties owned by very low income persons.

21. It will provide all other funds/resources identified in the application, or any additional funds/resources necessary to complete the project as described in the application as submitted, or as may be later amended.
22. It will comply with the requirements of the Single Audit Act of 1996 and OMB Circular A-133; and if the grant is closed out prior to all funds having been audited, it shall refund to Commerce any costs disallowed as a result of any audit conducted after the date of grant closeout.
23. It hereby adopts and will enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and will enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
24. It will ensure that, to the best of the knowledge and belief of the undersigned:
  - a. no Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in the connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
  - b. if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
  - c. the undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

"This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure."

25. It shall comply with the provisions of Section 102 of the HUD Reform Act of 1989.
26. It shall ensure that efforts are made to recruit minority, disabled and woman owned businesses for its vendor/supplier lists.

RESOLUTION NO. 10-06-03

A resolution of the Gila County Board of Supervisors authorizing the submission of an application for Community Development Block Grant (which may include federal funding through the HOME Investment Partnership Program or State Housing Funds), and State Special Projects certifying that said application meets the community's housing and community development needs and the requirements of the State Housing Programs, and authorizing all actions necessary to implement and complete the activities outlined in said application.

WHEREAS, the Gila County Board of Supervisors is desirous of undertaking affordable housing development activities; and

WHEREAS, the State of Arizona is administering the State Housing Fund Program; and

WHEREAS, the State Housing Fund requires that State Housing Funds benefit low income households; and

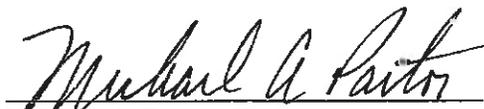
WHEREAS, the activity in the application addresses the community's low-income population housing needs; and

WHEREAS, a recipient of State Housing Funds is required to comply with program guidelines, State and Federal Statutes and regulations.

NOW, THEREFORE, BE IT RESOLVED THAT the Gila County Board of Supervisors authorize application to be made to the State of Arizona for funding from the State Housing Fund, and authorize David Fletcher, Director of the Gila County Division of Health and Community Services, to sign application and contract or grant documents for receipt and use of these funds, and authorize David Fletcher, Director of the Gila County Division of Health and Community Services, to take all actions necessary to implement and complete the activities submitted in said application; and

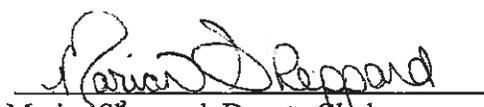
THAT, the Gila County Board of Supervisors will comply with all State Housing Fund Program Guidelines, State and Federal Statutes and regulations applicable to the State Housing Fund Program (HOME program and/or State Housing Trust Fund) and the certifications contained in the application.

Passed and adopted by the Gila County Board of Supervisors this 15<sup>th</sup> day of June 2010.



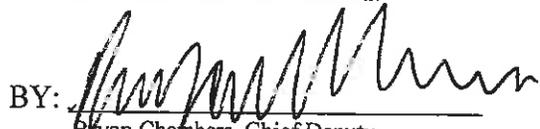
Michael A. Pastor, Chairman

ATTEST:



Marian Sheppard, Deputy Clerk

APPROVED AS TO FORM:

BY:   
Bryan Chambers, Chief Deputy  
Gila County Attorney



## E-12 Request for Release of Funds and Certification

This form is to be used by Responsible Entities and Recipients (as defined in 24 CFR 58.2) when requesting the release of funds, and requesting the authority to use such funds, for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and States. Public reporting burden for this collection of information is estimated to average 36 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

### Part 1. Program Description and Request for Release of Funds (to be completed by Responsible Entity)

1. Program Title(s) Number (Optional) Housing Rehabilitation	2. HUD/State Identification Number 86-6004791	3. Recipient Identification 86-6000444
4. CFDA Number(s)	5. Name and Address of Responsible Entity Malissa Buzan Gila County Community Services Division 5515 S. Apache Avenue, Suite 200 Globe, AZ 85501	
6. For information about this request, contact (name and phone number) Malissa Buzan Gila County Community Services Division 5515 S. Apache Avenue, Suite 200 Globe, AZ 85501		
7. HUD or State Agency and office unit to receive request Arizona Department of Housing	8. Name and address of Recipient (if different than Responsible Entity)	

The recipient(s) of assistance under the program listed above requests the release of funds and removal of environmental grant conditions governing the use of the assistance for the following:

9. Program Activity(ies)/Project Name(s) Housing Rehabilitation, Emergency Repairs	10. Location (Street address, city, county state) Gila County
---	--

11. Program Activity/Project Description

CBBG, HOME, HTF, SSP, SHF Activities 1 & 2

---

**Part 2. Environmental Certification (to be completed by Responsible Entity)**

---

With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the Responsible Entity, certify that:

1. The Responsible Entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the Project(s) named above.
2. The Responsible Entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
3. After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal  did  did not require the preparation and dissemination of an environmental impact statement.
4. The Responsible Entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
5. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
6. In accordance with 24 CFR 58.71(b), the Responsible Entity will advise the recipient (if different from the Responsible Entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated Certifying Official of the Responsible Entity, I also certify that:

7. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the Responsible Entity.
8. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as Certifying Officer of the Responsible Entity.

Signature of Certifying Officer of the Responsible Entity	Title of Certifying Officer Chairman, Gila County Board of Supervisors
x	Date Signed
Address of Certifying Officer Gila County Division of Health and Community Services 5515 S. Apache Avenue, Suite 200 Globe, AZ 85501	

---

**Part 3. To be completed when the Recipient is not the Responsible Entity**

---

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

Signature of Authorized Officer of the Recipient	Title of Authorized Officer
x	Date Signed

ORIGINAL TO  
STATE CDBG

State of Arizona  
Arizona Department of Housing  
Community Development Block Grant (CDBG) Program  
DESIGNATION OF DEPOSIT OF GRANT FUNDS (F-1)

Funding Agreement Number(s)

144-11

Grantee/Recipient: Gila County

Address: 5515 S. Apache Ave., Suite 200

City: Globe

State: Arizona

Zip: 85501

Funds shall be deposited by the grantee to:

JP Morgan Chase Bank

Gila County Treasurer, #11804047

Name of Financial Institution

Account Name/Number

A.  Check this box if payment to be mailed to grantee

B.  Check this box if payment to be sent electronically (direct deposit).

Note: If Box B checked, GA0-618 Automated clearinghouse (ACH) Vendor Authorization must be sent to ADOH.

Account number by which CDBG funds will be recorded in grantee financial records: 2000.171.3310.00  
194-01-17100-4402

Leverage account number, if applicable: N/A

I certify that CDBG funds shall be deposited as specified above; shall not be deposited in an interest bearing account (unless all requests for payment shall be on a reimbursement basis); and shall be deposited in an FDIC-insured financial institution.

Michael A. Pastor

Typed Name of Chief Elected Official

Signature of Chief Elected Official

Chairman, Gila County Board of Supervisors

Title

Date

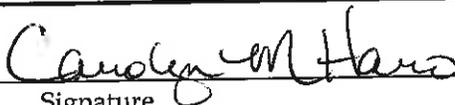
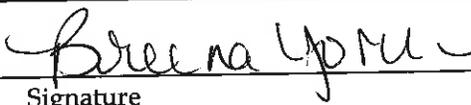
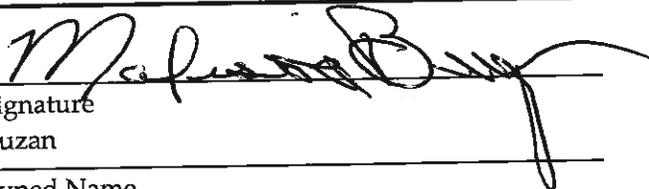
F-1 (11/06)

State of Arizona  
 Arizona Department of Housing  
 Community Development Block Grant (CDBG) Program

**AUTHORIZED SIGNATURE CARD  
 FOR REQUESTS FOR PAYMENT ON CDBG ACCOUNT (F-2)**

Grantee     Gila County	Funding Agreement Number(s) 144-11
-------------------------	------------------------------------

SIGNATURES OF INDIVIDUALS AUTHORIZED TO REQUEST FUNDS ON THE CITED CDBG FUNDING AGREEMENTS(s):

①		3/23/2011	
	Signature	Date	Director
	David J.H. Fletcher	Title	
	Typed Name	Title	
②		3/23/2011	
	Signature	Date	Manager, Community Services
	Carolyn M. Haro	Title	
	Typed Name	Title	
③		3/23/2011	
	Signature	Date	Fiscal Services Manager
	Bree'na York	Title	
	Typed Name	Title	
④		3/23/2011	
	Signature	Date	Housing Services Program Manager
	Malissa Buzan	Title	
	Typed Name	Title	

I certify that the signatures above are of the individuals authorized to request payments for the cited contract, and that **I as the Chief Elected Official (Mayor/County Board Chairperson) have the authority to designate these individuals to take such action.**

Signature OF Chief Elected Official	Date
Michael A. Pastor	Chairman, Gila County Board of Supervisors
Typed Name	Title

ORIGINAL TO  
STATE CDBG

STATE OF ARIZONA  
DEPARTMENT OF HOUSING  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

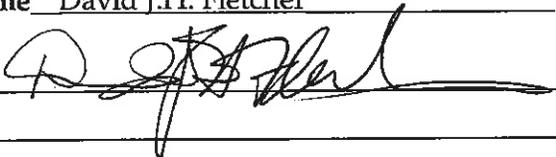
GRANTEE Gila County FUNDING AGREEMENT NUMBER(S) 144-11

AUTHORIZED SIGNATURE CARD FOR ALL ADMINISTRATIVE ACTIONS  
PERTAINING TO CDBG FUNDING AGREEMENTS

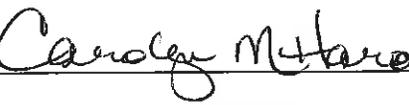
ONLY ONE SIGNATURE REQUIRED (additional recommended to ensure signatory availability)

SIGNATURE(S) OF AUTHORIZED INDIVIDUAL(S)

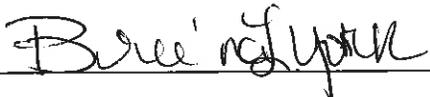
Typed Name David J.H. Fletcher Title Director

Signature  Date 3/23/2011

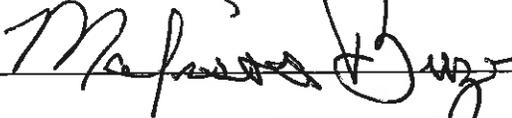
Typed Name Carolyn M. Haro Title Manager, Community Services

Signature  Date 3/23/2011

Typed Name Breen'a L. York Title Fiscal Services Manager

Signature  Date 3/23/2011

Typed Name Malissa Buzan Title Housing Services Program Manager

Signature  Date 3/23/2011

I CERTIFY THAT THE SIGNATURES ABOVE ARE THOSE OF THE INDIVIDUALS WHO MAY AUTHORIZE ADMINISTRATIVE ACTIONS FOR THE CITED CONTRACT AND THAT I AS THE CHIEF ELECTED OFFICIAL HAVE THE AUTHORITY TO DESIGNATE THESE INDIVIDUALS TO TAKE SUCH ACTION.

Typed Name Michael A. Pastor Title of Chief Elected Official Chairman, Gila Co. Board of Supervisors

Signature \_\_\_\_\_ Date \_\_\_\_\_



**State of Arizona - Department of Administration - General Accounting Office (GAO)**  
**ACH Vendor Authorization - Attn: Vendor Setup - 100 N 15th Ave, STE 302, Phoenix, AZ 85007**

*Please notify all State agencies that you do business with of any ACH requests*

**REQUEST TYPE**

New     Change     Cancellation, Cancellation Reason:

**PAYEE IDENTIFICATION**

Federal Employer's Identification Number (EIN) 8 6 - 6 0 0 0 4 4 4

OR State Employee EIN

OR Social Security Number (SSN)    -   -

Disclosure of your social security number is voluntary pursuant to 42 U.S.C. 405(c)(2)(C). The State of Arizona will use your SSN or EIN to file required information returns with the Internal Revenue Service.

Payee's Name Gila County Community Services Phone 928 425-7631 Ext 8667

Address 1400 E. Ash Street City Globe State AZ Zip Code 85501

**CHANGE INFORMATION-FOR CHANGE REQUEST ONLY**

Changing:  Financial Institution     Account Type     Account Number     Authorized Signers

Previous Financial Institution:     Previous Account Type:  Checking     Savings    Previous Account Number:

**AUTHORIZATION FOR NEW SETUP, CHANGE(S) OR CANCELLATION**

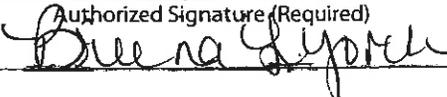
Pursuit to A.R.S. Sec. 35-185, I authorize the Arizona Department of Administration (ADOA), General Accounting Office (GAO) to process payments owed to me by the State of Arizona (State) via Automated Clearing House (ACH) deposits. The State shall deposit the ACH payments in the financial institution and account designated below. **I recognize that if I fail to provide complete and accurate information on this authorization form, the processing of the form may be delayed or made impossible, or my electronic payments may be erroneously made.**

**I authorize the State to withdraw from the designated account all amounts deposited electronically in error.** If the designated account is closed or has an insufficient balance to allow withdrawal, then I authorize the State to withhold any payment owed to me by the State until the erroneous deposited amount are repaid. If I decide to change or revoke this authorization, I recognize that I must forward such notice to the ADOA-GAO. The change or revocation is effective on the day the ADOA-GAO processes the request.

I certify that I understand and agree to comply with the State's rules governing payments and electronic transfers as they exist on the date of my signature on this form or as subsequently adopted, amended, or repealed. I consent to, and agree to, comply with these rules even if they conflict with this authorization form.

I authorize the State to stop making electronic transfers to my account without advance notice.

I certify that I am authorized to contract for the entity receiving deposits pursuant to this agreement, that all information provided is accurate.

Name Bree'na L. York Authorized Signature (Required)  Title Fiscal Services Manager Date \_\_\_\_\_

**Additional Authorized Signers**

Name \_\_\_\_\_ Authorized Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Name \_\_\_\_\_ Authorized Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

Name \_\_\_\_\_ Authorized Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

I would like to receive addendum records in the following format:  CTX     CCD     CCD+

*Please Note: If your financial institution is unable to receive addendum information, detailed information can be obtained online at <http://venpay.gao.azdoa.gov>.*

-----If State Employee, attach a cancelled check here-----

**FINANCIAL INSTITUTION (Must be completed by a financial institution representative) -FOR NEW OR CHANGE REQUEST ONLY**

Financial Institution Name JP Morgan Chase Phone 602 221-2960 Ext \_\_\_\_\_

Address P.O. Box 71 City Phoenix State AZ Zip Code 85501-0071

Routing Transit # 1221-0002-4 Customer Account # 11804047 Account Type  Checking     Saving

Financial Institution Representative Name Tonique Smith Title CSP

Signature (Required) see attached Date \_\_\_\_\_ Phone \_\_\_\_\_ Ext \_\_\_\_\_

**GAO USE ONLY**

Verified by and date \_\_\_\_\_ Entered by and date \_\_\_\_\_ Vendor # \_\_\_\_\_ MC \_\_\_\_\_

Prenote date \_\_\_\_\_ Input verified by \_\_\_\_\_ Approved by \_\_\_\_\_

From:

03/22/2011 13:11

#144 P.002/002



State of Arizona - Department of Administration - General Accounting Office (GAO)
ACH Vendor Authorization - Arts: Vendor Setup - 100 N 15th Ave, STE 302, Phoenix, AZ 85007

Please notify all State agencies that you do business with of any ACH requests

REQUEST TYPE
[X] New [ ] Change [ ] Cancellation, Cancellation Reason:

PAYEE IDENTIFICATION
Federal Employer's Identification Number (EIN) 86 - 6000444
OR State Employee EIN
OR Social Security Number (SSN)

Disclosure of your social security number is voluntary pursuant to 42 U.S.C. 405(c)(2)(C). The State of Arizona will use your SSN or EIN to file required information returns with the Internal Revenue Service.

Payee's Name Gila County Community Services Phone 928 735 7631 Ext 8667
Address 1400 E. Ash Street City Globe State AZ Zip Code 85501

CHANGE INFORMATION-FOR CHANGE REQUEST ONLY
Changing: [ ] Financial Institution [ ] Account Type [ ] Account Number [ ] Authorized Signers
Previous Financial Institution: Previous Account Type: Previous Account Number:
[ ] Checking [ ] Savings

AUTHORIZATION FOR NEW SETUP, CHANGE(S) OR CANCELLATION
Pursuit to A.R.S. Sec. 35-185, I authorize the Arizona Department of Administration (ADOA), General Accounting Office (GAO) to process payments owed to me by the State of Arizona (State) via Automated Clearing House (ACH) deposits. The State shall deposit the ACH payments in the financial institution and account designated below. I recognize that if I fail to provide complete and accurate information on this authorization form, the processing of the form may be delayed or made impossible, or my electronic payments may be erroneously made. I authorize the State to withdraw from the designated account all amounts deposited electronically in error. If the designated account is closed or has an insufficient balance to allow withdrawal, then I authorize the State to withhold any payment owed to me by the State until the erroneous deposited amount are repaid. If I decide to change or revoke this authorization, I recognize that I must forward such notice to the ADOA-GAO. The change or revocation is effective on the day the ADOA-GAO processes the request. I certify that I understand and agree to comply with the State's rules governing payments and electronic transfers as they exist on the date of my signature on this form or as subsequently adopted, amended, or repealed. I consent to, and agree to, comply with these rules even if they conflict with this authorization form. I authorize the State to stop making electronic transfers to my account without advance notice. I certify that I am authorized to contract for the entity receiving deposits pursuant to this agreement, that all information provided is accurate.

Name Bree'na L. York Authorized Signature (Required) Bree'na York Title Fiscal Services Manager Date
Additional Authorized Signers
Name Authorized Signature Title Date
Name Authorized Signature Title Date
Name Authorized Signature Title Date

I would like to receive addendum records in the following format: [ ] CTX [ ] CCD [ ] CCD+
Please Note: If your financial institution is unable to receive addendum information, detailed information can be obtained online at http://venpay.gao.azdo.gov.
If State Employee, attach a cancelled check here

FINANCIAL INSTITUTION (Must be completed by a financial institution representative) -FOR NEW OR CHANGE REQUEST ONLY
Financial Institution Name JP Morgan Chase Phone 602 221-2960 Ext
Address P.O. Box 71 City Phoenix State AZ Zip Code 85501-0071
Routing Transit # 221-0002-4 Customer Account # 11804047 Account Type [X] Checking [ ] Saving
Financial Institution Representative Name Tonique Smith Title CSP
Signature (Required) Tonique Smith Date 3/25/11 Phone 602 221-2960

GAO USE ONLY
Verified by and date Entered by and date Vendor # MC
Prenote date Input verified by Approved by

STATE OF ARIZONA  
AUTOMATED CLEARING HOUSE (ACH) PAYMENT  
VENDOR INFORMATION PACKET

**SECTION 1. DEFINITIONS**

The following terms used in this information packet have the meanings indicated unless the context clearly indicates otherwise.

Automated Clearing House (ACH) - a central distribution and settlement point for clearing the electronic credit and debit transactions between financial institutions.

American Clearing House Association (ACHA) - a regional association that provides rules and guidelines for the efficient operation of the ACH network.

ACH payment - a payment made to a vendor by way of direct deposit to the vendor's bank account as an alternative to issuing a warrant.

Addendum Record - an ACH record type that carries supplemental data needed to completely identify an account holder or to provide information concerning an ACH payment.

Arizona Financial Information System (AFIS) - the accounting system used by the State of Arizona for making payments to vendors.

A.R.S. - Arizona Revised Statutes.

Business Day - any day on which financial institutions are open for business with the public.

CCD - cash concentration or disbursement, the format of ACH payment without any addenda information.

CCD+ - cash concentration or disbursement, the format of ACH payment with addenda information allowing up to one addendum record per payment record. Due to the limitation on the length of the addendum record, only the contact telephone number of the paying entity is included as payment related information.

Confirmation Letter - a letter sent by the GAO Vendor Group that verifies the accuracy of the first ACH payment generated for a vendor.

Credit Entry - an electronic funds transfer (EFT) to deposit funds into an EFT account.

CTX Format - the format of ACH payment with addenda information allowing up to 9,999 addendum records per payment record.

Debit Entry - a reversal of a credit entry.

STATE OF ARIZONA  
AUTOMATED CLEARING HOUSE (ACH) PAYMENT  
VENDOR INFORMATION PACKET

EFT Account - an account that had been designated in accordance with this section to receive credit entries from paying State agencies.

General Accounting Office (GAO) - part of the Department of Administration responsible for oversight of the payment processing system including ACH.

National Automated Clearing House Association (NACHA) - sets the operating rules and procedures for users of the ACH direct deposit system.

Payee - see Vendor.

Paying State Agency - with respect to a particular credit or debit entry, the State agency that initiates the entry.

Pre-note Record - a \$0.00 test transmittal of each vendor's direct deposit information. Pre-notes are sent for initial ACH setup, changes in financial institution or account information and re-activation of vendor ACH profiles.

Rules - the requirements of the National Automated Clearing House Association, Arizona Clearing House Association, Federal Reserve System's Regulation E and the State Comptroller's rules for ACH payments.

Settlement Date - the date the vendor's financial institution credits the vendor's individual account.

State - the State of Arizona.

State Agency - any Department, Authority, Board, Commission, Council, Administration, Court, Registrar, Office, Institution or other Arizona entity in the Executive, Legislative or Judicial branch.

Vendor - an individual, entity, annuitant or state employee (for non-payroll transactions) that receives a payment from the State of Arizona.

STATE OF ARIZONA  
AUTOMATED CLEARING HOUSE (ACH) PAYMENT  
VENDOR INFORMATION PACKET

**SECTION 2. THE ELECTRONIC SYSTEM**

The State of Arizona implemented ACH payment processing throughout the State in February of 2001.

The electronic payment method used by the State is called the Automated Clearing House (ACH), which is an alternative to issuing warrants to vendors for payment. The State uses the American Clearing House Association's (ACHA) ACH system. The ACHA serves as the clearing house and processes electronic payments to the vendors' accounts. The ACHA authorizes only certain financial institutions to originate electronic payments through their systems. Therefore, the GAO uses an authorized originator, the State servicing bank, to process these payments through the ACH system.

**SECTION 3. ACH APPROVAL PROCESS**

Vendors doing business with the State of Arizona who desire to receive ACH payments must complete an ACH Vendor Authorization Form (GAO-618). The state agencies will provide the ACH Vendor Authorization Form (GAO-618) to new ACH vendors along with a vendor set up package. Vendors can also obtain a copy of this form at the GAO's website at [www.gao.state.az.us](http://www.gao.state.az.us). After completion, the form should be submitted to the GAO for processing. Vendors only need to complete one ACH Vendor Authorization Form (GAO-618) to receive payments from multiple state agencies. Any changes in financial institution or account number will require a new ACH Vendor Authorization Form (GAO-618).

Vendors should be willing to receive all ACH payments into a single checking or savings account. Approval for requests to receive ACH payments into multiple accounts will be determined on a case-by-case basis by the State Comptroller.

Vendors will receive ACH payments with the format indicated on their ACH Vendor Authorization Form (GAO-618). The acceptable ACH formats are CTX, CCD, and CCD+. These addendum records contain the detailed supporting payment information such as the name of the paying agency, the claim number, the purchase order number, the vendor invoice number/date and the payment amount. Detailed payment information can also be viewed online at <http://venpay.gao.azdoa.gov>

The GAO will verify the completeness of the data on the ACH Vendor Authorization Form (GAO-618) and for update to the AFIS vendor file. After a successful update, the GAO will transmit a pre-note record to the State servicing bank. The State servicing bank will process the pre-note record through the ACHA for verification of the vendor's account. The GAO will allow 15 days for the pre-note to be verified. If negative notification is not received, the vendor will be approved to receive their first ACH payment after the 15 day pre-note period.

STATE OF ARIZONA  
AUTOMATED CLEARING HOUSE (ACH) PAYMENT  
VENDOR INFORMATION PACKET

The GAO will send a confirmation letter to each vendor after the first ACH payment has been made. The letter will identify payment information (invoice number, amount and payment number) for the vendor to verify that the deposit was credited properly to the correct bank account. Vendors must sign and return the confirmation letter to GAO within 90 days of their first ACH payment. No future ACH payments will be made until a signed confirmation letter has been returned by the vendor. If the vendor does not sign and return the confirmation letter within 90 days, the GAO will inactivate the vendor's ACH mail code. Vendors with inactivated ACH mail codes will need to submit a new ACH Authorization Form (GAO-618) to restart the ACH approval process.

**SECTION 4: ACH PAYMENT PROCESS**

The various steps of an ACH payment from the GAO to a vendor's account are indicated below:

Step 1: State agencies submit their vendor claims for ACH payment issuance through AFIS using the ACH approved vendor number and mail code on the claim.

Step 2: The GAO transmits a daily file with detailed ACH payment data to the State servicing bank. The State servicing bank transmits the information to the ACHA. The ACHA determines the routing for each ACH payment to properly credit the vendor's account by using the unique 9-digit routing number assigned to each financial institution.

Step 3: On the settlement date of the electronic payment, two business days after transmission to the State servicing bank, the vendor's financial institution will credit the vendor's bank account. The funds should be available to vendors at the opening of business on the settlement date. Vendors should contact their financial institutions to determine their policies for posting ACH payments.

It should be noted that if the paying State agency determines that an erroneous credit ACH entry was made to a vendor, the State agency must immediately submit an ACH Payment Reversal Form (GAO PM-ACH1) to the GAO to reverse the credit. The GAO will then transmit an electronic debit entry to the State servicing bank for the erroneous payment. The State servicing bank will credit the State's account and transmit the debit entry to the vendor's financial institution. Upon verification that the vendor's financial institution returned the funds to the State servicing bank, the GAO will transfer the funds back to the appropriate State agency.



## **GILA COUNTY ATTORNEY**

*Bradley D. Beauchamp*

Re: County Attorney's Office approval of IGA pursuant to A.R.S. § 11-952(D).

To whom it may concern:

The County Attorney's Office has reviewed the Intergovernmental Agreement attached to this agenda item and has determined that it is in its "proper form" and "is within the powers and authority granted under the laws of this state to such public agency or public procurement unit" pursuant to A.R.S. § 11-952(D).

### **Explanation of the Gila County Attorney's Office Intergovernmental Agreement (IGA) Review**

A.R.S. § 11-952(D) requires that

every agreement or contract involving any public agency or public procurement unit of this state . . . before its execution, shall be submitted to the attorney for each such public agency or public procurement unit, who shall determine whether the agreement is in proper form and is within the powers and authority granted under the laws of this state to such public agency or public procurement unit.

In performing this review, the County Attorney's Office reviews IGAs to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the IGA. That approval is solely the province of the public agency through its elected body.

Likewise, this approval is not a certification that the IGA has been properly executed. Proper execution can only be determined after all the entities entering into the IGA have taken legal action to approve the IGA. There is no statutory requirement for the County Attorney's Office to certify that IGAs are properly executed.

Nonetheless, it is imperative for each public agency to ensure that each IGA is properly executed because A.R.S. § 11-952(F) requires that "[a]ppropriate action ... applicable to the governing bodies of the participating agencies approving or extending the duration of the ... contract shall be necessary before any such agreement, contract or extension may be filed or become effective." This can be done by ensuring that the governing body gives the public proper notice of the meeting wherein action will be taken to approve the IGA, that the item is adequately described in the agenda accompanying the notice, and that the governing body takes such action. Any questions regarding whether the IGA has been properly executed may be directed to the County Attorney's Office.

Proper execution of IGAs is important because A.R.S. § 11-952(H) provides that "[p]ayment for services under this section shall not be made unless pursuant to a fully approved written contract." Additionally, A.R.S. § 11-952(I) provides that "[a] person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment."

The public agency or department submitting the IGA for review has the responsibility to read and understand the IGA in order to completely understand its obligations under the IGA if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the IGA as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor IGA compliance. Hence the public entity or submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the IGA will be necessary to monitor compliance.

Before determining whether an IGA contract "is in proper form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the IGA for review to ask any specific questions or address any concerns it has about the IGA to the County Attorney's Office at the same time they submit the IGA for review. Making such an inquiry also helps improve the County Attorney's Office review of the IGA because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the IGA.

**ARF-1883**

**Consent Agenda Item 4- I**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013  
**Submitted For:** Malissa Buzan, Community Services Division Director  
**Submitted By:** Cecilia Bejarano, Executive Administrative Assistant, Community Services Division  
**Department:** Community Services Division  
**Division:** Comm. Action Program/Housing Servs.  
**Fiscal Year:** 2013-2014  
**Budgeted?:** Yes  
**Contract Dates** July 1, 2013 - June 30,  
**Begin & End:** 2014  
**Grant?:** Yes  
**Matching Requirement?:** No  
**Fund?:** Replacement

---

Information

Request/Subject

Amendment No. 8 to Contract No. DE111073001 with Arizona Department of Economic Security.

Background Information

The Community Action Network is made up of public and private agencies that work to alleviate poverty and empower low-income families in communities throughout Arizona. Most of the agencies are Community Action Agencies (CAAs), created through the Economic Opportunity Act of 1964. CAAs provide services to more than 150,000 people annually.

There is no "typical" CAA and no two are exactly alike. Each is governed by the leadership and specific needs of its local community. But, there is a common CAA approach to fighting the causes of poverty. Local agencies approach these goals by offering a variety of programs that serve low-income children, families and seniors.

Contract No. DE111073001 was approved by the Board on July 6, 2010.  
Amendment No. 1 was approved by the Board on May 3, 2011.  
Amendment No. 2 was approved by the Board on June 7, 2011.  
Amendment No. 3 was approved by the Board on November 15, 2011.  
Amendment No. 4 was approved by the Board on June 26, 2012.  
Amendment No. 5 was approved by the Board on August 7, 2012.  
Amendment No. 6 was approved by the Board on November 13, 2012.  
Amendment No. 7 was approved by the Board on January 22, 2013.

Evaluation

Allowable activities are designed to assist low-income families and individuals to remove obstacles and solve problems that block the achievement of self sufficiency to secure and retain meaningful employment, attain adequate education, make better use of available income, obtain and maintain adequate housing, and obtain emergency assistance. Community Services: the primary objectives of this service are to strengthen community capabilities for planning and coordinating the use of a broad range of resources related to the elimination of poverty. Case management: components of this emergency service include short-term crisis services and utility assistance services, case management services, emergency shelter, homeless services, move-in assistance, senior services, eviction prevention, and utility assistance.

Conclusion

Amendment No. 8 to Contract No. DE111073001 will change the reimbursement ceiling for the service Case Management to \$328,344. The reimbursement ceiling for the service for Community Services is \$150,000. The cumulative reimbursement ceiling for the contract period July 1, 2010 to June 30, 2015 is increased to \$2,305,095.13.

Recommendation

The Gila County Community Services Director recommends that the Board approve this amendment.

Suggested Motion

Approval of Amendment No. 8 to an Intergovernmental Agreement (Contract No. DE111073001) between the Arizona Department of Economic Security and the Gila County Division of Community Services, Community Action/Housing Services, changing the reimbursement ceiling for the service for Case Management to \$328,344 and the reimbursement ceiling for the service for Community Services to \$150,000, effective on the date of the last signature through June 30, 2014.

---

Attachments

Amendment No. 8 Contract DE111073001

amendment No. 7 Contract DE111073001

amendment No. 6 Contract DE111073001

amendment No. 5 Contract DE111073001

amendment No. 4 Contract No. DE111073001

amendment No. 3 Contract DE111073001

amendment No. 2 Contract DE111073001

amendment No. 1 Contract DE111073001

Original Contract DE111073001

Legal Explanation



**DEPARTMENT OF ECONOMIC SECURITY**  
Your Partner For A Stronger Arizona

**Intergovernmental Agreement  
CONTRACT AMENDMENT**

<b>1. CONTRACTOR (Name and address)</b>  <b>Gila County Community Services Division 5515 S. Apache Ave., Suite 200 Globe, Arizona 85501</b>	<b>2. CONTRACT ID NUMBER</b> <b>DE111073001</b>  <b>3. AMENDMENT NUMBER</b> <b>Eight (8)</b>
---	--

**4. THE PARTIES AGREE TO THE FOLLOWING AMENDMENT**

Pursuant to the Terms and Conditions, Amendments or Modifications section, the purpose of this amendment is to:

**Funding** for the contract period beginning July 1, 2013 through June 30, 2014:

The reimbursement ceiling for the service for Case Management is \$328,344.

The reimbursement ceiling for the service for Community Services is \$150,000.

The cumulative reimbursement ceiling for the contract period July 1, 2010 to June 30, 2015 is increased to \$2,305,095.13

Therefore, the Itemized Service Budgets for the service of Case Management (Attachment A) and Community Services (Attachment B) are revised and attached.

**Replace**

From Amendment # 5 Terms and Conditions, **Fingerprinting**, section 32.1.1, replace the existing version with the following:

Personnel who are employed by the Contractor, whether paid or not, and who are required or allowed to provide services directly to juveniles or vulnerable adults shall submit a full set of fingerprints to the Department for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544 or shall apply for fingerprint clearance card within seven working days of employment.

5. EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE AMENDMENT SHALL BECOME EFFECTIVE ON THE DATE OF LAST SIGNATURE UNLESS OTHERWISE SPECIFIED HEREIN. BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.

<b>6. ARIZONA DEPARTMENT OF ECONOMIC SECURITY</b>	<b>7. NAME OF CONTRACTOR</b> <b>GILA COUNTY COMMUNITY SERVICES DIVISION</b>
SIGNATURE OF AUTHORIZED INDIVIDUAL	SIGNATURE OF AUTHORIZED INDIVIDUAL
TYPED NAME <b>Rita Schmidt</b>	TYPED NAME <b>Michael A. Pastor</b>
TITLE <b>Deputy Chief Procurement Administrator</b>	TITLE <b>Chairman, Gila County Board of Supervisors</b>
DATE	DATE

IN ACCORDANCE WITH ARS §11-952 THIS CONTRACT AMENDMENT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAVE DETERMINED THAT THIS CONTRACT AMENDMENT IS IN APPROPRIATE FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO EACH RESPECTIVE PUBLIC BODY.

**ARIZONA ATTORNEY GENERAL'S OFFICE**

By: \_\_\_\_\_  
Assistant Attorney General

By: \_\_\_\_\_  
Deputy Attorney Principal

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# ITEMIZED SERVICE BUDGET

**CONTRACT SERVICE: Case Management (CMG-CAP)**

**Agency: Gila County**

**Contract Period: 07/01/2013 - 06/30/2014**

Attachment A

**1. PERSONNEL**

Number of Positions	FTE Level	Position Title	Total Salary for the Contract Period	TOTAL SERVICE COST	DES COST
1	1.00	Divisional Fiscal Manager	\$53,893	\$ 26,947	\$ 26,947
1	1.00	Divisional Accountant	\$34,549	\$ 17,275	\$ 17,275
1	1.00	Case Manager	\$30,534	\$ 15,267	\$ 15,267
1	1.00	Case Manager	\$32,094	\$ 16,047	\$ 16,047
1	1.00	Clerk	\$22,152	\$ 11,076	\$ 11,076
<b>TOTAL PERSONNEL</b>				<b>\$ 86,612</b>	<b>\$ 86,612</b>

**2. EMPLOYEE RELATED EXPENSES**

ITEM	BASIS	TOTAL COST	DES COST
Health Insurance FICA Workman's Comp Retirement	Average of 86,612 * 43.338%	\$ 37,536	\$ 27,706
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>		<b>\$ 37,536</b>	<b>\$ 27,706</b>

**3. PROFESSIONAL AND OUTSIDE SERVICES**

ITEM	BASIS	TOTAL COST	DES COST
N/A		\$ -	\$ -
<b>TOTAL PROFESSIONAL AND OUTSIDE SERVICES</b>		<b>\$ -</b>	<b>\$ -</b>

**4. TRAVEL**

ITEM	BASIS	TOTAL COST	DES COST
Gas/Vehicles/Maint	\$500 per month x 12 months	\$ 6,000	\$ 4,500
Per Diem	\$25 per day for 20 days for 5 FTE's / Board Members	\$ 2,500	\$ 1,625
<b>TOTAL TRAVEL</b>		<b>\$ 8,500</b>	<b>\$ 6,125</b>

ITEM	BASIS	TOTAL COST	DES COST
Rent - Globe Office	Rent \$1,673 monthly X 12 months (Includes electricity, cleaning, water, etc.)	\$ 20,076	\$ 10,038
Sparkletts/Other Space Expense	\$100 x 12 months	\$ 1,200	\$ 600
<b>TOTAL SPACE</b>		<b>\$ 21,276</b>	<b>\$ 10,638</b>

<b>6. EQUIPMENT</b>				
	<b>ITEM</b>	<b>BASIS</b>	<b>TOTAL COST</b>	<b>DES COST</b>
N/A				
<b>TOTAL EQUIPMENT</b>			<b>\$ -</b>	<b>\$ -</b>

<b>7. MATERIALS &amp; SUPPLIES</b>				
	<b>ITEM</b>	<b>BASIS</b>	<b>TOTAL COST</b>	<b>DES COST</b>
	General Office Supplies	\$200 per month x 5 FTE's x 12 months	\$ 12,000	\$ 4,505
	Postage	\$250 per month x 12 months	\$ 3,000	\$ 1,500
<b>TOTAL MATERIALS AND SUPPLIES</b>			<b>\$ 15,000</b>	<b>\$ 6,005</b>

<b>8. OPERATING SERVICES</b>				
	<b>ITEM</b>	<b>BASIS</b>	<b>TOTAL COST</b>	<b>DES COST</b>
	Staff Training & Registration	\$1000 for training sessions for 4 FTE's (includes hotel, registration)	\$ 4,000	\$ 4,000
	Advisory Board Quarterly Meetings	Registrations and meals	\$ 1,500	\$ 1,500
	Local Fax, 800 Line, Phone Line & Service	\$2,000 x 12 months		
	Maintenance, Leases Agreements & Memberships/Dues		\$ 24,000	\$ 6,285
<b>TOTAL OPERATING EXPENSES</b>			<b>\$ 29,500</b>	<b>\$ 11,785</b>

<b>9. INDIRECT COSTS</b>				
	<b>ITEM</b>	<b>BASIS</b>	<b>TOTAL COST</b>	<b>DES COST</b>
N/A				
<b>TOTAL INDIRECT COSTS</b>			<b>\$ -</b>	<b>\$ -</b>

<b>10.</b>	<b>SUBTOTAL ADMIN COSTS</b>		<b>\$ 198,424</b>	<b>\$ 148,871</b>
------------	-----------------------------	--	-------------------	-------------------

<b>11. VOUCHERS</b>				
	<b>ITEM</b>		<b>TOTAL COST</b>	<b>DES COST</b>
	LIHEAP		\$ 149,111	\$ 149,111
	LIHCON		\$ -	\$ -
	LLVG		\$ -	\$ -
	NHN		\$ 362	\$ 362
	TANF		\$ 30,000	\$ 30,000
<b>TOTAL VOUCHERS</b>			<b>\$ 179,473</b>	<b>\$ 179,473</b>

<b>12.</b>	<b>TOTAL SERVICE COST/DES TOTAL COST:</b>		<b>\$ 377,897</b>	<b>\$ 328,344</b>
------------	---	--	-------------------	-------------------

**REVENUE SOURCES:**

DES Case Mgt.	\$ 328,344	\$ 328,344
Gila County	\$ 49,553	
<b>TOTAL REVENUE:</b>	<b>\$ 377,897</b>	<b>\$ 328,344</b>

# ITEMIZED SERVICE BUDGET

**CONTRACT SERVICE: Community Services (CSV-CAP)**

**Agency: Gila County**

**Contract Period: 07/01/2013 - 06/30/2014**

Attachment B

**1. PERSONNEL**

Number of Positions	FTE Level	Position Title	Total Salary for the Contract Period	TOTAL SERVICE COST	DES COST
1	1.00	Community Services Director	\$80,020	\$ 40,010	\$ 17,604
1	1.00	Divisional Accountant	\$34,549	\$ 17,275	\$ 7,601
1	1.00	Divisional Fiscal Manager	\$53,893	\$ 26,947	\$ 11,856
1	1.00	Divisional Special Projects	\$32,560	\$ 16,280	\$ 7,163
1	1.00	Divisional Assistant	\$39,104	\$ 19,552	\$ 8,603
1	1.00	Case Manager	\$30,534	\$ 15,267	\$ 6,717
1	1.00	Case Manager	\$32,094	\$ 16,047	\$ 7,061
1	1.00	Clerk	\$22,152	\$ 11,076	\$ 4,873
<b>TOTAL PERSONNEL</b>				<b>\$162,454</b>	<b>\$ 71,478</b>

**2. EMPLOYEE RELATED EXPENSES**

ITEM	BASIS	TOTAL COST	DES COST
	Average of 162,454 * 30.678%	\$ 49,838	\$ 31,400
Health Insurance			
FICA			
Workman's Comp			
Retirement			
<b>TOTAL EMPLOYEE RELATED EXPENSES</b>		<b>\$ 49,838</b>	<b>\$ 31,400</b>

**3. PROFESSIONAL AND OUTSIDE SERVICES**

ITEM	BASIS	TOTAL COST	DES COST
N/A		\$ -	\$ -
<b>TOTAL PROFESSIONAL AND OUTSIDE SERVICES</b>		<b>\$ -</b>	<b>\$ -</b>

**4. TRAVEL**

ITEM	BASIS	TOTAL COST	DES COST
Gas/Vehicles/Maint	\$500 per month x 12 months	\$ 6,000	\$ 2,298
Per Diem	\$25 per day for 20 days for 5 FTE's / Board Members	\$ 2,500	\$ 1,250
<b>TOTAL TRAVEL</b>		<b>\$ 8,500</b>	<b>\$ 3,548</b>

**5. SPACE**

ITEM	BASIS	TOTAL COST	DES COST
N/A		\$ -	\$ -
<b>TOTAL SPACE</b>		<b>\$ -</b>	<b>\$ -</b>

6. <u>EQUIPMENT</u>				
	ITEM	BASIS	TOTAL COST	DES COST
N/A			\$ -	\$ -
	<b>TOTAL EQUIPMENT</b>		<b>\$ -</b>	<b>\$ -</b>

7. <u>MATERIALS &amp; SUPPLIES</u>				
	ITEM	BASIS	TOTAL COST	DES COST
N/A			\$ -	\$ -
	<b>TOTAL MATERIALS AND SUPPLIES</b>		<b>\$ -</b>	<b>\$ -</b>

8. <u>OPERATING SERVICES</u>				
	ITEM	BASIS	TOTAL COST	DES COST
N/A			\$ -	\$ -
	<b>TOTAL OPERATING EXPENSES</b>		<b>\$ -</b>	<b>\$ -</b>

9. <u>INDIRECT COSTS</u>				
	ITEM	BASIS	TOTAL COST	DES COST
	Indirect Costs to Gila County	5% of Salary base \$71,478 @100%	\$ 3,574	\$ 3,574
	<b>TOTAL INDIRECT COSTS</b>		<b>\$ 3,574</b>	<b>\$ 3,574</b>

<b>10.</b>	<b>SUBTOTAL ADMIN COST</b>		<b>\$224,366</b>	<b>\$110,000</b>
------------	----------------------------	--	------------------	------------------

11. <u>VOUCHERS</u>				
	ITEM		TOTAL COST	DES COST
	Vouchers - Direct Client Services		\$ 40,000	\$ 40,000
	<b>TOTAL VOUCHERS</b>		<b>\$ 40,000</b>	<b>\$ 40,000</b>

<b>12.</b>	<b>TOTAL SERVICE COST/DES TOTAL COST:</b>			<b>\$264,366</b>	<b>\$150,000</b>
------------	---	--	--	------------------	------------------

**REVENUE SOURCES:**

DES CSV	\$150,000	\$150,000
Gila County	\$114,366	
<b>TOTAL REVENUE:</b>	<b>\$264,366</b>	<b>\$150,000</b>



DEPARTMENT OF ECONOMIC SECURITY  
*Your Partner For A Stronger Arizona*

**Intergovernmental Agreement**  
**CONTRACT AMENDMENT**

1. CONTRACTOR (Name and address)  <b>Gila County Division of Health and Community Services</b> <b>5515 S. Apache Ave., Suite 200</b> <b>Globe, Arizona 85501</b>	2. CONTRACT ID NUMBER <b>DE111073001</b>  3. AMENDMENT NUMBER <b>Seven (7)</b>
--	--

4. THE PARTIES AGREE TO THE FOLLOWING AMENDMENT

Pursuant to the Terms and Conditions, Levels of Service section and Amendments or Modifications section, the purpose of this amendment is to:

**Funding** for the contract period July 1, 2012 through June 30, 2013:

The reimbursement ceiling for the service Case Management is increased from \$403,042 to \$410,977. This is an increase of \$7,935.

The cumulative reimbursement ceiling for the contract period July 1, 2010 through June 30, 2015 is \$1,826,751.13.

Therefore, the Itemized Service Budget for the service of Case Management (Attachment A) is revised and attached.

**Delete and Replace:**

Terms and Conditions, **Background Checks for Employment through the Central Registry**, section 16.0, delete and replace the existing version with the following:

If providing direct services to children or vulnerable adults, the following shall apply:

- 16.1 The provisions of A.R.S. § 8-804 (as may be amended) are hereby incorporated in its entirety as provisions of this Contract.
- 16.2 The Department will conduct Central Registry Background Checks and will use the information contained in the Central Registry as a factor to determine qualifications for positions that provide direct service to children or vulnerable adults for:
  1. Any person who applies for a contract with this State and that person's employees;
  2. All employees of a contractor;
  3. A subcontractor of a contractor and the subcontractor's employees; and
  4. Prospective employees of the contractor or subcontractor at the request of the prospective employer.
- 16.3 Volunteers who provide direct services to children or vulnerable adults shall have a Central Registry Background Check which is to be used as a factor to determine qualifications for volunteer positions.
- 16.4
  1. A person who is disqualified because of a Central Registry Background Check may apply to the Board of Fingerprinting for a Central Registry exception pursuant to A.R.S. § 41-619.57. A person who is granted a Central Registry exception pursuant to A.R.S. § 41-619.57 is not entitled to a contract, employment, licensure, certification or other benefit because the person has been granted a Central Registry exception.
  2. Before being employed or volunteering in a position that provides direct services to children or vulnerable adults, persons shall certify on forms that are provided by the Department whether an allegation of abuse or neglect was made against them and was substantiated. The completed forms are to be maintained as confidential.
- 16.5 A person awaiting receipt of the Central Registry Background Check may provide direct services to ADES clients after completion and submittal of the Direct Service Position certification if:
  1. The person is not currently the subject of an investigation of child abuse or neglect in Arizona, or another state or jurisdiction; and
  2. The person has not been the subject of an investigation of child abuse or neglect in Arizona, or another state of jurisdiction, which resulted in a substantiated finding. The Certification for Direct Service Position is located at:  
<https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/ACY-1287AFORFF.doc>

16.6 If the Central Registry Background Check specifies any disqualifying act and the person does not have a Central Registry exception, the person shall be prohibited from providing direct services to ADES clients.

16.7 The Contractor shall maintain the Central Registry Background Check results and any related forms or documents in a confidential file for five (5) years after termination of the Contract. The Request for Search of Central Registry for Background Check is located at:  
<https://www.azdes.gov/InternetFiles/InternetProgrammaticForms/doc/ACY-1288AFORFF.doc>

5. EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE AMENDMENT SHALL BECOME EFFECTIVE ON THE DATE OF LAST SIGNATURE UNLESS OTHERWISE SPECIFIED HEREIN. BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.

6. ARIZONA DEPARTMENT OF ECONOMIC SECURITY		7. NAME OF CONTRACTOR Gila County Division of Health and Community Services	
SIGNATURE OF AUTHORIZED INDIVIDUAL <i>Elizabeth G. Csaki</i>		SIGNATURE OF AUTHORIZED INDIVIDUAL <i>Tommie C. Martin</i>	
TYPED NAME Elizabeth G. Csaki, CPPB		TYPED NAME Tommie C. Martin	
TITLE Contract Administration Procurement Manager		TITLE Chairman, Gila County Board of Supervisors	
DATE 2/15/2013		DATE 1/22/13	

IN ACCORDANCE WITH ARS §11-952 THIS CONTRACT AMENDMENT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAVE DETERMINED THAT THIS CONTRACT AMENDMENT IS IN APPROPRIATE FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO EACH RESPECTIVE PUBLIC BODY.

ARIZONA ATTORNEY GENERAL'S OFFICE

By: *Barbara M. Behrman*  
Assistant Attorney General

Date: 2/14/13

By: *Bryan B. Chambers*  
Public Agency Legal Counsel  
Bryan B. Chambers  
Chief Deputy County Attorney

Date: 1-22-2013

**ITEMIZED SERVICE BUDGET**  
**FOR CONTRACT SERVICE: Case Management**  
**PROVIDER NAME: Gila County Community Action Program**  
**CONTRACT PERIOD: 7-01-12 TO 6-30-13**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service Cost	DES Cost
1	1	Divisional Fiscal Manager	\$53,893	50%+0=50%	50% \$ 26,947	\$ 26,947
1	1	Divisional Accountant	\$35,413	50%+0=50%	50% \$ 17,707	\$ 8,853
1	1	Program Manager	\$47,632	25%+25=50%	50% \$ 23,816	\$ 11,908
1	1	Case Manager	\$30,534	0%+50%=50%	50% \$ 15,267	\$ 15,267
1	1	Case Manager	\$32,094	0%+50%=50%	50% \$ 16,047	\$ 16,047
1	1	Clerk	\$32,885	0%+50%=50%	50% \$ 16,443	\$ 8,221
<b>TOTAL PERSONNEL COST:</b>					<b>\$ 116,227</b>	<b>\$ 87,243</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	DES Cost
Health Insurance	\$595.83 per mo. x 12 mo. X 3 @ 25%	\$ 5,362	\$ 5,362
	\$595.83 per mo. x 12 mo. X 3 @ 50%	\$ 10,725	\$ 10,725
FICA	0.0765 X \$116,227	\$ 8,891	\$ 4,446
Workman's Comp	0.003 X \$116,227	\$ 349	\$ 174
Retirement	0.1115 X \$116,227	\$ 12,959	\$ 6,480
<b>TOTAL ERE COST:</b>		<b>\$ 38,286</b>	<b>\$ 27,187</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	DES Cost
Gas/Vehicles/Maint	\$500 per month x 12 months	\$ 6,000	\$ 4,500
Per Diem	\$25 per day for 20 days for 5 FTE's / Board Members	\$ 2,500	\$ 1,625
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ 8,500</b>	<b>\$ 6,125</b>

**5 SPACE**

Item	Basis	Service Cost	DES Cost
Rent - Globe Office	Rent \$1,673 monthly X 12 months (Includes electricity, cleaning, water, etc.)	\$ 20,076	\$ 10,038
Sparkletts/Other Space Expense	\$100 x 12 months	\$ 1,200	\$ 600
<b>TOTAL SPACE COSTS:</b>		<b>\$ 21,276</b>	<b>\$ 10,638</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	DES Cost
N/A			
<b>TOTAL EQUIPMENT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	DES Cost
General Office Supplies	\$200 per month x 6 FTE's x 12 months	\$ 14,400	\$ 5,406
Postage	\$250 per month x 12 months	\$ 3,000	\$ 1,500
<b>TOTAL MAT &amp; SUPP COSTS:</b>		<b>\$ 17,400</b>	<b>\$ 6,906</b>

**8 OPERATING SERVICES**

Item	Basis	Service Cost	DES Cost
Staff Training & Registration	\$1000 for training sessions for 4 FTE's (includes hotel, registration)	\$ 4,000	\$ 4,000
Advisory Board Quarterly Meetings	Registrations and meals	\$ 1,665	\$ 1,665
Local Fax, 800 Line, Phone Line & Service	\$1,713.30 x 12 months		
Maintenance, Leases Agreements & Memberships/Dues		\$ 20,560	\$ 10,280
<b>TOTAL OPERATING SERVICE COSTS:</b>		<b>\$ 26,225</b>	<b>\$ 15,945</b>

**9 INDIRECT COSTS**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

10

**SUBTOTAL ADMINISTRATIVE COSTS:**

\$ 227,914 \$ 154,044

**11 VOUCHERS**

Item			Service Cost	DES Cost
1	LIHEAP	77	\$ 218,565	\$ 218,565
2	LIHCON	78	\$ -	\$ -
3	LLVG		\$ 7,935	\$ 7,935
4	NHN	70	\$ 433	\$ 433
5	TANF	49	\$ 30,000	\$ 30,000
6	ESG	17	\$ -	\$ -
<b>TOTAL VOUCHER COSTS:</b>			<b>\$ 256,933</b>	<b>\$ 256,933</b>

12	<b>TOTAL COSTS:</b>		<b>\$ 484,847</b>	<b>\$ 410,977</b>
----	---------------------	--	-------------------	-------------------

**REVENUE SOURCES:**

DES Case Mgt.	\$ 410,977	\$ 410,977
Gila County	\$ 73,870	
<b>TOTAL REVENUE:</b>	<b>\$ 484,847</b>	<b>\$ 410,977</b>
<b>TOTAL REVENUE:</b>	<b>\$ 484,847</b>	<b>\$ 410,977</b>

4/10/2012

Revised 12/10/2012



**DEPARTMENT OF ECONOMIC SECURITY**

*Your Partner For A Stronger Arizona*

**Intergovernmental Agreement  
CONTRACT AMENDMENT**

<b>1. CONTRACTOR (Name and address)</b>  <b>Gila County Division of Health and Community Services 5515 S. Apache Ave., Suite 200 Globe, Arizona 85501</b>	<b>2. CONTRACT ID NUMBER</b> <b>DE111073001</b>
	<b>3. AMENDMENT NUMBER</b> <b>Six (6)</b>

**4. THE PARTIES AGREE TO THE FOLLOWING AMENDMENT**

Pursuant to the Terms and Conditions, Levels of Service section and Amendments or Modifications section, the purpose of this amendment is to:

**Funding for the contract period July 1, 2012 through June 30, 2013:**

The reimbursement ceiling for the service Case Management is increased from \$320,006 to \$403,042. This is an increase of \$83,036.

The reimbursement ceiling for the service Community Services is increased from \$150,000 to \$156,000. This is an increase of \$6,000, which includes \$6,000 "Carry Forward" funding. The carry forward funding is not added to the cumulative reimbursement ceiling.

The cumulative reimbursement ceiling for the contract period July 1, 2010 through June 30, 2015 is \$1,818,816.13.

Therefore, the Itemized Service Budget for the services of Case Management (Attachment A) and Community Services (Attachment B) are revised and attached.

**Delete and Replace:**

Terms and Conditions, **Background Checks for Employment through the Central Registry**, section 16.0, delete and replace the original with the following:

If providing direct services to children or vulnerable adults, the following shall apply:

**16.1** The provisions of A.R.S. § 8-804 (as may be amended) are hereby incorporated in its entirety as provisions of this Contract.

**16.2** The Department will conduct Central Registry Background Checks and will use the information contained in the Central Registry as a factor to determine qualifications for positions that provide direct service to children or vulnerable adults for:

1. Any person who applies for a contract with this State and that person's employees;
2. All employees of a contractor;
3. A subcontractor of a contractor and the subcontractor's employees; and
4. Prospective employees of the contractor or subcontractor at the request of the prospective employer.

**16.3** Volunteers who provide direct services to children or vulnerable adults shall have a Central Registry Background Check which is to be used as a factor to determine qualifications for volunteer positions.

**16.4** Effective August 2, 2012:

1. A person who is disqualified because of a Central Registry Background Check may apply to the Board of Fingerprinting for a Central Registry exception pursuant to A.R.S. § 41-619.57. A person who is granted a Central Registry exception pursuant to A.R.S. § 41-619.57 is not entitled to a contract, employment, licensure, certification or other benefit because the person has been granted a Central Registry exception.
2. Before being employed or volunteering in a position that provides direct services to children or vulnerable adults, persons shall certify on forms that are provided by the Department whether an allegation of abuse or neglect was made against them and was substantiated. The completed forms are to be maintained as confidential.

**16.5** The person shall not provide direct services to ADES clients until the results of the Central Registry Background Check are complete and the results indicate that the person has no disqualifying acts that would prohibit him/her from providing services to ADES clients. If the Central Registry Background Check specifies any disqualifying act and the person does not have a Central Registry exception, the person shall be prohibited from providing direct services to ADES clients.

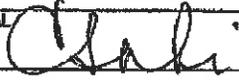
**16.6** The Contractor shall maintain the Central Registry Background Check results and any related forms or documents in a confidential file for five (5) years after termination of the Contract.

**ADD**

**Terms and Conditions, Confidentiality, section 19.2**

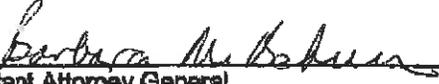
The Contractor shall comply with the requirements of Arizona Address Confidentiality Program, A.R.S. §41-161 et. seq. The Arizona Department of Economic Security will advise the Contractor as to applicable policies and procedures the Arizona Department of Economic Security has adopted for such compliance.

5. EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE AMENDMENT SHALL BECOME EFFECTIVE ON THE DATE OF LAST SIGNATURE UNLESS OTHERWISE SPECIFIED HEREIN. BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.

6. ARIZONA DEPARTMENT OF ECONOMIC SECURITY	7. NAME OF CONTRACTOR Gila County Division of Health and Community Services
SIGNATURE OF AUTHORIZED INDIVIDUAL 	SIGNATURE OF AUTHORIZED INDIVIDUAL 
TYPED NAME Elizabeth G. Csaki, CPPB	TYPED NAME Tommie C. Martin
TITLE Contract Administration Procurement Manager	TITLE Chairman, Gila County Board of Supervisors
DATE 12/7/2012	DATE 11/13/12

IN ACCORDANCE WITH ARS §11-892 THIS CONTRACT AMENDMENT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAVE DETERMINED THAT THIS CONTRACT AMENDMENT IS IN APPROPRIATE FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO EACH RESPECTIVE PUBLIC BODY.

**ARIZONA ATTORNEY GENERAL'S OFFICE**

By:   
Assistant Attorney General

Date: 12/5/12

By:   
Public Agency Legal Counsel  
Bryan B. Chambers  
Chief Deputy, Gila County Attorney

Date: 11/13/12

**ITEMIZED SERVICE BUDGET  
FOR CONTRACT SERVICE: Case Management  
PROVIDER NAME: Gila County Community Action Program  
CONTRACT PERIOD: 7-01-12 TO 6-30-13**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service Cost	DES Cost
1	1	Divisional Fiscal Manager	\$53,893	50%+0=50%	50% \$ 26,947	\$ 26,947
1	1	Divisional Accountant	\$35,413	50%+0=50%	50% \$ 17,707	\$ 8,853
1	1	Program Manager	\$47,632	25%+25=50%	50% \$ 23,816	\$ 11,908
1	1	Case Manager	\$30,534	0%+50%=50%	50% \$ 15,267	\$ 15,267
1	1	Case Manager	\$32,094	0%+50%=50%	50% \$ 16,047	\$ 16,047
1	1	Clerk	\$32,885	0%+50%=50%	50% \$ 16,442	\$ 8,221
<b>TOTAL PERSONNEL COST:</b>					<b>\$ 116,226</b>	<b>\$ 87,243</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	DES Cost
Health Insurance	\$595.83 per mo x 12 mo X 3 @ 25%	\$ 5,362	\$ 5,362
	\$595.83 per mo x 12 mo X 3 @ 50%	\$ 10,725	\$ 10,725
FICA	0.0765 X \$116,226	\$ 8,891	\$ 4,446
Workman's Comp	0.003 X \$116,226	\$ 349	\$ 174
Retirement	0.1115 X \$116,226	\$ 12,959	\$ 6,480
<b>TOTAL ERE COST:</b>		<b>\$ 38,286</b>	<b>\$ 27,187</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	DES Cost
Gas/Vehicles/Maint	\$500 per month x 12 months	\$ 6,000	\$ 4,500
Per Diem	\$25 per day for 20 days for 5 FTE's / Board Members	\$ 2,500	\$ 1,625
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ 8,500</b>	<b>\$ 6,125</b>

**5 SPACE**

Item	Basis	Service Cost	DES Cost
Rent - Globe Office	Rent \$1,673 monthly X 12 months (included electricity, cleaning, water, etc.)	\$ 20,076	\$ 10,038
Sparkletts/Other Space Expense	\$100 x 12 months	\$ 1,200	\$ 600
<b>TOTAL SPACE COSTS:</b>		<b>\$ 21,276</b>	<b>\$ 10,838</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	DES Cost
N/A			
		\$ -	\$ -
<b>TOTAL EQUIPMENT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	DES Cost
General Office Supplies	\$200 per month x 6 FTE's x 12 months	\$ 14,400	\$ 5,406
Postage	\$250 per month x 12 months	\$ 3,000	\$ 1,500
<b>TOTAL MAT &amp; SUPP COSTS:</b>		<b>\$ 17,400</b>	<b>\$ 6,906</b>

**8 OPERATING SERVICES**

Item	Basis	Service Cost	DES Cost
Staff Training & Registration	\$1000 for training sessions for 4 FTE's (includes hotel, registration)	\$ 4,000	\$ 4,000
Advisory Board Quarterly Meetings	Registrations and meals	\$ 1,665	\$ 1,665
Local Fax, 800 Line, Phone Line & Service	\$1,713.30 x 12 months		
Maintenance, Leases Agreements & Memberships/Dues		\$ 20,560	\$ 10,280
<b>TOTAL OPERATING SERVICE COSTS:</b>		<b>\$ 26,225</b>	<b>\$ 15,945</b>

**9 INDIRECT COSTS**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

<b>10</b>	<b>SUBTOTAL ADMINISTRATIVE COSTS:</b>	<b>\$ 227,913</b>	<b>\$ 154,044</b>
-----------	---------------------------------------	-------------------	-------------------

**11 VOUCHERS**

Item			Service Cost	DES Cost
1	LIHEAP	77	\$ 218,565	\$ 218,565
2	LIHCON	78	\$ -	\$ -
3	LLVG		\$ -	\$ -
4	NHN	70	\$ 433	\$ 433
5	TANF	49	\$ 30,000	\$ 30,000
6	ESG	17	\$ -	\$ -
<b>TOTAL VOUCHER COSTS:</b>			<b>\$ 248,998</b>	<b>\$ 248,998</b>

12	<b>TOTAL COSTS:</b>		<b>\$ 476,911</b>	<b>\$ 403,042</b>
----	---------------------	--	-------------------	-------------------

**REVENUE SOURCES:**

DES Case Mgt.	\$ 403,042	\$ 403,042
Gila County	\$ 73,869	
<b>TOTAL REVENUE:</b>	<b>\$ 476,911</b>	<b>\$ 403,042</b>
<b>TOTAL REVENUE:</b>	<b>\$ 476,911</b>	<b>\$ 403,042</b>

4/10/2012

Revised 9/12/2012

**ITEMIZED SERVICE BUDGET  
FOR CONTRACT SERVICE: Community Services  
PROVIDER NAME: Gila County Community Action Program  
CONTRACT PERIOD: 7-01-12 TO 6-30-13**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service Cost	DES Cost
1	1	Community Services Director	\$81,994	50%+0=50%	50% \$ 40,997	\$ 8,199
1	1	Divisional Accountant	\$35,413	50%+0=50%	50% \$ 17,707	\$ 3,541
1	1	Divisional Fiscal Manager	\$53,893	50%+0=50%	50% \$ 26,947	\$ 5,389
1	1	Divisional Special Projects	\$27,908	50%+0=50%	50% \$ 13,954	\$ 6,977
1	1	Divisional Assistant	\$39,104	50%+0=50%	50% \$ 19,552	\$ 9,776
1	1	Program Manager	\$47,632	25%+25=50%	50% \$ 23,816	\$ 11,908
1	1	Case Manager	\$30,534	0%+50%=50%	50% \$ 15,267	\$ 7,634
1	1	Case Manager	\$32,094	0%+50%=50%	50% \$ 16,047	\$ 8,024
1	1	Clerk	\$32,885	0%+50%=50%	50% \$ 16,443	\$ 8,221
<b>TOTAL PERSONNEL COST:</b>					<b>\$ 190,730</b>	<b>\$ 69,669</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	DES Cost
Health Insurance	\$595.83 per mo x 12 mo X 3 @ 10%	\$ 2,145	\$ 2,145
	\$595.83 per mo x 12 mo X 6 @ 25%	\$ 10,725	\$ 10,725
FICA	0.0765 X \$190,730	\$ 14,591	\$ 7,295
Workman's Comp	0.003 X \$190,730	\$ 572	\$ 286
Retirement	0.1115 X \$190,730	\$ 21,266	\$ 10,633
<b>TOTAL ERE COST:</b>		<b>\$ 49,299</b>	<b>\$ 31,084</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	DES Cost
Gas/Vehicles/Maint	\$500 per month x 12 months	\$ 6,000	\$ 4,200
Per Diem	\$25 per day for 20 days for 5 FTE's / Board Members	\$ 2,500	\$ 1,800
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ 8,500</b>	<b>\$ 6,000</b>

**5 SPACE**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL SPACE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL EQUIPMENT COSTS:</b>		\$ -	\$ -

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL MAT &amp; SUPP COSTS:</b>		\$ -	\$ -

**8 OPERATING SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL OPERATING SERVICE COSTS:</b>		\$ -	\$ -

**9 INDIRECT COSTS**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		\$ -	\$ -

<b>10</b>	<b>SUBTOTAL ADMINISTRATIVE COSTS:</b>	\$ 248,529	\$ 106,753
-----------	---------------------------------------	------------	------------

**11 VOUCHERS**

Item	Basis	Service Cost	DES Cost
Vouchers - Direct Client Services	Average \$247 x 1 household	\$ 49,000	\$ 49,000
	Average \$490 x 100 households	\$ 247	\$ 247
<b>TOTAL VOUCHER COSTS:</b>		\$ 49,247	\$ 49,247

<b>12</b>	<b>TOTAL COSTS:</b>	\$ 297,776	\$ 156,000
-----------	---------------------	------------	------------

**REVENUE SOURCES:**

DES CSV	\$ 156,000	\$ 156,000
Gila County	\$ 141,776	
<b>TOTAL REVENUE:</b>	<b>\$ 297,776</b>	<b>\$ 156,000</b>
<b>TOTAL REVENUE:</b>	<b>\$ 297,776</b>	<b>\$ 156,000</b>

4/10/2012  
Revised 9/12/2012



**DEPARTMENT OF ECONOMIC SECURITY**  
Your Partner For A Stronger Arizona

**Intergovernmental Agreement  
CONTRACT AMENDMENT**

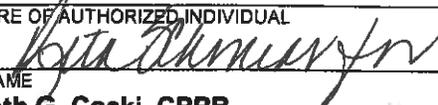
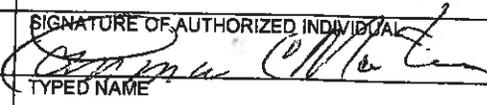
<b>1. CONTRACTOR (Name and address)</b>  <b>Gila County Division of Health and Community Services</b> <b>5515 S. Apache Ave., Suite 200</b> <b>Globe, Arizona 85501</b>	<b>2. CONTRACT ID NUMBER</b> <b>DE111073001</b>  <b>3. AMENDMENT NUMBER</b> <b>Five (5)</b>
---	---

**4. THE PARTIES AGREE TO THE FOLLOWING AMENDMENT**  
Pursuant to the Terms and Conditions, Amendments or Modifications section, the purpose of this amendment is to:

**Delete and Replace:**

Terms and Conditions, Fingerprinting section 32.1.1, delete and replace the original with the following:  
Effective immediately, Contractor and subcontractor staff who are required or allowed to provide services directly to juveniles or vulnerable adults shall possess a fingerprint clearance card that meets Level One requirements as described in ARS 41-1758.07, OR, if waiting receipt of their clearance card, shall provide services under direct visual supervision and oversight of an employee who possess a level one fingerprint clearance card until they are issued a valid fingerprint clearance card that meets the Level One requirements. Contractor and subcontractor staff include current employees whether paid or not who transfer into a direct service position, volunteers, and new employees whether paid or not.

**5. EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE AMENDMENT SHALL BECOME EFFECTIVE ON THE DATE OF LAST SIGNATURE UNLESS OTHERWISE SPECIFIED HEREIN. BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.**

<b>6. ARIZONA DEPARTMENT OF ECONOMIC SECURITY</b>	<b>7. NAME OF CONTRACTOR</b> <b>Gila County Division of Health and Community Services</b>
SIGNATURE OF AUTHORIZED INDIVIDUAL 	SIGNATURE OF AUTHORIZED INDIVIDUAL 
TYPED NAME <b>Elizabeth G. Csaki, CPPB</b>	TYPED NAME <b>Tommie C. Martin</b>
TITLE <b>Contract Administration Procurement Manager</b>	TITLE <b>Chairman, Gila County Board of Supervisors</b>
DATE <b>8/28/12</b>	DATE <b>8/7/12</b>

IN ACCORDANCE WITH ARS §11-952 THIS CONTRACT AMENDMENT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAVE DETERMINED THAT THIS CONTRACT AMENDMENT IS IN APPROPRIATE FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO EACH RESPECTIVE PUBLIC BODY.

**ARIZONA ATTORNEY GENERAL'S OFFICE**

By: Barbara M. Behun  
Assistant Attorney General

By: Bryan B. Chambers  
Public Agency Legal Counsel  
Bryan B. Chambers

Date: 8/24/12

Date: 8 7 2012



**DEPARTMENT OF ECONOMIC SECURITY**  
Your Partner For A Stronger Arizona

**Intergovernmental Agreement  
CONTRACT AMENDMENT**

<b>1. CONTRACTOR (Name and address)</b>  Gila County Division of Health and Community Services 5515 S. Apache Ave., Suite 200 Globe, Arizona 85501	<b>2. CONTRACT ID NUMBER</b> DE111073001  <b>3. AMENDMENT NUMBER</b> Four (4)
--	---

**4. THE PARTIES AGREE TO THE FOLLOWING AMENDMENT**  
 Pursuant to the Terms and Conditions, Levels of Service section, and Amendments or Modifications section, the purpose of this amendment is to:

**Funding** for the contract period beginning July 1, 2012 through June 30, 2013:

The reimbursement ceiling for the service for Case Management is \$320,006.

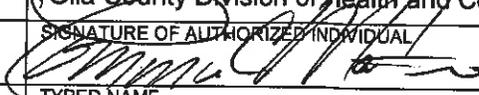
The reimbursement ceiling for the service for Community Services is \$150,000.

The cumulative reimbursement ceiling for the contract period July 1, 2010 to June 30, 2015 is increased to \$1,735,780.13.

Therefore, the Itemized Service Budgets for the service of Case Management (Attachment A) and Community Services (Attachment B) are revised and attached.

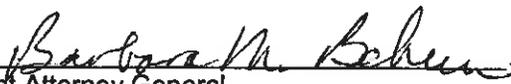
**Reporting:** Effective July 1, 2012 programmatic data shall be submitted through direct entry into CAP60 or through an agreed upon data bridge from an existing data system into CAP60 as identified on Programmatic Reports. All other reports such as invoices, payment verification forms and narrative information shall be provided on the forms currently required by this contract.

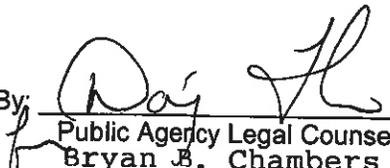
**5. EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE AMENDMENT SHALL BECOME EFFECTIVE ON THE DATE OF LAST SIGNATURE UNLESS OTHERWISE SPECIFIED HEREIN. BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.**

<b>6. ARIZONA DEPARTMENT OF ECONOMIC SECURITY</b>	<b>7. NAME OF CONTRACTOR</b> Gila County Division of Health and Community Services
SIGNATURE OF AUTHORIZED INDIVIDUAL 	SIGNATURE OF AUTHORIZED INDIVIDUAL 
TYPED NAME <b>Elizabeth G. Csaki, CPPB</b>	TYPED NAME <b>Tommie C. Martin</b>
TITLE <b>Contract Administration Procurement Manager</b>	TITLE <b>Chairman, Gila County Board of Supervisors</b>
DATE 7/19/12	DATE 6/26/12

IN ACCORDANCE WITH ARS §11-952 THIS CONTRACT AMENDMENT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAVE DETERMINED THAT THIS CONTRACT AMENDMENT IS IN APPROPRIATE FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO EACH RESPECTIVE PUBLIC BODY.

**ARIZONA ATTORNEY GENERAL'S OFFICE**

By:   
 Assistant Attorney General

By:   
 Public Agency Legal Counsel  
 Bryan B. Chambers

Date: 7/12/12

Date: 6-26-12



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Intergovernmental Agreement
CONTRACT AMENDMENT

1. CONTRACTOR (Name and address)
Gila County Division of Health and Community Services
5515 S. Apache Ave., Suite 200
Globe, Arizona 85501
2. CONTRACT ID NUMBER
DE111073001
3. AMENDMENT NUMBER
Three (3)

4. THE PARTIES AGREE TO THE FOLLOWING AMENDMENT

Pursuant to the Terms and Conditions, Amendments or Modifications section, the purpose of this amendment is to:

Funding for the contract period July 1, 2011 through June 30, 2012:

The reimbursement ceiling for the service Case Management is increased from \$426,729 to \$456,257. This is an increase of \$29,528, which includes \$6,389 "Carryover" funding. The carryover funding is not added to the cumulative reimbursement ceiling.

The reimbursement ceiling for the service Community Services is increased from \$150,000 to \$220,258. This is an increase of \$70,258, which includes \$70,258 "Carryover" funding. The carryover funding is not added to the cumulative reimbursement ceiling.

The cumulative reimbursement ceiling for the contract period July 1, 2010 through June 30, 2015 is \$1,265,774.13.

Therefore, the Itemized Service Budget for the services of Case Management (Attachment A) and Community Services (Attachment B) are revised and attached.

Delete and Replace:

Terms and Conditions, section 4.5, delete and replace the original with the following:

"Equipment" means all vehicles, furniture, machinery, electronic data processing (EDP) equipment, software and all other equipment costing \$5,000.00 or more, including all normal and necessary expenses incurred to make the equipment ready for its intended use (e.g., taxes, freight, installation, assembly and testing charges, etc.), and with a useful life of greater than one year. Equipment as used herein does not include real property (e.g., land, buildings, structures, or facilities' improvements).

5. EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE AMENDMENT SHALL BECOME EFFECTIVE ON THE DATE OF LAST SIGNATURE UNLESS OTHERWISE SPECIFIED HEREIN. BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.

6. ARIZONA DEPARTMENT OF ECONOMIC SECURITY
SIGNATURE OF AUTHORIZED INDIVIDUAL: Elizabeth G. Csaki, CPPB
TYPED NAME: Elizabeth G. Csaki, CPPB
TITLE: Contract Administration Procurement Manager
DATE: 12/7/2011
7. NAME OF CONTRACTOR: Gila County Division of Health and Community Services
SIGNATURE OF AUTHORIZED INDIVIDUAL: Tommie C. Martin
TYPED NAME: Tommie C. Martin
TITLE: Chairman, Gila County Board of Supervisors
DATE: 12/15/11

IN ACCORDANCE WITH ARS §11-952 THIS CONTRACT AMENDMENT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAVE DETERMINED THAT THIS CONTRACT AMENDMENT IS IN APPROPRIATE FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO EACH RESPECTIVE PUBLIC BODY.

ARIZONA ATTORNEY GENERAL'S OFFICE

By: Barbara M. Behren
Assistant Attorney General

Date: 12/5/11

By: Bryan B. Chambers
Public Agency Legal Counsel

Date: 12/15/11

**ITEMIZED SERVICE BUDGET  
FOR CONTRACT SERVICE: Case Management  
PROVIDER NAME: Gila County Community Action Program  
CONTRACT PERIOD: 7-01-11 TO 6-30-12**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service	
					Cost	DES Cost
1	1	Divisional Fiscal Manager	\$53,893	50%+0=50%	50% \$ 26,947	\$ 26,947
1	1	Divisional Accountant	\$35,422	50%+0=50%	50% \$ 17,711	\$ 17,711
1	1	Program Manager	\$47,632	25%+25=50%	50% \$ 23,816	\$ 11,908
1	1	Case Manager	\$30,534	0%+50%=50%	50% \$ 15,267	\$ 15,267
1	1	Case Manager	\$32,094	0%+50%=50%	50% \$ 16,047	\$ 16,047
1	1	Clerk	\$21,091	0%+50%=50%	50% \$ 10,546	\$ 10,546
<b>TOTAL PERSONNEL COST:</b>					<b>\$ 110,334</b>	<b>\$ 98,426</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	DES Cost
Health Insurance	\$595.83 per mo x 12 mo X 1 @ 25%	\$ 1,787	\$ 1,787
	\$595.83 per mo x 12 mo X 5 @ 50%	\$ 17,875	\$ 17,875
FICA	0.0765 X \$110,334	\$ 8,441	\$ 4,220
Workman's Comp	0.003 X \$110,334	\$ 331	\$ 166
Retirement	0.1075 X \$110,334	\$ 11,861	\$ 5,930
<b>TOTAL ERE COST:</b>		<b>\$ 40,295</b>	<b>\$ 29,978</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	DES Cost
Gas/Vehicles/Maint	\$300 per month x 12 months	\$ 3,600	\$ 3,600
Per Diem	\$42 per day for 20 days for 5 FTE's	\$ 4,200	\$ 4,200
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ 7,800</b>	<b>\$ 7,800</b>

**5 SPACE**

Item	Basis	Service Cost	DES Cost
Rent - Globe Office	Rent \$1,673 monthly X 12 months (Included electricity, cleaning, water, etc.)	\$ 20,076	\$ 12,046
Sparklets/Other Space Expense	\$100 x 12 months	\$ 1,200	\$ 240
<b>TOTAL SPACE COSTS:</b>		<b>\$ 21,276</b>	<b>\$ 12,286</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL EQUIPMENT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	DES Cost
General Office Supplies	\$200 per month x 6 FTE's x 12 months	\$ 14,400	\$ 8,489
Postage	\$250 per month x 12 months	\$ 3,000	\$ 1,200
<b>TOTAL MAT &amp; SUPP COSTS:</b>		<b>\$ 17,400</b>	<b>\$ 9,689</b>

**8 OPERATING SERVICES**

Item	Basis	Service Cost	DES Cost
Staff Training & Registration	\$1000 for training sessions for 3 FTE's \$1500 for out of state training for 2 FTE's (includes flight, hotel & registration)	\$ 3,000	\$ 3,000
Printing, Publishing & Advertising Costs	4 publications @ \$200 in local papers	\$ 800	\$ 800
Local Fax, 800 Line, Phone Line & Service Maintenance, Leases Agreements & Memberships/Dues	\$1,713.30 x 12 months	\$ 20,560	\$ 14,340
<b>TOTAL OPERATING SERVICE COSTS:</b>		<b>\$ 27,360</b>	<b>\$ 21,140</b>

**9 INDIRECT COSTS**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

10	<b>SUBTOTAL ADMINISTRATIVE COSTS:</b>	<b>\$ 224,465</b>	<b>\$ 179,319</b>
----	---------------------------------------	-------------------	-------------------

**11 VOUCHERS**

Item			Service Cost	DES Cost
1	LIHEAP	77	\$ 243,108	\$ 243,108
2	LIHCON	78	\$ 7,013	\$ 7,013
3	LLVG		\$ -	\$ -
4	NHN	70	\$ 865	\$ 865
5	TANF	49	\$ 19,293	\$ 19,293
6	ESG	17	\$ 6,659	\$ 6,659
<b>TOTAL VOUCHER COSTS:</b>			<b>\$ 276,938</b>	<b>\$ 276,938</b>

12	<b>TOTAL COSTS:</b>		<b>\$ 501,403</b>	<b>\$ 456,257</b>
----	---------------------	--	-------------------	-------------------

**REVENUE SOURCES:**

DES Case Mgt.	\$ 456,257	\$ 456,257
Gila County	\$ 45,146	
<b>TOTAL REVENUE:</b>	<b>\$ 501,403</b>	<b>\$ 456,257</b>
<b>TOTAL REVENUE:</b>	<b>\$ 501,403</b>	<b>\$ 456,257</b>

**ITEMIZED SERVICE BUDGET**  
**FOR CONTRACT SERVICE: Community Services**  
**PROVIDER NAME: Gila County Community Action Program**  
**CONTRACT PERIOD: 7-01-11 TO 6-30-12**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service	
					Cost	DES Cost
1	1	Community Services Director	\$81,994	50%+0=50%	50% \$ 40,997	\$ 4,100
1	1	Divisional Accountant	\$35,422	50%+0=50%	50% \$ 17,711	\$ 3,542
1	1	Divisional Program Manager	\$55,245	50%+0=50%	50% \$ 27,623	\$ 5,525
1	1	Divisional Special Projects	\$27,908	50%+0=50%	50% \$ 13,954	\$ 5,582
1	1	Divisional Assistant	\$32,885	50%+0=50%	50% \$ 16,443	\$ 6,577
1	1	Program Manager	\$47,632	25%+25=50%	50% \$ 23,816	\$ 23,816
1	1	Case Manager	\$30,534	0%+50%=50%	50% \$ 15,267	\$ 15,267
1	1	Case Manager	\$32,094	0%+50%=50%	50% \$ 16,047	\$ 16,047
1	1	Clerk	\$21,091	0%+50%=50%	50% \$ 10,546	\$ 10,546
<b>TOTAL PERSONNEL COST:</b>					<b>\$ 182,404</b>	<b>\$ 91,002</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	DES Cost
Health Insurance	\$595.83 per mo x 12 mo X 1 @ 5%	\$ 357	\$ 357
	\$595.83 per mo x 12 mo X 2 @ 10%	\$ 1,430	\$ 1,430
	\$595.83 per mo x 12 mo X 2 @ 20%	\$ 2,860	\$ 2,860
	\$595.83 per mo x 12 mo X 4 @ 50%	\$ 14,300	\$ 14,300
FICA	0.0765 X \$182,404	\$ 13,954	\$ 6,977
Workman's Comp	0.003 X \$182,404	\$ 547	\$ 274
Retirement	0.1075 X \$182,404	\$ 19,608	\$ 9,804
<b>TOTAL ERE COST:</b>		<b>\$ 53,056</b>	<b>\$ 36,002</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	DES Cost
Gas/Vehicles/Maint	\$500 per month x 12 months	\$ 6,000	\$ 6,000
Per Diem	\$42 per day for 20 days for 5 FTE's	\$ 4,200	\$ 4,200
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ 10,200</b>	<b>\$ 10,200</b>

**5 SPACE**

Item	Basis	Service Cost	DES Cost
Rent - Globe Office	Rent \$1,673 monthly X 12 months (Included electricity, cleaning, water, etc.)	\$ 20,076	\$ 8,154
N/A		\$ -	\$ -
<b>TOTAL SPACE COSTS:</b>		<b>\$ 20,076</b>	<b>\$ 8,154</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	DES Cost
Scanners	3 @ \$300 based on IT quote	\$ 900	\$ 900
<b>TOTAL EQUIPMENT COSTS:</b>		<b>\$ 900</b>	<b>\$ 900</b>

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL MAT &amp; SUPP COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**8 OPERATING SERVICES**

Item	Basis	Service Cost	DES Cost
Staff Training & Registration	\$500 for training sessions for 2 FTE's @ 100%	\$ 1,000	\$ 1,000
Local Fax, 800 Line, Phone Line & Service	\$1,000 x 12 months		
Maintenance, Leases Agreements & Memberships/Dues		\$ 12,000	\$ 12,000
<b>TOTAL OPERATING SERVICE COSTS:</b>		<b>\$ 13,000</b>	<b>\$ 13,000</b>

**9 INDIRECT COSTS**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

10	<b>SUBTOTAL ADMINISTRATIVE COSTS:</b>	<b>\$ 279,636</b>	<b>\$ 159,258</b>
----	---------------------------------------	-------------------	-------------------

**11 VOUCHERS**

Item	Basis	Service Cost	DES Cost
Vouchers - Direct Client Services	Average \$500 x 122 households	\$ 61,000	\$ 61,000
<b>TOTAL VOUCHER COSTS:</b>		<b>\$ 61,000</b>	<b>\$ 61,000</b>

12	<b>TOTAL COSTS:</b>	<b>\$ 340,636</b>	<b>\$ 220,258</b>
----	---------------------	-------------------	-------------------

**REVENUE SOURCES:**

DES CSV	\$ 220,258	\$ 220,258
Gila County	\$ 120,378	
<b>TOTAL REVENUE:</b>	<b>\$ 340,636</b>	<b>\$ 220,258</b>
<b>TOTAL REVENUE:</b>	<b>\$ 340,636</b>	<b>\$ 220,258</b>



DEPARTMENT OF ECONOMIC SECURITY  
Your Partner For A Stronger Arizona

Intergovernmental Agreement  
CONTRACT AMENDMENT

1. CONTRACTOR (Name and address)  Gila County Division of Health and Community Services 5515 S. Apache Ave., Suite 200 Globe, Arizona 85501	2. CONTRACT ID NUMBER DE111073001  3. AMENDMENT NUMBER Two (2)
---	--

4. THE PARTIES AGREE TO THE FOLLOWING AMENDMENT  
 Pursuant to the Terms and Conditions, Levels of Service section, the purpose of this amendment is to:

Add funding for the contract period beginning July 1, 2011 through June 30, 2012:

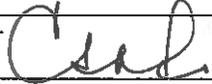
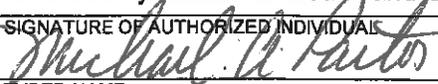
The reimbursement ceiling for the service for Case Management is increased from \$480,974 to \$907,703. This is an increase of \$426,729.

The reimbursement ceiling for the service for Community Services is increased from \$163,557 to \$313,557. This is an increase of \$150,000.

The cumulative reimbursement ceiling for the contract period July 1, 2011 to June 30, 2015 is: \$1,242,635.13.

Therefore, the Itemized Service Budgets for the service of Case Management (Attachment A) and Community Services (Attachment B) are revised and attached.

5. EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE AMENDMENT SHALL BECOME EFFECTIVE ON THE DATE OF LAST SIGNATURE UNLESS OTHERWISE SPECIFIED HEREIN. BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.

6. ARIZONA DEPARTMENT OF ECONOMIC SECURITY	7. NAME OF CONTRACTOR Gila County Division of Health and Community Services
SIGNATURE OF AUTHORIZED INDIVIDUAL 	SIGNATURE OF AUTHORIZED INDIVIDUAL 
TYPED NAME <b>Elizabeth G. Csaki, CPPB</b>	TYPED NAME <b>Michael A. Pastor</b>
TITLE <b>Contract Administration Procurement Manager</b>	TITLE <b>Chairman, Gila County Board of Supervisors</b>
DATE 6/28/2011	DATE 6-7-11

IN ACCORDANCE WITH ARS §11-952 THIS CONTRACT AMENDMENT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAVE DETERMINED THAT THIS CONTRACT AMENDMENT IS IN APPROPRIATE FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO EACH RESPECTIVE PUBLIC BODY.

ARIZONA ATTORNEY GENERAL'S OFFICE

By: Barbara M. Behm  
Assistant Attorney General

Date: 6-8-11

By: Bryan B. Chambers  
Public Agency Legal Counsel  
Bryan B. Chambers  
Chief Deputy County Attorney

Date: 6-7-2011

**ITEMIZED SERVICE BUDGET**  
**FOR CONTRACT SERVICE: Case Management**  
**PROVIDER NAME: Gila County Community Action Program**  
**CONTRACT PERIOD: 7-01-11 TO 6-30-12**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service Cost	DES Cost
1	1	Divisional Fiscal Manager	\$53,893	50%+0=50%	50% \$ 26,947	\$ 26,947
1	1	Divisional Accountant	\$35,422	50%+0=50%	50% \$ 17,711	\$ 17,711
1	1	Program Manager	\$47,632	25%+25=50%	50% \$ 23,816	\$ 11,908
1	1	Case Manager	\$30,534	0%+50%=50%	50% \$ 15,267	\$ 15,267
1	1	Case Manager	\$32,094	0%+50%=50%	50% \$ 16,047	\$ 16,047
1	1	Clerk	\$21,091	0%+50%=50%	50% \$ 10,546	\$ 10,546
<b>TOTAL PERSONNEL COST:</b>					<b>\$ 110,334</b>	<b>\$ 98,426</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	DES Cost
Health Insurance	\$595.83 per mo x 12 mo X 1 @ 25%	\$ 1,787	\$ 1,787
	\$595.83 per mo x 12 mo X 5 @ 50%	\$ 17,875	\$ 17,875
FICA	0.0765 X \$110,334	\$ 8,441	\$ 4,220
Workman's Comp	0.003 X \$110,334	\$ 331	\$ 166
Retirement	0.1075 X \$110,334	\$ 11,861	\$ 5,930
<b>TOTAL ERE COST:</b>		<b>\$ 40,295</b>	<b>\$ 29,978</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	DES Cost
Gas/Vehicles/Maint	\$225 per month x 12 months	\$ 2,700	\$ 2,262
Per Diem	\$42 per day for 20 days for 5 FTE's	\$ 4,200	\$ 3,328
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ 6,900</b>	<b>\$ 5,588</b>

**5 SPACE**

Item	Basis	Service Cost	DES Cost
Rent - Globe Office	Rent \$1,673 monthly X 12 months (Included electricity, cleaning, water, etc.)	\$ 20,076	\$ 10,038
Sparkletts/Other Space Expense	\$100 x 12 months	\$ 1,200	\$ 240
<b>TOTAL SPACE COSTS:</b>		<b>\$ 21,276</b>	<b>\$ 10,278</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL EQUIPMENT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	DES Cost
General Office Supplies	\$200 per month x 6 FTE's x 12 months	\$ 14,400	\$ 8,489
Postage	\$250 per month x 12 months	\$ 3,000	\$ 1,200
<b>TOTAL MAT &amp; SUPP COSTS:</b>		<b>\$ 17,400</b>	<b>\$ 9,689</b>

**8 OPERATING SERVICES**

Item	Basis	Service Cost	DES Cost
Staff Training & Registration	\$1000 for training sessions for 3 FTE's \$1500 for out of state training for 2 FTE's (includes flight, hotel & registration)	\$ 3,000	\$ 3,000
Printing, Publishing & Advertising Costs	4 publications @ \$200 in local papers	\$ 800	\$ 160
Local Fax, 800 Line, Phone Line & Service	\$1,713.30 x 12 months		
Maintenance, Leases Agreements & Memberships/Dues		\$ 20,560	\$ 10,280
<b>TOTAL OPERATING SERVICE COSTS:</b>		<b>\$ 27,360</b>	<b>\$ 16,440</b>

**9 INDIRECT COSTS**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

10	<b>SUBTOTAL ADMINISTRATIVE COSTS:</b>	<b>\$ 223,565</b>	<b>\$ 170,399</b>
----	---------------------------------------	-------------------	-------------------

**11 VOUCHERS**

Item			Service Cost	DES Cost
1	LIHEAP	77	\$ 222,500	\$ 222,500
2	LIHCON	78	\$ 7,013	\$ 7,013
3	LLVG		\$ -	\$ -
4	NHN	70	\$ 865	\$ 865
5	TANF	49	\$ 19,293	\$ 19,293
6	ESG	17	\$ 6,659	\$ 6,659
<b>TOTAL VOUCHER COSTS:</b>			<b>\$ 256,330</b>	<b>\$ 256,330</b>

12	<b>TOTAL COSTS:</b>		<b>\$ 479,895</b>	<b>\$ 426,729</b>
----	---------------------	--	-------------------	-------------------

**REVENUE SOURCES:**

DES Case Mgt.	\$ 426,729	\$ 426,729
Gila County	\$ 53,166	
<b>TOTAL REVENUE:</b>	<b>\$ 479,895</b>	<b>\$ 426,729</b>
<b>TOTAL REVENUE:</b>	<b>\$ 479,895</b>	<b>\$ 426,729</b>

**ITEMIZED SERVICE BUDGET  
FOR CONTRACT SERVICE: Community Services  
PROVIDER NAME: Gifa County Community Action Program  
CONTRACT PERIOD: 7-01-11 TO 6-30-12**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service Cost	DES Cost
1	1	Community Services Director	\$81,994	50%+0=50%	50% \$ 40,997	\$ 4,100
1	1	Divisional Accountant	\$35,422	50%+0=50%	50% \$ 17,711	\$ 3,542
1	1	Divisional Program Manager	\$55,245	50%+0=50%	50% \$ 27,623	\$ 5,525
1	1	Divisional Special Projects	\$27,908	50%+0=50%	50% \$ 13,954	\$ 5,582
1	1	Divisional Assistant	\$32,885	50%+0=50%	50% \$ 16,443	\$ 6,577
1	1	Program Manager	\$47,632	25%+25=50%	50% \$ 23,816	\$ 23,816
1	1	Case Manager	\$30,534	0%+50%=50%	50% \$ 15,267	\$ 15,267
1	1	Case Manager	\$32,094	0%+50%=50%	50% \$ 16,047	\$ 16,047
1	1	Clerk	\$21,091	0%+50%=50%	50% \$ 10,546	\$ 10,546
<b>TOTAL PERSONNEL COST:</b>					<b>\$ 182,404</b>	<b>\$ 91,002</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	DES Cost
Health Insurance	\$595.83 per mo x 12 mo X 1 @ 5%	\$ 357	\$ 357
	\$595.83 per mo x 12 mo X 2 @ 10%	\$ 1,430	\$ 1,430
	\$595.83 per mo x 12 mo X 2 @ 20%	\$ 2,860	\$ 2,860
	\$595.83 per mo x 12 mo X 4 @ 50%	\$ 14,300	\$ 14,300
FICA	0.0765 X \$182,404	\$ 13,954	\$ 6,977
Workman's Comp	0.003 X \$182,404	\$ 547	\$ 274
Retirement	0.1075 X \$182,404	\$ 19,608	\$ 9,804
<b>TOTAL ERE COST:</b>		<b>\$ 53,056</b>	<b>\$ 36,002</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	DES Cost
Gas/Vehicles/Maint	\$500 per month x 12 months	\$ 6,000	\$ 5,700
Per Diem	\$42 per day for 20 days for 5 FTE's	\$ 4,200	\$ 2,632
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ 10,200</b>	<b>\$ 8,332</b>

**5 SPACE**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL SPACE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL EQUIPMENT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL MAT &amp; SUPP COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**8 OPERATING SERVICES**

Item	Basis	Service Cost	DES Cost
Staff Training & Registration	\$500 for training sessions for 2 FTE's @ 100%	\$ 1,000	\$ 1,000
Local Fax, 800 Line, Phone Line & Service	\$1,000 x 12 months		
Maintenance, Leases Agreements & Memberships/Dues		\$ 12,000	\$ 3,600
<b>TOTAL OPERATING SERVICE COSTS:</b>		<b>\$ 13,000</b>	<b>\$ 4,600</b>

**9 INDIRECT COSTS**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

.10	<b>SUBTOTAL ADMINISTRATIVE COSTS:</b>	<b>\$ 258,659</b>	<b>\$ 139,936</b>
-----	---------------------------------------	-------------------	-------------------

**11 VOUCHERS**

Item	Basis	Service Cost	DES Cost
Vouchers - Direct Client Services	Average \$500 x 19 households	\$ 10,064	\$ 10,064
<b>TOTAL VOUCHER COSTS:</b>		<b>\$ 10,064</b>	<b>\$ 10,064</b>

12	<b>TOTAL COSTS:</b>	<b>\$ 268,723</b>	<b>\$ 150,000</b>
----	---------------------	-------------------	-------------------

**REVENUE SOURCES:**

DES CSV	\$ 150,000	\$ 150,000
Gila County	\$ 118,723	
<b>TOTAL REVENUE:</b>	<b>\$ 268,723</b>	<b>\$ 150,000</b>
<b>TOTAL REVENUE:</b>	<b>\$ 268,723</b>	<b>\$ 150,000</b>



**DEPARTMENT OF ECONOMIC SECURITY**  
Your Partner For A Stronger Arizona

**Intergovernmental Agreement  
CONTRACT AMENDMENT**

<b>1. CONTRACTOR (Name and address)</b> Gila County Division of Community Services 5515 South Apache Avenue, Suite 200 Globe, AZ 85501	<b>2. CONTRACT ID NUMBER</b>  DE111073-001 <hr/> <b>3. AMENDMENT NUMBER</b> One (1)
---	---

**4. THE PARTIES AGREE TO THE FOLLOWING AMENDMENT**

Pursuant to the Terms and Conditions, Amendments or Modifications section, the purpose of this amendment is to:

**Add Funding:**

The reimbursement ceiling for the service Case Management is increased from \$445,831.00 to \$480,974.00. This is an increase of \$35,143.00

The reimbursement ceiling for the service Community Service is increase from \$ 150,000.00 to \$163,557.00. This is an increase of \$13,557.00

**Reduce Funding:**

The reimbursement ceiling for the service of Community Service – ARRA is decreased from the estimated amount of \$21,565.00 to the available amount of \$ 21,375.13. This is a decrease of \$189.87.

The cumulative reimbursement ceiling for the contract period July 1, 2010 through June 30, 2011 is: \$665,906.13.

Therefore, the Itemized Service Budget for the service Case Management (Attachment A), Community Service (Attachment B), and Community Service – ARRA (Attachment C) is revised and attached.

**Revise:**

Scope of Work 9.6.1(2) to read "Quarterly ROMA Outcomes Report (See Exhibit E) by October 25<sup>th</sup>, January 25<sup>th</sup>, April 25<sup>th</sup> of each calendar year. The Contractor shall NOT submit a Fourth Quarter Report, but shall include Fourth Quarter data within the Annual CSBG IS (See Exhibit F). (Contractor must utilize format specified by DES)."

**5. EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE AMENDMENT SHALL BECOME EFFECTIVE ON THE DATE OF LAST SIGNATURE UNLESS OTHERWISE SPECIFIED HEREIN. BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.**

<b>6. ARIZONA DEPARTMENT OF ECONOMIC SECURITY</b>	<b>7. NAME OF CONTRACTOR</b> <b>Gila County Division of Community Services</b>
SIGNATURE OF AUTHORIZED INDIVIDUAL 	SIGNATURE OF AUTHORIZED INDIVIDUAL 
TYPED NAME <b>Elizabeth Csaki</b>	TYPED NAME <b>Michael A. Pastor</b>
TITLE <b>Procurement Manager</b>	TITLE <b>Chairman, Gila County Board of Supervisors</b>
DATE <b>6/6/2011</b>	DATE <b>5/3/11</b>

IN ACCORDANCE WITH ARS §11-952 THIS CONTRACT AMENDMENT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAVE DETERMINED THAT THIS CONTRACT AMENDMENT IS IN APPROPRIATE FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO EACH RESPECTIVE PUBLIC BODY.

**ARIZONA ATTORNEY GENERAL'S OFFICE**

By:   
 Assistant Attorney General

Date: 6/2/11

By:   
 Public Agency Legal Counsel  
 Bryan B. Chambers  
 Chief Deputy County Attorney  
 Date: 5.3.2011

**ITEMIZED SERVICE BUDGET**  
**FOR CONTRACT SERVICE: Case Management**  
**PROVIDER NAME: Gila County Community Action Program**  
**CONTRACT PERIOD: 7-01-10 TO 6-30-11**  
**Attachment A**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service Cost	DES Cost
1	1	Divisional Fiscal Manager	\$53,893	50%+0=50%	50% \$ 26,947	\$ 26,947
1	1	Divisional Accountant	\$35,422	50%+0=50%	50% \$ 17,711	\$ 17,711
1	1	Program Manager	\$47,632	25%+25=50%	50% \$ 23,816	\$ 11,908
1	1	Case Manager	\$30,534	0%+50%=50%	50% \$ 15,267	\$ 15,267
1	1	Case Manager	\$32,094	0%+50%=50%	50% \$ 16,047	\$ 16,047
1	1	Clerk	\$21,091	0%+50%=50%	50% \$ 10,546	\$ 10,545
<b>TOTAL PERSONNEL COST:</b>					<b>\$ 110,334</b>	<b>\$ 98,425</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	DES Cost
Health Insurance	\$595.83 per mo x 12 mo X 1 @ 25%	\$ 1,787	\$ 1,787
	\$595.83 per mo x 12 mo X 5 @ 50%	\$ 17,875	\$ 17,875
FICA	0.0765 X \$110,334	\$ 8,441	\$ 4,220
Workman's Comp	0.003 X \$110,334	\$ 331	\$ 166
Retirement	0.0985 X \$110,334	\$ 10,868	\$ 5,434
<b>TOTAL ERE COST:</b>		<b>\$ 39,302</b>	<b>\$ 29,482</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	DES Cost
Gas/Vehicles/Maint	\$225 per month x 12 months	\$ 2,700	\$ 2,262
Per Diem	\$42 per day for 20 days for 5 FTE's	\$ 4,200	\$ 3,326
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ 6,900</b>	<b>\$ 5,588</b>

**5 SPACE**

Item	Basis	Service Cost	DES Cost
Rent - Globe Office	Rent \$1,673 monthly X 12 months (Included electricity, cleaning, water, etc.)	\$ 20,076	\$ 10,038
Sparkletts/Other Space Expense	\$100 x 12 months	\$ 1,200	\$ 240
<b>TOTAL SPACE COSTS:</b>		<b>\$ 21,276</b>	<b>\$ 10,278</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL EQUIPMENT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	DES Cost
General Office Supplies	\$200 per month x 6 FTE's x 12 months	\$ 14,400	\$ 10,800
Postage	\$250 per month x 12 months	\$ 3,000	\$ 1,200
<b>TOTAL MAT &amp; SUPP COSTS:</b>		<b>\$ 17,400</b>	<b>\$ 12,000</b>

**8 OPERATING SERVICES**

Item	Basis	Service Cost	DES Cost
Staff Training & Registration	\$1000 for training sessions for 3 FTE's	\$ 3,000	\$ 3,000
	\$1500 for out of state training for 2 FTE's (includes flight, hotel & registration)	\$ 3,000	\$ 3,000
Printing, Publishing & Advertising Costs	4 publications @ \$200 in local papers	\$ 800	\$ 160
Local Fax, 800 Line, Phone Line & Service	\$1,713.30 x 12 months	\$ 20,560	\$ 9,763
Maintenance, Leases Agreements & Memberships/Dues		\$ 27,360	\$ 15,923
<b>TOTAL OPERATING SERVICE COSTS:</b>		<b>\$ 27,360</b>	<b>\$ 15,923</b>

**9 INDIRECT COSTS**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

10	<b>SUBTOTAL ADMINISTRATIVE COSTS:</b>	<b>\$ 222,572</b>	<b>\$ 171,696</b>
----	---------------------------------------	-------------------	-------------------

**11 VOUCHERS**

Item			Service Cost	DES Cost
1	LIHEAP	77	\$ 235,210	\$ 235,210
2	LIHCON	78	\$ 28,172	\$ 28,172
3	LLVG		\$ 8,259	\$ 8,259
4	NHN	70	\$ 865	\$ 865
5	TANF	49	\$ 30,113	\$ 30,113
6	ESG	17	\$ 6,659	\$ 6,659
<b>TOTAL VOUCHER COSTS:</b>			<b>\$ 309,278</b>	<b>\$ 309,278</b>

12	<b>TOTAL COSTS:</b>		<b>\$ 531,850</b>	<b>\$ 480,974</b>
----	---------------------	--	-------------------	-------------------

**REVENUE SOURCES:**

DES Case Mgt.	\$ 480,974	\$ 480,974
Gila County	\$ 50,876	
<b>TOTAL REVENUE:</b>	<b>\$ 531,850</b>	<b>\$ 480,974</b>
<b>TOTAL REVENUE:</b>	<b>\$ 531,850</b>	<b>\$ 480,974</b>

CMT-A Case Management ISB 10-11  
 Submitted 04/23/2010  
 Revised 3/17/2011

**ITEMIZED SERVICE BUDGET**  
**FOR CONTRACT SERVICE: Community Services**  
**PROVIDER NAME: Gila County Community Action Program**  
**CONTRACT PERIOD: 7-01-10 TO 6-30-11**  
**Attachment B**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service Cost	DES Cost
1	1	Community Services Director	\$81,994	50%+0=50%	50% \$ 40,997	\$ 4,100
1	1	Community Services Deputy Director	\$67,309	50%+0=50%	50% \$ 33,655	\$ 3,365
1	1	Divisional Program Manager	\$55,245	50%+0=50%	50% \$ 27,623	\$ 5,524
1	1	Divisional Special Projects	\$27,908	50%+0=50%	50% \$ 13,954	\$ 5,582
1	1	Divisional Assistant	\$32,885	50%+0=50%	50% \$ 16,443	\$ 6,577
1	1	Program Manager	\$47,632	25%+25=50%	50% \$ 23,816	\$ 23,816
1	1	Case Manager	\$30,534	0%+50%=50%	50% \$ 15,267	\$ 15,267
1	1	Case Manager	\$32,094	0%+50%=50%	50% \$ 16,047	\$ 16,047
1	1	Clerk	\$21,091	0%+50%=50%	50% \$ 10,546	\$ 10,546
<b>TOTAL PERSONNEL COST:</b>					<b>\$ 198,348</b>	<b>\$ 90,824</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	DES Cost
Health Insurance	\$595.83 per mo x 12 mo X 2 @ 5%	\$ 715	\$ 715
	\$595.83 per mo x 12 mo X 1 @ 10%	\$ 715	\$ 715
	\$595.83 per mo x 12 mo X 2 @ 20%	\$ 2,860	\$ 2,860
	\$595.83 per mo x 12 mo X 4 @ 50%	\$ 14,300	\$ 14,300
FICA	0.0765 X \$198,348	\$ 15,174	\$ 7,587
Workman's Comp	0.003 X \$198,348	\$ 595	\$ 298
Retirement	0.0985 X \$198,348	\$ 19,537	\$ 9,769
<b>TOTAL ERE COST:</b>		<b>\$ 53,896</b>	<b>\$ 36,244</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	DES Cost
Gas/Vehicles/Maint	\$500 per month x 12 months	\$ 6,000	\$ 5,700
Per Diem	\$42 per day for 20 days for 5 FTE's	\$ 4,200	\$ 2,632
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ 10,200</b>	<b>\$ 8,332</b>

**5 SPACE**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL SPACE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL EQUIPMENT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL MAT &amp; SUPP COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**8 OPERATING SERVICES**

Item	Basis	Service Cost	DES Cost
Staff Training & Registration	\$500 for training sessions for 2 FTE's @ 100%	\$ 1,000	\$ 1,000
Local Fax, 800 Line, Phone Line & Service	\$1,000 x 12 months	\$ 12,000	\$ 3,600
Maintenance, Leases Agreements & Memberships/Dues			
<b>TOTAL OPERATING SERVICE COSTS:</b>		<b>\$ 13,000</b>	<b>\$ 4,600</b>

**9 INDIRECT COSTS**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

<b>10</b>	<b>SUBTOTAL ADMINISTRATIVE COSTS:</b>	<b>\$ 275,444</b>	<b>\$ 140,000</b>
-----------	---------------------------------------	-------------------	-------------------

**11 VOUCHERS**

Item	Basis	Service Cost	DES Cost
Vouchers - Direct Client Services	Average \$500 x 46 households	\$ 23,557	\$ 23,557
<b>TOTAL VOUCHER COSTS:</b>		<b>\$ 23,557</b>	<b>\$ 23,557</b>

<b>12</b>	<b>TOTAL COSTS:</b>	<b>\$ 299,001</b>	<b>\$ 163,557</b>
-----------	---------------------	-------------------	-------------------

**REVENUE SOURCES:**

DES CSV	\$ 163,557	\$ 163,557
Gila County	\$ 135,444	
<b>TOTAL REVENUE:</b>	<b>\$ 299,001</b>	<b>\$ 163,557</b>
<b>TOTAL REVENUE:</b>	<b>\$ 299,001</b>	<b>\$ 163,557</b>

CSV-B ISB 10-11  
Submitted 04/23/10  
Revised 3/17/2011

**ITEMIZED SERVICE BUDGET**  
**FOR CONTRACT SERVICE: Community Services AARA (Stimulus)**  
**PROVIDER NAME: Gila County Community Action Program**  
**CONTRACT PERIOD: 7-01-10 TO 9-30-10**  
**Attachment C**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service Cost	DES Cost
N/A					\$ -	\$ -
<b>TOTAL PERSONNEL COST:</b>					<b>\$ -</b>	<b>\$ -</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL ERE COST:</b>		<b>\$ -</b>	<b>\$ -</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**5 SPACE**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL SPACE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL EQUIPMENT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	DES Cost
Outreach/media materials & supplies for clients for CARE Fair and EITC activities.	Approx \$52.50 x 150 individuals for both activities	\$ 7,875.13	\$ 7,875.13
<b>TOTAL MAT &amp; SUPP COSTS:</b>		<b>\$ 7,875.13</b>	<b>\$ 7,875.13</b>

**8 OPERATING SERVICES**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL OPERATING SERVICE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**9 INDIRECT COSTS**

Item	Basis	Service Cost	DES Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

10	<b>SUBTOTAL ADMINISTRATIVE COSTS:</b>	<b>\$ 7,875.13</b>	<b>\$ 7,875.13</b>
----	---------------------------------------	--------------------	--------------------

**11 VOUCHERS**

Item	Basis	Service Cost	DES Cost
Vouchers - Direct Client Services	Average \$500 x 27 households	\$ 13,500	\$ 13,500
<b>TOTAL VOUCHER COSTS:</b>		<b>\$ 13,500</b>	<b>\$ 13,500</b>

12	<b>TOTAL COSTS:</b>	<b>\$ 21,375.13</b>	<b>\$ 21,375.13</b>
----	---------------------	---------------------	---------------------

**REVENUE SOURCES:**

CPIP CSV	\$ 21,375.13	\$ 21,375.13
<b>TOTAL REVENUE:</b>	<b>\$ 21,375.13</b>	<b>\$ 21,375.13</b>

<b>TOTAL REVENUE:</b>	<b>\$ 21,375.13</b>	<b>\$ 21,375.13</b>
-----------------------	---------------------	---------------------

CSV-C ISB 10-11  
 Submitted 07/08/10  
 Revised 12/07/10

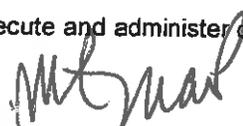


DEPARTMENT OF ECONOMIC SECURITY  
Your Partner For A Stronger Arizona

INTERGOVERNMENTAL AGREEMENT (IGA)

Contract between the Arizona Department of Economic Security ("ADES") and the Gila County Division of Health & Community Services("Contractor").

WHEREAS the Department is duly authorized to execute and administer contracts under A.R.S §41-1954 and,

WHEREAS the Contractor is duly authorized to execute and administer contracts under ~~Insert Contractor Authority~~  
Here and,  A.R.S §11-201 et. seq. and  
A.R.S §11-251 et. seq.

WHEREAS the Department and the Contractor are authorized by A.R.S. §11-952 et seq. to enter into agreements for joint or cooperative action to contract for the services specified in this contract.

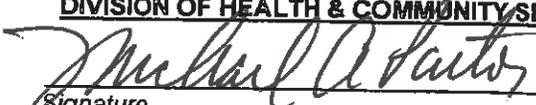
THEREFORE, the Department and Contractor agree to abide by all the terms and conditions set forth in this Contract.

BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.

FOR AND ON BEHALF OF THE ARIZONA  
DEPARTMENT OF ECONOMIC SECURITY

FOR AND ON BEHALF OF THE GILA COUNTY  
DIVISION OF HEALTH & COMMUNITY SERVICES

  
Procurement Officer Signature

  
Signature

Printed Name  
Elizabeth G. Csaki, CPPB  
Title  
Professional Services Procurement Manager

Michael A. Pastor  
Printed Name  
Chairman, Board of Supervisors

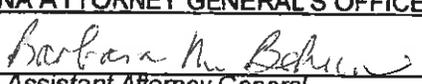
Date  
8/18/2010

Title  
7/6/10  
Date

DE111073-001  
ADES Contract Number

IN ACCORDANCE WITH A.R.S. §11-952 THIS CONTRACT HAS BEEN REVIEWED BY THE UNDERSIGNED WHO HAVE DETERMINED THAT THIS CONTRACT IS IN APPROPRIATE FORM AND WITHIN THE POWERS AND AUTHORITY GRANTED TO EACH RESPECTIVE PUBLIC BODY.

ARIZONA ATTORNEY GENERAL'S OFFICE

By:   
Assistant Attorney General

By:   
Public Agency Legal Counsel

Date: 8/16/10

Bryan Chambers, Chief Deputy Gila Co. Attorney  
Date: 6-23-2010

## TERMS AND CONDITIONS

### 1.0 **Parties**

1.1 This Intergovernmental Agreement (IGA) is between the Arizona Department of Economic Security (ADES), and the Gila County Division of Health & Community Services .

### 2.0 **Term of Agreement and Option to Extend**

2.1 **Term** - See section 5.0 Contract Term in the Scope of Work.

2.1.1 The parties agree that if similar services were provided by the Contractor prior to the date of last signature, but no earlier than July 1, 2010, those services may be compensated under this agreement.

2.1.2 The parties agree that if similar services were provided by the Contractor after the end date of the contract, those services shall not be compensated under this agreement.

### 2.2. **Extension**

2.2.1 This agreement may be extended through a written amendment by mutual agreement of the parties.

### 3.0 **Purpose of Agreement**

3.1 The purpose of this agreement is to contract for services which address the causes of poverty in local areas and to provide emergency services which alleviate crisis situations.

### 4.0 **Definitions**

4.1 "*Contract Amendment*" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.

4.2 "*Contractor*" means any person who has a Contract with the State.

4.3 "*Days*" means calendar days unless otherwise specified.

4.4 "*Department*" means the Arizona Department of Economic Security or ADES, unless otherwise indicated.

4.5 "*Equipment*" means all vehicles, furniture, machinery, electronic data processing (EDP) equipment, software and all other equipment costing \$10,000.00 or more, including all normal and necessary expenses incurred to make the equipment ready for its intended use (e.g., axes, freight, installation, assembly and testing charges, etc.), and with a useful life of greater than one year. Equipment as used herein does not include real property (e.g., land, building, structures, or facilities' improvements).

4.6 "*Exhibit*" means any item labeled as an Exhibit.

4.7 "*Gratuity*" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

4.8 "*Materials*" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.

4.9 "*May*" indicates something that is not mandatory but permissible.

4.10 "*Procurement Officer*" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.

4.11 "*Services*" means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.

4.12 Shall, Must" indicates a mandatory requirement.

4.13 "Should" indicates something that is recommended but not mandatory. If the Contractor fails to provide recommended information, the State may, at its sole option, ask the Contractor to provide the information.

4.14 "*Subcontract*" means any Contract, expressed or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

4.15 "*State*" means the State of Arizona and Department or Agency of the State that executes the Contract.

4.16 "*State Fiscal Year*" means the period beginning with July 1 and ending June 30.

4.17 "*Vulnerable adult*" means an individual who is eighteen years of age or older who is unable to protect himself from abuse, neglect or exploitation by others because of a physical or mental impairment.

### 5.0 **Manner of Financing**

5.1 See section 4.0 Funding in the Scope of Work.

### 6.0 **Service Descriptions**

6.1 See Scope of Work for descriptions of each service.

**7.0 Responsibilities**

- 7.1 The ADES and the Contractor agree to comply with the Scope of Work, Administrative Methodology and Service Methodologies.
- 7.2 Services will be provided at the locations identified on the Facility Location Chart.

**8.0 Advertising, Publishing and Promotion of Contract.**

- 8.1 The Contractor shall provide to the Department for review and approval all reports or publications (written, visual or sound) that are funded or partially funded under this contract, a minimum of fifteen (15) calendar days prior to public release. All reports and publications whether written, visual or verbal shall contain the following statement: "This program was funded through a contract with the Arizona Department of Economic Security points of view are those of the author and do not necessarily represent the official position or policies of the Department."

**9.0 Amendments or Modifications**

- 9.1 This Agreement may be amended or modified at any time by mutual agreement. No agent, employee or other representative of either party is empowered to alter any of the terms of the agreement, unless done in writing and signed by the authorized representative of the respective parties.
- 9.2 Either party shall give written notice to the other party of any non-material alteration that affects the provisions of this Agreement. Non-material alterations that do not require a written amendment are as follows:
  - 9.2.1 Change of telephone number;
  - 9.2.2 Change in authorized signatory; and/or
  - 9.2.3 Change in the name and/or address of the person to whom notices are to be sent.
- 9.3 This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the Procurement Officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

**10.0 Applicable Law**

- 10.1 This Agreement shall be governed and interpreted by the laws of the State of Arizona.
- 10.2 The materials and services supplied under this Agreement shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 10.3 Nothing in this contract shall be construed as a waiver of an Indian tribe's sovereign immunity; nothing shall be construed as an Indian tribe's consent to be sued or as consent by an Indian tribe to the jurisdiction of any State Court.
- 10.4 The Contractor shall comply with the requirements related to reporting to a peace officer or child protective services incidents of crimes against children as specified in A.R.S. §13-3620 as may be amended .
- 10.5 The Contractor shall comply with P.L. 101-121, Section 319 (31 U.S.C. section 1352) as may be amended and 29 C.F.R. Part 93 as may be amended which prohibit the use of federal funds for lobbying and which state, in part: Except with the express authorization of Congress, the Contractor, its employees or agents, shall not utilize any federal funds under the terms of this contract to solicit or influence, or to attempt to solicit or influence, directly or indirectly, any member of Congress regarding pending or prospective legislation. Indian tribes, tribal organizations and any other Indian organizations are exempt from these lobbying restrictions with respect to expenditures that are specifically permitted by other federal law.
- 10.6 The Contractor shall comply with all applicable state and federal statutes and regulations. This shall include A.R.S. § 23-722.01 as may be amended relating to new hire reporting, A.R.S. § 23-722.02 as may be amended relating to wage assignment orders to provide child support, and A.R.S. § 25-535 as may be amended relating to administrative or court-ordered health insurance coverage for children.
- 10.7 The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona.
- 10.8 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 10.9 The Contractor shall comply with P. L. 105-285, Section 678F(a) which prohibits the use of funds for the purchase of improvement of land, or purchase, construction or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility.

- 10.10 The Contractor shall comply with P.L. 105-285, Section 678F(b) which prohibits the use of CSBG funds for the provision of services or the employment or assignment of personnel in a manner supporting any bi-partisan or non-partisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office; any activity to provide transportation to the polls or similar assistance in connection with and such election, any voter registration activity.
- 11.0 Arbitration**
- 11.1 In accordance with A.R.S. § 12-1518 as may be amended, the parties agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review except as may be required by other applicable statutes.
- 12.0 Assignment and Delegation.**
- 12.1 The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.
- 13.0 Audit**
- 13.1 In accordance with A.R.S. §35-214, the Contractor shall retain and shall contractually require each subcontractor to retain all data, books and other records ("records") relating to this Agreement for a period of five (5) years after the completion of the Agreement. All records shall be subject to inspection and audit by the State, and where applicable the Federal Government, at reasonable times, and to the extent that the books and records relate to the performance of the Contracts or subcontract. Upon request, Contractor shall produce the original of any or all such records.
- 13.2 In compliance with the Federal Single Audit Act (31 U.S.C. Sections 7501-7507 as may be amended), Contractors designated as subrecipients, as described in the Office of Management and Budget (OMB) Circular A-133, expending Federal funds from all sources totaling \$500,000 or more, shall have a yearly audit conducted in accordance with the audit and reporting standards as prescribed in OMB Circular A-133 (A-133) as may be amended. As outlined in A-133 the audit Reporting Package shall include:
- 13.2.1 Financial statements and a Schedule of Expenditures of Federal Awards (SEFA)
- 13.2.2 Summary schedule of prior audit findings
- 13.2.3 Auditor's Reports (detailed in the A-133)
- 13.2.4 Corrective Action Plan.
- 13.3 The Department's contract numbers and award amounts shall be included on the SEFA. A copy of the Single Audit Reporting Package and Management Letter, if issued, shall be submitted to the Department's Office of Audit and Management Services within thirty (30) days after completion of the audit or nine (9) months after the audited period and to the Department's person designated to receive notices as specified in the section 7.0 General Reporting Requirements in the Scope of Work.
- 13.4 All Contractors are subject to the programmatic and fiscal monitoring requirements of each Department program to ensure accountability of the delivery of all goods and services, as required under the Federal Single Audit Act. A minimum fiscal requirement for all Contractors designated as vendors is an annual financial audit which includes Department contract numbers and award amounts. The Audit Report, Management Letter, if issued, and Auditor's Opinion shall be submitted within thirty (30) days after completion of the audit to the Department's person designated to receive notices as specified in the Reports Section in the Scope of Work.
- 13.5 As prescribed in OMB Circular A-133, for-profit subrecipients are subject to compliance requirements established by the Department. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, Department monitoring during the contract, and post-award audits.
- 13.6 Audits of non-profit corporations receiving Federal or State monies required pursuant to Federal or State law shall be conducted as provided in 31 U.S.C. Section 7501 et seq. and A.R.S. Section 35-181.03 as may be amended and any other applicable statutes, rules, regulations and standards.
- 14.0 Availability of Funds for the Current State Fiscal Year**
- 14.1 Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the ADES may take any of the following actions:
- 14.1.1 Reduce payments or units authorized;
- 14.1.2 Accept a decrease in price offered by the Contractor;
- 14.1.3 Cancel the Agreement; or
- 14.1.4 Cancel the Agreement and re-solicit the requirements.

14.1.5 The Director of ADES shall have the sole and unfettered discretion in determining the availability of funds. The ADES and the Contractor may mutually agree to reduce reimbursement to the Contractor when the payment type is Fixed Price with Price Adjustment by executing an amendment to this Agreement.

**15.0 Availability of Funds for the Next State Fiscal Year**

15.1 Funds may not presently be available for performance under this Agreement beyond the current state fiscal year. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the ADES at the end of the period for which funds are available.

15.2 No liability shall accrue to the ADES in the event this provision is exercised, and the ADES shall not be obligated or liable for any future payments of for any damages as a result of termination under this paragraph.

**16.0 Background Checks for Employment through the Central Registry**

16.1 If providing direct services to children or vulnerable adults, the following shall apply:

16.1.1 The provisions of A.R.S. § 8-804 (as may be amended) are hereby incorporated in its entirety as provisions of this Contract.

16.1.2 Background checks through the Central Registry shall be conducted for each Contract employee including subcontractors that provide direct services to children or vulnerable adults. Individuals shall not provide direct services to ADES clients until the results of the Central Registry background check are complete and the results indicate the individual has no disqualifying acts that would prohibit him/her from providing services to ADES clients. If the Central Registry background check specifies any disqualifying act, the individual shall be prohibited from providing direct services to ADES clients. These requirements shall apply throughout the full term of the contract.

16.1.3 The Contractor shall maintain the Central Registry Background Check results in a confidential file for five (5) years after termination of the Contract.

**17.0 Certification of Cost or Pricing Data**

17.1 The Contractor certifies that, to the best of the Contractor's knowledge and belief, any cost or pricing data submitted is accurate, complete and current as of the date submitted or other mutually agreed upon date. Furthermore, the price to the State shall be adjusted to exclude any significant amounts by which the State finds the price was increased because the Contractor-furnished cost or pricing data was inaccurate, incomplete or not current as of the date of submittal. Such adjustment by the State may include overhead, profit or fees.

**18.0 Certification Regarding Lobbying**

18.1 The Contractor agrees to comply with 49 CFR part 20.

**19.0 Confidentiality**

19.1 The Contractor shall observe and abide by all applicable State and federal statutes, rules and regulations regarding the use or disclosure of information including, but not limited to, information concerning applicants for and recipients of contract services. To the extent permitted by law, the Contractor shall release information to the Department and to the Attorney General's Office as required by the terms of this contract, by law or upon their request.

**20.0 Code of Conduct**

20.1 The Contractor shall avoid any action that might create or result in the appearance of:

20.1.1 Inappropriate use or divulging of information gathered or discovered pursuant to the performance of its duties under the contract;

20.1.2 Acting on behalf of the State without appropriate authorization;

20.1.3 Provided favorable or unfavorable treatment to anyone;

20.1.4 Made a decision on behalf of the State that exceeded its authority, could result in partiality, or have a political consequence for the State;

20.1.5 Misrepresent or otherwise impeded the efficiency, authority, actions, policies, or adversely affect the confidence of the public or integrity of the State; or,

20.2.6 Loss of impartiality when advising the State.

**21.0 Competitive Bidding**

21.1 The Contractor is authorized to purchase the supplies and equipment itemized in the contract for utilization in the delivery of contract services. Contractor shall procure all such supplies and equipment at the lowest

practicable cost and shall purchase all non-expendable items having a useful life of more than one year and an acquisition cost of \$1,000 or more, through generally accepted and reasonable competitive bidding processes. Any procurement in violation of this provision shall be considered a financial audit exception.

**22.0 Conflict of Interest**

22.1 In accordance with A.R.S. §38-511 as may be amended, the State may within three years after execution cancel the Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the State, at any time while the Agreement is in effect, becomes an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party to the Agreement with respect to the matter of the Agreement.

**23.0 Cooperation**

23.1 The Department may undertake or award other contracts for additional work related to the work performed by the Contractor, and the Contractor shall fully cooperate with such other Contractors and State employees, and carefully fit its own work to such other Contractors' work. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other Contractor or by State employees. The Contractor shall cooperate as the State deems necessary, with the transfer of work, services, case records and files performed or prepared by the Contractor to other Contractor(s).

**24.0 Data Sharing Agreement**

24.1 When determined by the Department that sharing of confidential data will occur with the Contractor, the Contractor shall complete the ADES Data Sharing Request Agreement and submit the completed Agreement to the ADES Program Designated Staff prior to any work commencing or data shared. A separate Data Sharing Request Agreement shall be required between the Contractor and each ADES Program sharing confidential data.

**25.0 Disposition of Property**

- 25.1 If the Contractor is authorized to purchase Equipment, it shall be itemized in the contract for utilization in the delivery of contract services. If Equipment is purchased as authorized by this contract, the Contractor shall maintain complete and up-to-date inventory records for all Equipment purchased hereunder. Equipment specifically designated within this contract, to be purchased in whole or part with the Department funds, shall be reported in accordance with Department inventory policies and procedures. The Contractor shall report Equipment purchased with contract funds to the Department within thirty (30) days of purchase, perform an annual inventory of all equipment purchased with Department funds and submit the Equipment inventory form to the Department person designated to receive notices.
- 25.2 The Department shall retain an equitable interest equal to the purchase price paid, or a fair estimate or appraisal of current market value, whichever is greater, in all Equipment purchased under this contract. The Department shall be included as a co-insured on any insurance policy which covers Equipment purchased under this contract.
- 25.3 The Contractor shall not dispose of any Equipment purchased under this contract without the prior written consent of the Department during and after the contract term. Such consent, if given, may include direction as to the means of disposition and the utilization of proceeds, including any necessary adjustments to the contract.
- 25.4 Upon termination of this contract, any Equipment purchased under this contract shall be disposed of as directed by the Department and, if sold, the Department shall be compensated in the amount of its equitable interest.

**26.0 Eligibility for State or Local Public Benefits; Documentation and Violations**

26.1 Contractors providing services as an agent of the State, shall ensure compliance with A.R.S. §1-502 as may be amended. A.R.S. §1-502 requires each person applying or receiving a public benefit to provide documented proof which demonstrates a lawful presence in the United States. The State shall reserve the right to conduct unscheduled, periodic process and documentation audits to ensure contractor compliance. All available contract remedies, up to and including termination may be taken for failure to comply with A.R.S. §1-502 as may be amended in the delivery of services under this contract.

**27.0 Evaluation**

27.1 The Department may evaluate, and the Contractor shall cooperate in the evaluation of, contract services. Evaluation may assess the quality and impact of contract services, either in isolation or in comparison with

other similar services, and assess the Contractor's progress and/or success in achieving the goals, objectives and deliverables set forth in this contract.

27.2 As requested by the Department, the Contractor shall participate in third party evaluations relative to contract impact in support of Department goals.

**28.0 E-Verify**

28.1 In accordance with ARS §41-4401 as may be amended, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with AAC Section A.R.S. § 23-214, Subsection A.

**29.0 Fair Hearings and Service Recipients' Grievances**

29.1 The Contractor shall advise all applicants for and recipients of contract services of their right, at any time and for any reason, to present to the Contractor and to the Department any grievances arising from the delivery of contract services, including, but not limited to, ineligibility determination, reduction of services, suspension or termination of services, or quality of services. The Department may assert its jurisdiction to hear the grievance or refer the matter to the appropriate authority.

29.2 The Contractor, whenever authorized by law, shall maintain a formal system acceptable to and approved by the Department for reviewing and adjudicating grievances by service recipients or subcontractors arising from this contract.

**30.0 Federal Immigration and Nationality Act**

30.1 By entering into the Agreement, the Contractor warrants compliance with the Federal Immigration and Nationality Act. (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Agreement. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Agreement. I-9 forms are available for download at USCIS.GOV.

30.2 The State may request verification of compliance for any Contractor or subcontractor performing work under the Agreement. Should the State suspect or find that the Contractor or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to suspension of work, termination of the Agreement for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

**31.0 Fees and Program Income**

31.1 Unless specifically authorized in the contract, the Contractor shall impose no fees or charges of any kind upon recipients for contract services.

**32.0 Fingerprinting**

32.1 The provisions of A.R.S. § 46-141 (as may be amended) are hereby incorporated in their entirety as provisions of this contract. For reference, these provisions include, but are not limited to, the following:

32.1.1 Personnel who are employed by the Contractor, whether paid or not, and who are required or allowed to provide services directly to juveniles or vulnerable adults shall submit a full set of fingerprints to the Department for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544 or shall apply for fingerprint clearance card within seven working days of employment.

32.1.2 The Contractor shall assume the costs of fingerprint checks and may charge these costs to its fingerprinted personnel. The Department may allow all or part of the costs of fingerprint checks to be included as an allowable cost in a contract.

32.1.3 Except as provided in A.R.S. § 46-141, this contract may be cancelled or terminated immediately if a person employed by the Contractor and who has contact with juveniles certifies pursuant to the provisions of A.R.S. § 46-141 (as may be amended) that the person is awaiting trial or has been convicted of any of the offenses listed therein in this State, or of acts committed in another state that would be offenses in this State, or if the person does not possess or is denied issuance of a valid fingerprint clearance card.

32.1.4 Personnel who are employed by any Contractor whether paid or not, and who are required or allowed to provide services directly to juveniles shall certify on forms provided by the Department of Economic Security and notarized whether they are awaiting trial on or have ever been convicted of any of the offenses described in A.R.S. § 46-141 (as may be amended).

- 32.1.5 Personnel who are employed by any Contractor, whether paid or not, and who are required or allowed to provide services directly to juveniles shall certify on forms provided by the Department of Economic Security and notarized whether they have ever committed any act of sexual abuse of a child, including sexual exploitation and commercial sexual exploitation, or any act of child abuse.
- 32.1.6 Federally recognized Indian tribes or military bases may submit and the Department of Economic Security shall accept certifications that state that no personnel who are employed or who will be employed during the contract term have been convicted of, have admitted committing or are awaiting trial on any offense as described in A.R.S. § 46-141 (H) (as may be amended).

### 33.0 **Force Majeure**

- 33.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Agreement if and to the extent that such party's performance of this Agreement is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
- 33.2 Force Majeure shall not include the following occurrences:
- 33.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
- 33.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
- 33.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 33.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- 33.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

### 34.0 **Inclusive Contractor**

- 34.1 Contractor is encouraged to make every effort to utilize subcontractors that are small, women-owned and/or minority owned business enterprises. This could include subcontractors for a percentage of the administrative or direct service being proposed. Contractor who is committing a portion of its work to such subcontractors shall do so by identifying the type of service and work to be performed by providing detail concerning the Contractor's utilization of small, women-owned and/or minority business enterprises. Emphasis should be placed on specific areas that are subcontracted and percentage of contract utilization and how this effort will be administered and managed, including reporting requirements.

### 35.0 **Indemnification**

#### 35.1 Indemnification for Contractor:

- 35.1.1 Each Party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

#### 35.2 Indemnification for Subcontractor

- 35.2.1 In addition, Gila County Division of Health & Community Services shall cause its contractor(s) and subcontractors, if any, to indemnify, defend, save and hold harmless the State of Arizona, any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and their respective directors, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and

all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Gila County Division of Health & Community Services's contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

**36.0 Insurance Requirements**

36.1 Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

36.2 The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. **Minimum Scope And Limits Of Insurance:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**

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

• General Aggregate	\$2,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Blanket Contractual Liability – Written and Oral	\$1,000,000
• Fire Legal Liability	\$ 50,000
• Each Occurrence	\$1,000,000

a. The policy shall be endorsed to include coverage for sexual abuse and molestation.

b. The policy shall be endorsed to include the following additional insured language: ***"The State of Arizona and the Department of Economic Security shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor"***.

c. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

This requirement may be satisfied with a policy combining General and Professional Liability, provided that the General Liability section of the policy is written on an occurrence basis, and includes coverage for contractual liability.

2. **Business Automobile Liability**

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

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

a. The policy shall be endorsed to include the following additional insured language: ***"The State of Arizona and the Arizona Department of***

***Economic Security shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, Involving automobiles owned, leased, hired or borrowed by the Contractor".***

- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- c. This paragraph, **Business Automobile Liability**, shall not be applicable in the event Contractor (or its Subcontractors) does not utilize a vehicle in any manner in the performance of this Contract or if the utilization is used only for commuting purposes. In the event Contractor (or its Subcontractors) subsequently utilizes the vehicle in the performance of the Contract or utilizes it for other than commuting purposes, this paragraph, **Business Automobile Liability**, shall be fully applicable, effective the date the utilization is changed.

**3. Worker's Compensation and Employers' Liability**

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

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**4. Professional Liability (Errors and Omissions Liability)**

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

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- b. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.

**B. Additional Insurance Requirements:** The policies shall include, or be endorsed to include, the following provisions: The State of Arizona and the Arizona Department of Economic Security, wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

- 1. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
- 2. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

**C. Notice Of Cancellation:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to

the State of Arizona. Such notice shall be sent directly to the Arizona Department of Economic Security, Office of Procurement, 1789 W. Jefferson St. Site Code 805Z, Phoenix, AZ 85007 unless the Scope of Work General Reporting Requirements specifies otherwise and shall be sent by certified mail, return receipt requested.

- D. **Acceptability Of Insurers:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

If the social services program utilizes the Social Service Contractors Indemnity Pool (SSCIP) or other approved insurance pool for insurance coverage, SSCIP or the other approved insurance pool is exempt from the A.M. Best's rating requirements listed in this contract. If the contractor or subcontractor chooses to use SSCIP or another approved insurance pool as its insurance provider, the contract/subcontract would be considered in full compliance with insurance requirements relating to the A.M. Best rating requirements.

- E. **Verification Of Coverage:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to Arizona Department of Economic Security, Office of Procurement, 1789 W. Jefferson St. Site Code 805Z, Phoenix, AZ 85007 unless the Scope of Work General Reporting Requirements specifies otherwise. The State of Arizona **contract number and contract description shall be noted or referenced on the certificate of insurance.** The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

- F. **Subcontractors:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- G. **Approval:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
- H. **Exceptions:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

In the event that Contractor determines that it may not be able to comply fully with the insurance requirements set forth above in Section 36.0 of these Terms and Conditions, the Contractor may request that the insurance requirements be modified pursuant to paragraph 36.2(G), provided that such request be delivered in writing to ADES at least ten days prior to the solicitation due date or, if not a solicitation, prior to contract execution. Contractor shall include with such request Contractor's justification for the modification with supporting documentation.

As provided in paragraph 36.2(G), the Department of Administration, Risk Management Section, shall decide whether such modification may be permitted. If the Department of Administration, Risk Management, decides to grant permission, the ADES Chief Procurement Officer shall then decide whether to approve the modification.

Modifications that are approved will be done so on a case-by-case basis and shall not affect the insurance requirements of other Contractors for whom modifications have not been approved. If a Contractor's request has not been approved or a Contractor fails to deliver its request prior to the applicable deadline, then the Contractor shall be required to comply fully with the insurance requirements set forth in paragraph 36.0 above.

**37.0 IT 508 Compliance**

37.1 Unless specifically authorized in the Agreement, any electronic or information technology offered to the State of Arizona under this agreement shall comply with A.R.S. § 41-2531 and §2532 as may be amended, and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

**38.0 Levels of Service**

38.1 If the Contractor determines service recipient eligibility, the Contractor shall maintain and regulate services set forth in this contract to ensure continuity and availability of services to eligible persons during the term of this contract and during any transition to a subsequent Contractor.

38.2 The Department makes no guarantee to purchase specific quantities of goods or services, or to refer eligible persons as may be identified or specified herein. Further, it is understood and agreed that this contract is for the sole convenience of the Department and that the Department reserves the right to obtain like goods or services from other sources when such need is determined necessary by the Department.

38.3 Any administration within the Department may obtain services under this contract.

38.4 Contract services may be moved or expanded to other site locations within the geographic area awarded only by a written contract amendment.

38.5 When the method of compensation for the service is Fixed Price with Price Adjustment, the contract may be amended, by mutual agreement, to purchase additional services by increasing the contract service budget and/or budget summary.

**39.0 Monitoring**

39.1 The Department may monitor the Contractor and/or subcontractor and they shall cooperate in the monitoring of services delivered, facilities and records maintained and fiscal practices.

**40.0 Non-Availability of Funds**

40.1 In accordance with ARS § 35-154 as may be amended, every payment obligation of the State under the Agreement is conditioned upon the availability of funds appropriated or allocated for payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event his provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

**41.0 Non-Discrimination**

41.1 In accordance with ARS § 41-1461 and Executive Order 2009-09, the Contractor shall provide equal employment opportunities for all persons, regardless of race, color, religion, creed, religion, sex, age, national origin, disability or political affiliation. The Contractor shall comply with the Americans with Disabilities Act.

41.2 Unless exempt under Federal law the Contractor shall comply with Title VII of the Civil Rights Act of 1964 as amended. Contractor shall comply with the Age Discrimination in Employment Act. The Contractor shall comply with the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment or advancement in employment of qualified persons because of physical or mental handicap. The Contractor shall comply with the requirements of the Fair Labor Standards Act of 1938, as amended.

41.3 If Contractor is an Indian Tribal Government, Contractor shall comply with the Indian Civil Rights Act of 1968. It shall be permissible for an Indian Tribal Contractor to engage in Indian preference in hiring.

41.4 The Contractor shall comply with Title VI of the Civil Rights Act of 1964, which prohibits the denial of benefits of or participation in contract services on the basis of race, color, or national origin. The Contractor

shall comply with the requirements of Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of handicap, in delivering contract services; and with Title II of the Americans with Disabilities Act, and the Arizona Disability Act, which prohibit discrimination on the basis of physical or mental disabilities in the provision of contract programs, services and activities.

41.5 The following shall be included in all publications, forms, flyers, etc. that are distributed to recipients of contract services:

"Under Titles VI and VII of the Civil Rights Act of 1964 (Title VI and VII) and the Americans with Disabilities Act of 1990 (ADA) Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, *insert Contractor name here*) prohibits discrimination in admissions, programs, services, activities or employment based on race, color, religion, sex, national origin, age, and disability. The *(insert Contractor name here)* must make a reasonable accommodation to allow a person with a disability to take part in a program, service, or activity. Auxiliary aids and services are available upon request to individuals with disabilities. For example, this means that if necessary, the *(insert Contractor name here)* must provide sign language interpreters for people who are deaf, a wheelchair accessible location, or enlarged print materials. It also means that the *(insert Contractor name here)* will take any other reasonable action that allows you to take part in and understand a program or activity, including making reasonable changes to an activity. If you believe that you will not be able to understand or take part in a program or activity because of your disability, please let us know of your disability needs in advance if at all possible. To request this document in alternative format or for further information about this policy please contact: *(insert Contractor contact person and phone number here)*" Para obtener este documento en otro formato u obtener información adicional sobre esta política, *(insert Contractor contact person and phone number here)*"

#### 42.0 **No Parole Evidence**

42.1 Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

#### 43.0 **No Waiver.**

43.1 Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

#### 44.0 **Notices**

44.1 All notices to the Contractor regarding this agreement shall be sent to the address indicated in Attachment 4.

44.2 All notices to the ADES regarding this agreement shall be sent to the address indicated in section 7.0 General Reporting Requirements in the Scope of Work.

44.3 All notices shall reference the contract number.

44.4 The Contractor shall give written notice to the Department of changes to the following, and a written amendment to the contract shall not be necessary:

44.4.1 Change of telephone number;

44.4.2 Changes in the name and/or address of the person to whom notices are to be sent;

44.4.3 Changes in contract-related personnel positions of the Contractor which do not affect staffing ratios, staff qualifications or specific individuals required under this contract; or

44.5 In a fixed price with price adjustment contract, a written amendment shall not be necessary to shift costs among budget categories. The Contractor shall give written notice to the Department that includes justification for the change and receive written approval by the Department. Any such increase must be offset by an equal value decrease in any budget category or categories.

#### 45.0 **Offshore Performance Of Work Prohibited**

45.1 Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers

**46.0 Order of Precedence**

- 46.1 In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
1. Terms and Conditions;
  2. Scope of Work;
  3. Attachments;
  4. Exhibits.

**47.0 Ownership of Intellectual Property**

- 47.1 Any and all intellectual property, including but not limited to copyright, invention, trademark, tradename, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

**48.0 Pandemic Contractual Performance**

- 48.1 The State shall require a written plan that illustrates how the Contractor shall perform up to contractual standards in the event of a pandemic. The State may require a copy of the plan at anytime prior or post award of a contract. At a minimum, the pandemic performance plan shall include:
- 48.1.1 Key succession and performance planning if there is a sudden significant decrease in Contractor's workforce.
- 48.1.2 Alternative methods to ensure there are services or products in the supply chain.
- 48.1.3 An up to date list of company contacts and organizational chart.
- 48.2 In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights:
- 48.2.1 After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections if the contractor cannot perform to the standards agreed upon in the initial terms.
- 48.2.2 The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director of the Arizona Department of Administration per A.R.S. § 41-2537 as may be amended of the Arizona Procurement Code.
- 48.2.3 Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion may reinstate the temporarily voided contract(s).

**49.0 Payments**

- 49.1 Reimbursement to the Contractor shall be in accordance with actual allowable costs incurred consistent with each service budget and/or budget summary not to exceed the service reimbursement ceiling. The Contractor shall furnish the Department with an accounting of actual costs incurred consistent with the categories set forth in the service budget(s). Budget categories, to include cost items in a category, may be deleted, added, or modified by a contract amendment as specified in section 44.0 Notices of these Terms and Conditions. Any change to the service reimbursement ceiling shall be reflected in a contract amendment.
- 49.2 The Contractor shall report to the Department in the manner prescribed in section 7.0 General Reporting Requirements in the Scope of Work. Upon receipt of applicable, accurate and complete reports, the Department will authorize payment or reimbursement in accordance with the type of payment indicated by this contract.
- 49.3 If the Contractor is in any manner in default in the performance of any obligation under this contract, or if audit exceptions are identified, the Department may, at its option and in addition to other available remedies, either adjust the amount of payment or withhold payment until satisfactory resolution of the default or exception.

- 49.4 Under no circumstances shall the Department make payment to the Contractor that exceeds the contract/service reimbursement ceilings indicated in Itemized Service Budget, as may be amended.
- 49.5 Under no circumstances shall the Department make payment to the Contractor for services performed after the term of the contract without timely extension or renewal of the contract.
- 49.6 The Contractor may offer a price reduction adjustment at any time during the term of the contract. Any price reduction shall be executed by a contract amendment.
- 49.7 Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 49.8 The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 49.9 Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 49.10 In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.

**50.0 Payment Recoupment**

- 50.1 The Contractor shall reimburse the Department upon demand or the Department may deduct from future payments the following:
  - 50.1.1 Any amounts received by the Contractor from the Department for contract services which have been inaccurately reported or are found to be unsubstantiated;
  - 50.1.2 Any amounts paid by the Contractor to a subcontractor not authorized in writing by the Department;
  - 50.1.3 Any amount or benefit paid directly or indirectly to an individual or organization not in accordance with the "Substantial Interest Disclosure" section of these Terms and Conditions;
  - 50.1.4 Any amounts paid by the Department for services which duplicate services covered or reimbursed by other specific grants, contracts, or payments;
  - 50.1.5 Any amounts expended for items or purposes determined unallowable by the Department when this contract provides for the reimbursement of costs, see the "Unallowable Costs" section of this contract;
  - 50.1.6 Any amounts paid by the Department for which the Contractor's books, records, and other documents are not sufficient to clearly substantiate that those amounts were used by the Contractor to perform contract services;
  - 50.1.7 Any amounts received by the Contractor from the Department which are identified as a financial audit exception;
  - 50.1.8 Any amounts paid or reimbursed in excess of the contract or service reimbursement ceiling;
  - 50.1.9 Any amounts paid to the Contractor which are subsequently determined to be defective pursuant to the "Certification of Cost or Pricing Data" section of these Terms and Conditions.
  - 50.1.10 Any payments made for services rendered after the contract termination date.

**51.0 Personnel**

- 51.1 The Contractor's personnel shall satisfy all qualifications, carry out all duties, and work the hours as set forth in this contract.

**52.0 Predecessor and Successor Contracts**

- 52.1 The execution or termination of this contract shall not be considered a waiver by the Department of any rights it may have for damages suffered through a breach of this or a prior contract with the Contractor.

**53.0 Professional Standards**

- 53.1 The Contractor shall deliver contract services in a humane and respectful manner and in accordance with any and all applicable professional accreditation standards. Levels of staff qualifications, professionalism, and numbers of staff and individuals identified by name must be maintained as presented in the contract.

**54.0 Property of the State**

- 54.1 Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials

and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

#### **55.0 Records**

- 55.1 Under A.R.S. § 35-214 and § 35-215 as may be amended, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 55.2 Contract service records will be maintained in accordance with this contract. Records shall, as applicable, meet the following standards:
- 55.2.1 Adequately identify the service provided and each service recipient's application for contract and subcontract activities;
- 55.2.2 Include personnel records which contain applications for employment, job titles and descriptions, hire and termination dates, a copy of the fingerprint clearance card, wage rates, and effective dates of personnel actions affecting any of these items;
- 55.2.3 Include time and attendance records for individual employees to support all salaries and wages paid;
- 55.2.4 Include records of the source of all receipts and the deposit of all funds received by the Contractor;
- 55.2.5 Include original copies of invoices, statements, sales tickets, billings for services, deposit slips, etc., and a cash disbursement journal and cancelled checks to reflect all disbursements applicable to the contract;
- 55.2.6 Include a complete general ledger with accounts for the collection of all costs and/or fees applicable to the contract; and,
- 55.2.7 Include copies of lease/rental agreements, mortgages and/or any other agreements that in any way may affect contract expenditures.
- 55.3 Any such records not maintained shall mandate an audit exception in the amount of the inadequately documented expenditures.
- 55.4 Contractor shall preserve and make available all records for a period of five (5) years from the date of final payment under this contract except as may be provided in section 57.0 of these Terms and Conditions or if subject to Health Insurance Portability & Accountability Act which is six (6) years from the date of final payment:
- 55.4.1 If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any such termination.
- 55.4.2 Records which related to disputes, litigation or the settlement of claims arising out of the performance of this contract, or costs and expenses of this contract to which exception has been taken by the state, shall be retained by the Contractor until such disputes, litigations, claims or exceptions have been disposed of.

#### **56.0 Relationship of Parties**

- 56.1 The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 56.2 In the event that the Contractor or its personnel is sued or prosecuted for conduct arising from this contract, the Contractor or their personnel will not be represented by the Department of the Attorney General.
- 56.3 Taxes or Social Security payments will not be withheld from a State payment issued hereunder and the Contractor shall make arrangements to directly pay such expenses, if any.

#### **57.0 Reporting Requirements**

- 57.1 See section 7.0 General Reporting Requirements in the Scope of Work.
- 57.2 Contractor shall submit programmatic and financial reports to the Department no later than the 25th day following the end of each month or the end of each other applicable reporting period during the term of the contract, unless otherwise provided in this contract. Contractor shall submit final program and fiscal reports no later than the 60th day following termination of the contract. The final fiscal report for the contract term shall include all adjustments to prior financial reports submitted for the contract term. Failure to submit the final program and fiscal report within the above time period may result, at the option of the Department, in forfeiture of final payment.
- 57.3 All reports shall reference the contract number and be submitted to the person designated by the Department.

#### **58.0 Responsibility for Payments Indemnification**

58.1 The Contractor shall be responsible for issuing payment for services performed by the Contractor's employees, subcontractors, suppliers, or any other third party incurred in the furtherance of the performance or the arising out of the contract and will indemnify and save the Department harmless for all claims whatsoever out of the lawful demands of such parties. The Contractor shall, at the Department's request, furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged or waived.

**59.0 Right of Offset**

59.1 The Department shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the Department, or damages assessed by the Department concerning the Contractor's non-conforming performance or failure to perform the Agreement, including expenses, costs and damages.

**60.0 Scrutinized Business**

60.1 In accordance with ARS § 35-391.06 and ARS § 35-393.06 as may be amended, the Contractor certifies that the Contractor does not have scrutinized business operations in Sudan or Iran.

**61.0 Severability**

61.1 The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

**62.0 State's Contractual Remedies**

62.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Terms and Conditions or other rights and remedies available by law or provided by the contract.

62.2 Stop Work Order. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

62.2.1 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

62.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

62.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

**63.0 Subcontracts**

63.1 The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities.

63.2 The Contractor shall provide copies of each contract with a subcontractor relating to the provision of contract services to the Department upon five (5) calendar days of the request.

**64.0 Substantial Interest Disclosure**

64.1 Contractor shall not make any payments, either directly or indirectly, to any person, partnership, corporation, trust, or any other organization which has a substantial interest in Contractor's organization or with which Contractor (or one of its directors, officers, owners, trust certificate holders or a relative thereof) has a substantial interest, unless Contractor has made a full written disclosure of the proposed payments, including amounts, to the Department.

- 64.2 Leases or rental agreements or purchase of real property which would be covered by Section 63.1 shall be in writing and accompanied by an independent commercial appraisal of fair market rental, lease, or purchase value, as appropriate.
- 64.3 For the purpose of this Section, "relative" shall have the same meaning as in A.R.S. §38-502 as may be amended.
- 65.0 Supporting Documents and Information**
- 65.1 In addition to any documents, reports or information required by any other section of this contract, Contractor shall furnish the Department with any further documents and information deemed necessary by the Department. Upon receipt of a request for information from ADES, the Contractor shall provide complete and accurate information no later than fifteen (15) days after the receipt of the request.
- 66.0 Suspension or Debarment**
- 66.1 The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 66.2 See Certification Regarding Debarment, Suspension and Voluntary Exclusion Lower Tier Covered Transactions.
- 67.0 Technical Assistance**
- 67.1 The Department may, but shall not be obligated to, provide technical assistance to the Contractor in the administration of contract services, or relating to the terms and conditions, policies and procedures governing this contract. Notwithstanding the foregoing, the Contractor shall not be relieved of full responsibility and accountability for the provision of contract services in accordance with the terms and conditions set forth herein.
- 68.0 Termination**
- 68.1 This agreement may be terminated by mutual agreement of the parties at any time during the term of this agreement.
- 68.2 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511 as may be amended, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511 as may be amended.
- 68.3 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 68.4 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 68.5 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the

effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

**68.6 Termination for Default.**

68.6.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

68.6.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

68.6.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

68.6.4 The Department may immediately terminate this contract if the Department determines that the health or welfare or safety of service recipients is endangered.

68.7 Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

68.8 Termination for Any Reason. In the event the contract is terminated, with or without cause, or expires, the Contractor, whenever determined appropriate by the Department, shall assist the Department in the transition of services or eligible persons to other Contractors. Such assistance and coordination shall include, but not be limited to, the forwarding of program and other records as may be necessary to assure the smoothest possible transition and continuity of services. The cost of reproducing and forwarding such records and other materials shall be borne by the Contractor. The Contractor must make provisions for continuing all management/administrative services until the transition of services or eligible persons is complete and all other requirements of this contract are satisfied.

68.9 In the event of termination or suspension of the contract by the Department, such termination or suspension shall not affect the obligation of the Contractor to indemnify the Department and the State for any claim by any other party against the State or Department arising from the Contractor's performance of this contract and for which the Contractor would otherwise be liable under this contract. To the extent such indemnification is excluded by A.R.S. §41-621 et seq. as may be amended or an obligation is unauthorized under A.R.S. §35-154 as may be amended, the provisions of this paragraph shall not apply.

68.10 In the event of early termination for any reason, any funds advanced to the Contractor shall be returned to the Department within ten (10) days after the date of termination or upon receipt of notice of termination of the contract, whichever is earlier.

**69.0 Third- Party Antitrust Violations**

69.1 The Contractor assigns to the Department any claim for overcharges resulting from antitrust violations concerning materials or services supplied by third parties to the Contractor, toward fulfillment of this Agreement.

**70.0. Transfer of Knowledge**

70.1 The Contractor shall, whenever feasible, share strategies and techniques with Department staff to transfer the skills and knowledge acquired in the delivery of the contracted service.

**71.0 Transition of Activities**

71.1 In the event that a contract is awarded to a new contractor for services similar to those being performed by Contractor under this contract, there shall be a transition of services period. During this period, the contractor under this contract shall work closely with the new contractor's personnel and/or Department staff to ensure a smooth and complete transfer of duties and responsibilities. The Department's authorized representative will coordinate all transition activities. A transition plan will be developed in conjunction with the existing contractor to assist the new contractor and/or Department staff to implement the transfer of duties. The Department reserves the right to determine which projects/service delivery nearing completion will remain with the current Contractor of record.

**72.0 Unallowable Costs**

72.1 The cost principles set forth in the Code of Federal Regulations, 48 CFR, Chapter 1, Subchapter e, Part 31, (October 1, 1991), including later amendments and editions, on file with the Arizona Secretary of State and

incorporated by this reference, shall be used to determine the allow ability of incurred costs for the purpose of reimbursing costs under contract provisions that provide for the reimbursement of costs. Those costs which are specifically defined as unallowable therein will not be submitted for reimbursement by the Contractor and may not be reimbursed with Department funds.

- 72.2 In addition, the Contractor shall comply with the following publications (including subsequent revisions), as applicable:
  - 72.2.1 OMB Circular A-87 for State, local and Indian Tribal Governments.
  - 72.2.2 OMB Circular A-122 for private non-profit organizations other than institutions of higher education, hospitals or others specified in A-122.
  - 72.2.3 OMB Circular A-21 for educational institutions.
  - 72.2.4 OMB Circular A-133 for audits of institutions of higher education and other non-profit institutions.

### **73.0 Visitation, Inspection and Copying**

- 73.1 Contractor's and/or subcontractor's facilities, services and individuals served, books and records pertaining to the contract shall be available for visitation, inspection and copying by the Department and any other appropriate agent of the State or Federal Government. At the discretion of the Department, visitation, inspection and copying may be at any time during regular business hours, announced or unannounced. If the Department deems it to be an emergency situation, it may at any time visit and inspect the Contractor's or subcontractor's facilities, services and individuals served, as well as inspect and copy their contract-related books and records.

### **74.0 Warranty of Services**

- 74.1 The Contractor warrants that all services provided under this contract shall conform to the requirements stated herein and any amendments hereto. The Department's acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, the Department Procurement Officer may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.

### **75.0 Contract Documents**

- 75.1 The following constitute an integral part of the contract:
  - 75.1.1 Terms and Conditions
  - 75.1.2 Scope of Work
  - 75.1.3 Administrative Methodology
  - 75.1.4 Service Methodologies
  - 75.1.5 Attachments
  - 75.1.6 Exhibits

**Scope of Work**  
**Community Action Program Services**

- 1.0 **DES Vision and Mission Statement**
- 1.1 DES Vision - Every child, adult, and family in the state of Arizona will be safe and economically secure.
- 1.2 DES Mission - The Arizona Department of Economic Security promotes the safety, well-being, and self sufficiency of children, adults, and families
- 2.0 **Community Action Program Services** - The broad-ranging goals of these programs and services are intended to pursue the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient.

Allowable activities are designed to assist low-income families and individuals to remove obstacles and solve problems that block the achievement of self-sufficiency, to secure and retain meaningful employment, attain adequate education, make better use of available income, obtain and maintain adequate housing, obtain emergency assistance, achieve greater participation from low-income communities, establish partnerships and strengthen relationships with community organizations, establish youth development programs, create linkages to fill gaps in services, and support innovative community and neighborhood based initiatives.

Various objectives may include providing case management services to individuals and families in securing services from other agencies, or moving a family from crisis situations onto various stages of self-sufficiency.

- 2.1 **Definitions** – See Exhibit A, as may be amended.
- 2.2 **Community Services** - (Provided in every county in Arizona) The primary objectives of this service are to strengthen community capabilities for planning and coordinating the use of a broad range of resources related to the elimination of poverty; the organization of a range of services so that these services may have a measurable and potentially major impact on the causes of poverty and help families and individuals become self-sufficient; the greater use of innovative and effective community-base approaches to attacking the causes of poverty and of community breakdown; the maximum participation of the poor to empower them to respond to the unique problems and needs within their communities; and the broadening of the resource base of programs directed to the elimination of poverty.
- 2.3 **Case Management** - (Provided in every county in Arizona) The service provides assistance to low-income families and individuals by providing case management services that are intended to assist the household in resolving crisis situations and move closer to self-sufficiency. Components of this service include Short Term Crisis Services, Utility Assistance Services, and any other program or service the Contractor deems necessary and appropriate, according to local community needs and priorities.
- 2.4 **General Transportation** - (Provided in Coconino, Navajo and Yavapai Counties only) The service provides or assists in obtaining various types of transportation for specific needs.  

This service may include various types of transportation for employment, medical, training, or other supportive services with the exception of ambulance services. It may be provided by Contractor-operated vehicles or through vouchers for public transit.
- 3.0 **Authority** - Pursuant to A.R.S. Section §41-1954 (A)(6) and (8), the Arizona Department of Economic Security has the authority to enter into contracts and to make funding available to provide an array of services for the reduction of poverty, the revitalization of low-income communities and the empowerment of low-income families to become fully self-sufficient.
- 4.0 **Funding** – Fund sources that support the services include the Community Services Block Grant (CSBG), Temporary Assistance to Needy Families (TANF), Social Services Block Grant (SSBG), Low Income Home Energy Assistance Program (LIHEAP), Emergency Shelter Grant (ESG), and Neighbors Helping Neighbors (NHN). The use of the funding may be directed by statute or prescribed by federal requirements. Funding information is summarized below.

**Scope of Work**  
Community Action Program Services

FUND SOURCE	ALLOWABLE ACTIVITIES	ADDITIONAL INFORMATION
Community Services Block Grant (CSBG) – Federal	Activities that are designed to assist low-income families and individuals to remove obstacles and solve problems that block the achievement of self-sufficiency, to secure and retain meaningful employment, attain adequate education, make better use of available income, obtain and maintain adequate housing, obtain emergency assistance, achieve greater participation from low-income communities, establish partnerships and strengthen relationships with community organizations, establish youth development programs, create linkages to fill gaps in services, and support innovative community and neighborhood based initiatives.	Funds are distributed to designated Community Action Agencies (CAAs) according to a funding formula that consists of the following elements: (1) Number of persons in poverty in the geographic area served (2) Number of persons unemployed in the geographic area served (3) Five percent (5%) of the overall funds is distributed only to rural counties. *Any Contractor whose allocation does not reach a minimum of \$150,000 will receive an allocation of at least \$150,000. **The Limited Purpose Contractor serving Migrant or Seasonal Farm Workers will receive two percent (2%) of the overall available CSBG funds.
Temporary Assistance to Needy Families (TANF) – Federal	Case management services, emergency shelter, move-in assistance, eviction prevention, and utility assistance	Funds are distributed to designated CAAs according to a funding formula that consists of the following elements: (1) Number of persons in poverty in the geographic area served (2) Five percent of the overall funds is distributed only to rural counties. *Any Contractor whose allocation does not reach a minimum of \$150,000 will receive an allocation of at least \$150,000. **The Limited Purpose Contractor serving Migrant or Seasonal Farm Workers will receive two percent (2%) of the overall available TANF funds.
Social Services Block Grant – Locally Planned (SSBG-LP) Federal	Contractor operations, case management, general transportation, and supportive services, for individuals and families.	Funding amounts are determined through the local planning process of Councils of Governments (COG's) - for General Transportation in the counties of Coconino, Yavapai, and Navajo counties.
Emergency Shelter Grant (ESG) Federal	Services to prevent evictions and homelessness.	Funds are distributed only to rural designated CAAs according to a funding formula that consists of the following elements: (1) Number of persons in poverty in the geographic area served (2) Number of persons unemployed in the geographic area served.

**Scope of Work**  
Community Action Program Services

FUND SOURCE	ALLOWABLE ACTIVITIES	ADDITIONAL INFORMATION
Low Income Home Energy Assistance Program (LIHEAP) Federal	Utility Assistance	Funds are distributed to designated CAAs and CBOs according to a funding formula that consists of the following elements: (1) Number of persons in poverty in the geographic area served (2) Number of persons unemployed in the geographic area served (3) Five Percent of the overall funds are distributed only to rural counties.
Neighbors Helping Neighbors (NHN) Local	Utility Assistance	Funds are distributed to designated CAAs and CBOs according to a funding formula that consists of the following elements: (1) Number of persons in poverty in the geographic area served (2) Number of persons unemployed in the geographic area served (3) Five percent (5%) of the overall funds is distributed only to rural counties.

**5.0 Contract Term**

5.1 The contract term shall have an effective date of July 1, 2010 and shall end on June 30, 2015.

**6.0 Administrative Requirements – The Contractor shall:**

6.1 Comply with DES/DAAS Policy and Procedure Manuals as may be amended, and all applicable federal, state, and local laws, rules, and regulations as may be amended, including but not limited to the following:

- 6.1.1 COATES Human Services Reauthorization Act of 1998
- 6.1.2 Personal Responsibility and Work Opportunity Reconciliation Act of 1996
- 6.1.3 Stewart B. McKinney Homeless Assistance Act
- 6.1.4 ARS §46-241 Short Term Crisis Services
- 6.1.5 ARS §46-701 Utility Assistance
- 6.1.6 ARS §46-741 Neighbors Helping Neighbors
- 6.1.7 ARS §140.01 Identity, Citizenship (Prop 200)
- 6.1.8 Ensure that Publications contain the following statement:

*"This project was funded by the Arizona Department of Economic Security, Division of Aging & Adult Services, Community Action Program. Points of view are those of the author and do not necessarily represent the official position or policies of the Department."*

Requests for exception shall be directed to the DES/DAAS Contract Specialist.

**6.2 Staffing and Security**

- 6.2.1 Ensure that all staff members (and volunteers) shall have no conflict of interest in providing services.
- 6.2.2 Provide to all staff and volunteers timely and accurate information and appropriate training for the services they provide.
- 6.2.3 Ensure that client/recipient confidential information is maintained in a secure location.

**6.3 Equipment**

- 6.3.1 Communicate with DES/DAAS electronically through email to convey Microsoft-based text and spreadsheet documentation, and access/utilize up-to-date information from the DES/DAAS, U.S. Department of Health and Human Services (DHHS) Office of Community Services, and other web sites (unless the geographic area does not have Internet capability).

**Scope of Work**  
**Community Action Program Services**

- 6.3.2 Utilize computer backup/recovery systems and procedures to ensure no loss of data required for DES/DAAS reports, and to ensure that there is no disruption or degradation of services provided.
- 6.3.3 Utilize a computer-based tracking system from which monthly, quarterly, and other reports may be generated.
  
- 6.4 Service Provision
  - 6.4.1 Provide services directly, as allowed, or through subcontractors.
  - 6.4.2 Collect and report required client data.
  - 6.4.3 Maintain documentation that key staff has received appropriate training or hold appropriate certification/licensure in accordance with their job descriptions.
  - 6.4.4 Maintain documentation that appropriate case management staff has received training on the requirements of Proposition 200. (This does not apply to Tribal Contractors).
  - 6.4.5 Provide services that are appropriate to the language, culture and geographic location of the target group.
  - 6.4.6 Maintain and utilize a policy and procedure manual that includes, at a minimum, detailed intake procedures, program description and eligibility requirements, client grievance procedures, non-discrimination policy, and confidentiality requirements.
  - 6.4.7 Maintain client-focused facility locations which offer sufficient client waiting space or waiting rooms, adequate seating, and restrooms for program applicants at all permanent facility locations indicated on the Facility Location Chart (See Attachment A).
  
- 6.5 Networking
  - 6.5.1 Develop partnerships and network with related programs to provide more immediate resolution to issues and expand resources.
  - 6.5.2 Form local partnerships with community agencies.
  - 6.5.3 Network with social service professionals within the community to expand their means to receive and disseminate information for each service.
  - 6.5.4 Collaborate to hold and participate in education, training, and information seminars, workshops, and conferences.
  - 6.5.5 Participate in conference calls and attend meetings initiated by DES/DAAS to receive training or obtain information.
  
- 6.6 Subcontract Related Service Provisions
  - 6.6.1 Document all costs associated with provision of contract services.
  - 6.6.2 Provide administrative assistance, training and technical assistance to subcontractors in support of administrative functions as needed or requested by subcontractors.
  - 6.6.3 Ensure that subcontractors are in compliance with applicable administrative directives and forms.
  - 6.6.4 Ensure that subcontractors comply with Administrative Requirements as well as requirements specified in service scopes of work.
  - 6.6.5 Provide technical assistance to subcontractors through procedural interpretation or by additional research upon request.
  - 6.6.6 Develop and present initial and refresher training to subcontractor staff as deemed necessary by the Contractor subcontractor, or DES/DAAS.
  - 6.6.7 Implement a coordinated service delivery system that establishes standards for service delivery and operations.
  - 6.6.8 Hold periodic meetings with subcontractors to communicate new developments, discuss problems, share ideas for improvements, or address other identified topic areas.
  - 6.6.9 Utilize client grievance procedures; which respond timely and effectively to customer complaints.
  - 6.6.10 Develop linkages between the coordinated service delivery system and other community resources.
  - 6.6.11 Identify service gaps among client populations, and develop and implement services or resources to meet identified needs.
  - 6.6.12 Address client barriers to service.
  - 6.6.13 Train appropriate personnel in the use and preparation of the DES EN-005 Application for Services form(s) as may be amended (See Exhibit B).
  
- 6.7 Monitoring and Evaluation
  - 6.7.1 Utilize instruments for monitoring/evaluating subcontractors.

**Scope of Work**  
Community Action Program Services

- 6.7.2 Conduct at a minimum, on-site contract compliance monitoring of subcontractors at least every two years, to include but not limited to facilities, administrative and financial operations, and programmatic service delivery.
- 6.7.3 Establish and implement a process for service/performance improvement.
- 6.7.4 Participate in DES/DAAS evaluation studies, when required.

**7.0 General Reporting Requirements – The Contractor shall:**

- 7.1 Submit the following items and all notices to:

Arizona Department of Economic Security  
DAAS Contracts Management Unit  
P. O. Box 6123-Site Code 086Z  
Phoenix, AZ 85005-6123

- 7.1.1 A complete and accurate monthly Contractor's Invoice and Statement of Expenditures. (Note: Mileage will be reimbursed at no greater than the current federal mileage reimbursement rate. Exceptions may be requested in writing to, and considered/approved by, the Community Action Program Manager.)
  - 7.1.2 Updated Cost Allocation Plan by October 1, 2010 if not provided prior to contract start date.
  - 7.1.3 A correctly completed "Contractor's Equipment List", Form FES-1000AFORMA as may be amended, for all proposed equipment purchases costing \$1000 or more to be purchased in whole or in part with DES/DAAS funds. (See Exhibit C)
  - 7.1.4 Contractor's insurance certifications identified in the DES Special Terms and Conditions, Insurance Requirements section.
  - 7.1.5 Subcontractor's insurance certifications identified in the DES Special Terms and Conditions, Insurance Requirements section.
  - 7.1.6 By June 30<sup>th</sup> annually, a 12-month monitoring plan that includes at a minimum: which direct service subcontractors are to be monitored during the 12-month period beginning July 1<sup>st</sup> (of the same year), and for each: the type (desk or on-site) of monitoring, scope (administrative, fiscal, and/or programmatic) of monitoring, the specific service(s) to be monitored, and the target monitoring start and completion dates.
  - 7.1.7 Programmatic reports as specified under each service (i.e., Community Services, Case Management, and General Transportation).
- 8.0 Items Provided by the Department – The Department shall provide:**
- 8.1 Funding allocation information, as needed.
  - 8.2 A Contractor's Invoice and Statement of Expenditures form.

**Scope of Work**  
**Community Action Program Services**

**9.0 Community Services**

**9.1 Service Description**

9.1.1 Services that provide a range of activities that have a measurable and major impact on the causes of poverty.

**9.2 Service Information**

9.2.1 The purposes of the CSBG are to provide assistance to local communities through a network of CAAs that pursue six national goals outlined in federal law:

1. Low-income people become more self-sufficient
2. The conditions in which low-income people live are improved
3. Low-income people own a stake in their community
4. Partnerships among supporters and providers of services to low-income people are achieved
5. Agencies increase their capacity to achieve results
6. Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive environments

9.2.2 These goals will be accomplished through activities that:

1. Strengthen community capabilities for planning and coordinating the use of a broad range of resources related to the elimination of poverty, in a manner responsive to local needs and conditions;
2. Organize a range of services so that these services may have a measurable and potentially major impact on the causes of poverty and help families and individuals become self-sufficient;
3. Coordinate the greater use of innovative and effective community-base approaches to attacking the causes of poverty and of community breakdown;
4. Ensure the maximum participation of the poor to empower them to respond to the unique problems and needs within their communities;
5. Broaden the resource base of programs directed to the elimination of poverty.

**9.3 Board Requirements – The Contractor shall:**

**9.3.1 Private, non-profit CAAs:**

1. Select a Tripartite Governing Board that administers the services.
2. Ensure that the Tripartite Governing Board is comprised as follows:
  1. 1/3 are elected public officials, holding public office on the date of selection.
  2. 1/3 members are persons chosen in accordance with democratic selection procedures adequate to ensure that these members are representative of low-income individuals and families in the neighborhood served and each representative of low-income individuals and families selected to represent a specific neighborhood within a community, resides in the neighborhood represented by the member.
  3. The remaining members are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.
3. Establish and follow written procedures identified in CSBG legislation to ensure the Tripartite Governing Board membership that conforms with Tripartite Board requirements, including a description of the democratic selection process used in the appointment of members.
4. Establish and follow written procedures including board by-laws, to ensure the Tripartite Governing Board fully participates in the development, planning, implementation, and evaluation of the program and services to serve low-income communities, including but not limited to:
  1. Active participation in the development and on-going implementation and evaluation of the Contractor Community Action Plan.
  2. Active participation in ensuring the completion of a Community Needs Assessment for the area served, and in reviewing the results of the Assessment to ensure responsiveness to any identified gaps in services.
  3. Active participation in the identification and evaluation of ROMA Performance Outcomes used in measuring the Contractor's effectiveness in achieving the six national goals.

**Scope of Work**  
Community Action Program Services

5. Establish and follow written procedures that describe how a low-income individual, community organization, religious organization, a representative of low-income individuals that considers its organization and low-income individuals to be inadequately represented on the board, petition for adequate representation on the Board.
6. Conduct a minimum of 4 quarterly Tripartite Governing Board meetings per year that conform to Arizona open meeting laws.
7. Maintain records of Tripartite Governing Board membership, election and selection process, and detailed meeting minutes.
8. Ensure Tripartite Governing Board members receive appropriate training, including, but not limited to board member governance and advisory responsibilities, the purposes of the CSBG and other programs administered by the Contractor, and the requirement of the Board to participate in the ROMA System.

9.3.2 **Public CAAs Advisory Board:**

1. Select members to serve on a Board in which 1/3 of the board members are persons chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families.

9.4 **Community Action Plan Requirements – The Contractor shall:**

9.4.1 Develop, and implement when approved by DES/DAAS, a Community Action Plan that includes:

1. A description of a needs assessment for the community served, that may be coordinated with community-needs assessments conducted for other programs.
2. Contractors objectives that are aligned with the six national goals.
3. A description of the Contractor that includes its primary functions, responsibilities, organizational structure, and its association as part of a larger entity if appropriate.
4. A description of the service delivery system for services provided or coordinated with CSBG funds.
5. A narrative that demonstrates how the results of the Community Needs Assessment were used and incorporated into the Community Action Plan.
6. A description of how linkages will be developed to fill gaps in services through the provision of information, referrals, case management, and follow-up consultations.
7. A description of how CSBG funds will be coordinated with other public or private resources.
8. A description of how the Contractor will use CSBG funds to support innovative community and neighborhood based initiatives.
9. A description of how the Contractor will provide, on an emergency basis, for the provisions of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals.
10. A description of how the Contractor will, to the maximum extent possible, coordinate programs and form partnerships with other agencies serving low-income residents, including religious organizations, charitable groups, and community-based organizations.
11. A description of the ROMA performance outcomes and any related indicators that will be used to measure the Contractor's performance in achieving the six CSBG national goals.

9.5 **Results Oriented Management & Accountability (ROMA) Requirements – The Contractor shall:**

9.5.1 Participate in the Results Oriented Management and Accountability System for measuring performance and results of programs and services.

9.6 **Program Reporting Requirements – The Contractor shall:**

9.6.1 Submit the following items as may be amended, by the dates indicated, as may be amended, by the DES Community Action Program Manager through written notification to the Contractor:

1. Annual Community Action Plan with a description of the Needs Assessment conducted for the community served, by June 30<sup>th</sup> of each calendar year (Contractor must utilize format specified by DES/DAAS) (See Exhibit D).
2. Quarterly ROMA Outcomes Report (See Exhibit E) by October 25<sup>th</sup>, January 25<sup>th</sup>, April 25<sup>th</sup> of each calendar year. The Contractor shall submit a Fourth Quarter Report, but shall include Fourth Quarter data with the Annual CSBG IS Report (See Exhibit F). (Contractor must utilize format specified by DES).

**Scope of Work**  
**Community Action Program Services**

3. CSBG Information System (IS) Report by October 1<sup>st</sup> of each calendar year (See Exhibit F).
4. Schedule of planned Board meetings for the next 12 months, by June 30<sup>th</sup> of each calendar year.
5. Monthly Community Services Block Grant (CSBG) Contract Payment Verification Form(All CAAs), as appropriate (See Exhibit G).
6. Copy of complete and detailed minutes from Tripartite/Advisory Board meetings within 30 days of the meeting date.
7. Current Organizational Chart by June 30<sup>th</sup> each calendar year, beginning 2011.
8. Current Agency Operations Spreadsheet by June 30<sup>th</sup> of each calendar year, beginning 2011.

**9.7 Items Provided by the Department – The Department shall provide:**

- 9.7.1 Formats for Annual Community Action Plan, Quarterly ROMA Outcomes Reports, and CSBG Final Reports.
- 9.7.2 Training on Community Action Plan preparation, Quarterly ROMA Outcomes Report preparation, and CSBG Final Reports.

**Scope of Work**  
Community Action Program Services

**10.0 Case Management**

**10.1 Service Description**

10.1.1 A service or process that establishes a relationship with an individual or family in order to enhance their functioning and/or integration into the community. Appropriate services and/or benefits are identified, planned, obtained, provided, recorded, monitored, modified when necessary and/or terminated. This may include: assessment to determine their needs and eligibility when applying for/receiving services, assistance in finding necessary resources in addition to covered services to meet basic needs, assistance in obtaining entitlements, communication and coordination of care as well as follow-up of crisis contact or missed appointments.

10.1.2 This service specifically provides assistance to low-income families and individuals by providing case management services that are intended to assist the household in resolving crisis situations and move closer to self-sufficiency. Components of this service include Short Term Crisis Services, Utility Assistance Services, and any other program or service the Contractor deems necessary and appropriate, according to local community needs and priorities.

**10.2 Service Information**

10.2.1 The primary goal of this service is to assist low-income individuals and families in resolving crisis situations, and moving the household closer to self-sufficiency.

10.2.2 All CAAs shall provide the following:

1. Case Management
2. Short Term Crisis Services (STCS) provide temporary assistance to persons at or below 125 percent (125%) of poverty, or 150 percent (150%) if elderly or disabled, who have an emergent need that cannot be met immediately with their own income or other resources.

The STCS program is funded with TANF and is available to low-income families with children. Benefits available through the STCS program include the following:

1. temporary shelter at hotels/motels for homeless persons,
2. housing assistance for rent or mortgage assistance, move-in, and eviction prevention,
3. utility assistance for families with a current or anticipated interruption of heating and/or cooling services, and
4. special needs to secure or maintain employment.

10.2.3 All CAAs and designated LIHEAP agencies shall provide the following:

1. Utility Assistance Services that assist low income households lower basic home energy bills with specific emphasis on those households with the lowest income and highest energy burden and that respond to problems related to the termination of heating and/or cooling. Utility Assistance is funded with Low Income Home Energy Assistance Program (LIHEAP), and Neighbors Helping Neighbors (NHN) funds. Households must be at or below 200 percent (200%) of poverty to receive benefits. The Contractor shall offer Utility Assistance Services as a component program under the overall Case Management Service structure. Benefits include:
  1. Utility payments or deposits for heating and cooling
  2. Temporary emergency shelter (if needed due to energy related crisis)
  3. Payment of water bills related to cooling (May 1 through October 1)
  4. Rental assistance where utility payment is included in the rent

10.2.4 Tribal entities shall provide utility assistance funded with Low Income Home Energy Assistance Program (LIHEAP). Benefits include:

1. Utility payments or deposits for heating and cooling
2. Payment of water bills related to cooling (May 1 through October 1)
3. Rental assistance where utility payment is included in the rent

**Scope of Work**  
Community Action Program Services

- 10.3 Case Management Requirements (CAAs and designated LIHEAP agencies) – The Contractor shall:**
- 10.3.1 Develop and implement client oriented intake procedures which are responsive to households in crisis situations.
  - 10.3.2 Develop and implement intake procedures responsive to applicants who are physically infirm and must apply for benefits without leaving their homes.
  - 10.3.3 Develop in collaboration with the client, a case management plan that includes the following:
    - 1. An assessment of the client's resources and needs.
    - 2. Specific objectives that relate to the goal of alleviating any immediate crisis situation.
    - 3. Eligibility for supportive services including but not limited to STCS and Utility Assistance, through direct provision or referral.
  - 10.3.4 Provide assessment of the household's needs in order to establish a case plan if necessary, and arrange for the provision of services designed to:
    - 1. Resolve any immediate crisis in a timely manner.
    - 2. Assist the household in obtaining other benefits to which they may be eligible including but not limited to Home Weatherization, Appliance Repair or Replacement, Child Care, Earned Income Tax Credit, Supplemental Nutrition Assistance Program (SNAP), Social Security Benefits, and Utility Discount Programs.
    - 3. Arrange for training or counseling intended to remove obstacles and solve problems that block the achievement of self sufficiency, including but not limited to financial literacy classes, budget counseling, energy conservation education, efforts intended to secure and maintain meaningful employment, attain an adequate education, obtain and maintain adequate housing and a suitable living environment, and to obtain emergency assistance to meet the immediate and urgent needs of the family or individual.
  - 10.3.5 Complete a closing summary that includes at a minimum, the services provided, the number and type of referrals made to alleviate the crisis situation.
  - 10.3.6 Participate in the development and implementation of a standardized "Client Self-sufficiency Matrix" to be used by all CAAs no later than December 31, 2010.
  - 10.3.7 Not later than January 1, 2011, complete a self-sufficiency matrix for a minimum of 25 percent (25%) of all case managed households.
  - 10.3.8 Utilize report formats specified by DES/DAAS. All Contract Payment Verification Reports shall be submitted on a monthly basis with the Contractor's monthly invoice. As appropriate, revised Case Management and Contract Payment Verification Reports shall be submitted with Supplemental Invoices.
- 10.4 Short Term Crisis Services Requirements (CAAs only) – The Contractor shall:**
- 10.4.1 Follow all eligibility and procedural policies set forth in the DES/DAAS Short Term Crisis Services Policy Manual and related Policy Clarifications or Revisions and as amended from time to time.
  - 10.4.2 Use the DES EN-005 Application for Services form(s) as may be amended, in determining program eligibility (See Exhibit B).
- 10.5 Utility Assistance Service Requirements (CAAs and designated LIHEAP agencies only) – The Contractor shall:**
- 10.5.1 Follow all eligibility and procedural policies set forth in the DES/DAAS LIHEAP Policy Manual and related Policy Clarifications or Revisions and as amended from time to time.
  - 10.5.2 Utilize the DES EN-005 Application for Services form(s) in determining program eligibility (See Exhibit B).
  - 10.5.3 The Contractor must demonstrate and exercise the ability to pay all vendors on behalf of an eligible client.
  - 10.5.4 Utilize an in-house system to make payments to utility companies.
- 10.6 Results Oriented Management & Accountability (ROMA) Requirements (CAAs only) – The Contractor shall:**
- 10.6.1 Participate in the Results Oriented Management and Accountability system for measuring performance and results of programs and services.
  - 10.6.2 Participate in a statewide "ROMA Advisory Committee" to identify standardized performance indicators for the statewide community action network.
- 10.7 Program Reporting Requirements – The Contractor shall:**
- 10.7.1 Submit the following reports as may be amended, for the timeframes indicated, as may be amended by the DES Community Action Program Manager through written notification to the Contractor:

**Scope of Work**  
Community Action Program Services

1. Monthly Case Management Report (All CAAs and designated LIHEAP agencies) (See Exhibit H1 for July, August, September 2010 and Exhibit H2 for October 2010 forward).
2. Tribal LIHEAP Monthly Report (Tribal entity only) (See Exhibit I).
3. Emergency Shelter Grant Annual Report (rural CAAs only) (See Exhibit J) by August 31<sup>st</sup> of each calendar year.
4. Social Services Block Grant Annual Report (All CAAs and designated LIHEAP agencies) (See Exhibit K) by August 31<sup>st</sup> of each calendar year.
5. ESG Prevention, Operations, and Essential Services Quarterly Report (rural CAAs only) (See Exhibit L)
6. Quarterly ROMA Outcomes Report (All CAAs) (See Exhibit E).
7. Monthly CSBG - American Recovery and Reinvestment Act (ARRA) Report, as appropriate (See Exhibit M).
8. Monthly CSBG-ARRA Jobs Created or Retained Report, as appropriate (See Exhibit N).
9. Monthly Short Term Crisis Services (STCS) Contract Payment Verification Form (All CAAs) (See Exhibit O)
10. Monthly Low Income Home Energy Assistance program Contract Payment Verification Form (All CAAs and designated LIHEAP Contractors) (See Exhibit P)
11. Monthly Community Services Block Grant Contract Payment Verification Form (All CAAs), as appropriate (See Exhibit G).
12. Monthly Emergency Shelter Grant/Prevention Contract Payment Verification Form (rural CAAs only) (See Exhibit Q)
13. Monthly Neighbors Helping Neighbors Contract Payment Verification Form (All CAAs), as appropriate (See Exhibit R).
14. Monthly CSBG-ARRA Contract Payment Verification Form (All CAAs), as appropriate (See Exhibit S).

**10.8 Items Provided by the Department – The Department shall provide:**

- 10.8.1 The following report formats as may be amended by the DES Community Action Program Manager through written notification to the Contractor: Case Management Monthly Report, ESG Prevention Report, Annual SSBG Report, and Quarterly ROMA Performance Outcomes Reports.
- 10.8.2 Training on completing the Case Management Monthly Report, ESG Prevention Report, Quarterly ROMA Outcomes Report preparation, Short Term Crisis Services Program, Low Income Home Energy Assistance Program.
- 10.8.3 Short Term Crisis Services Policy Manual.
- 10.8.4 Low Income Home Energy Assistance Program Policy Manual.

## ADMINISTRATIVE METHODOLOGY:

### 2.0

**2.2.1 Organization Structure:** The Gila County Community Action/Housing Services is one department within the Gila County Division of Health and Community Services which provides services to a vast culturally diverse population with equally diverse needs. The entire division provides services to the population within our service area with the same level of commitment to excellence and equality. The Division is under the Gila County umbrella and the Community Action/Housing Services Program is under the Office of Community Services. Key staff of Community Action/Housing Services are: A Community Action/Housing Services Manager, a Case Manager serving Northern Gila County in the Payson area, a Case Manager serving Southern Gila County in the Globe area, a volunteer Case Manager in Hayden area, a CAP office Clerk in the Globe office, Housing Services assistant, Housing Rehabilitation Specialist, Davis-Bacon Specialist, Section Eight Housing Coordinator. Within the Office of Community Services there are Four departments: Community Services/Housing Services Department which provides housing rehabilitation, weatherization services and emergency housing repairs, section eight housing choice voucher program, utility assistance, telephone assistance, eviction prevention, homeless services, and supportive and Community Outreach Services. Gila Employment & Special Training which provides services to the disabled population, Re-Employment and Pre-LayOff Assistance Center which provides services to dislocated workers. We are also designated as a WIA one-stop center, also Des Job Service and Unemployment are located in our building. In the Office of Community Services there are currently 42 staff total.

**2.2.2 Confidential Information:** All client information is secured in locked file cabinets which are located in a Case Managers office, which remains locked during off office hours. Case files that have been closed are secured in locked file cabinets in a file cabinet room which is also locked during off office hours. Data entered into the T.H.O. database requires a password for access, which is specific only to the Case Manager who has entered it and the Program Manager. All department staff receives HIPPA training and are well aware and sign a confidentiality agreement. Hard copy case files are retained for a five and ten year period then shredded and disposed of in the local landfill. Electronic case files are accessed only by staff that maintain their own passwords, and cannot be accessed by anyone who does not have clearance.

**2.2.3 Technology Equipment/Capabilities:** The Gila County IT Department has built a wide area network (WAN) to serve Gila County's infrastructural and telecommunication needs. The WAN spans between Globe, Payson and the Phoenix metro area connecting County offices and staff to each other and to the world. The network provides voice, video and data services including remote connectivity through VPN and Web portals. The IT Department maintains and supports all of these technologies and continues to upgrade services to stay on the leading edge of business technology. All network equipment is Cisco. All CAP data is stored on a County server which is backed up by IT staff at end of each working day. Monthly Revenue and Expenditure reports are generated on as needed basis. Financial spreadsheets and programmatic data can be opened as word documents and sent via e-mail. Some Agency reports can be generated on an as needed basis using the T.H.O database. Software utilized by the Community Action/Housing Services agency are: Office 2007, Acrobat Reader and Microsoft Office.

## ADMINISTRATIVE METHODOLOGY

**2.2.4 Competitive Bidding Procedure:** Gila County Community Action/Housing Services does not subcontract.

**2.2.5** N/A Gila County CAP does not subcontract.

**2.2.6 Linguistically/Culturally Appropriateness:**

The entire Division of Health and Community Services including the CAHS Department provides services to diverse and targeted populations with the same level of commitment to excellence and equality. Staff recognizes the uniqueness of each individual's needs and level of service(s) based on cultural diversity and their needs. Bilingual staff is available within CAHS staff to assist the non-English and monolingual population. A sign language interpreter and a Spanish language translator is available upon request within the division staff, should the need arise. All departments of our division are housed under one facility, and if the need for language translation is apparent, staff will locate appropriate staff to provide that service. All CAHS brochures are available in English and Spanish. The Community Action Program provides "family focused" services with consideration to cultural diversity and beliefs. The Community Action Program does not discriminate on any basis. CAHS staff has been providing services to Gila County residents since 1982 and are aware of cultural issues with various groups within the county. In addition, staff has received training from ACAA regarding multi-cultural awareness.

Gila County encompasses an area of 4,768 square miles, with a population of only 51,335. This small rural area does not have a shelter facility for the homeless, however the Community Action Program has been serving the homeless population for 20 plus years with the resources that are available in our service area which is Northern and Southern Gila County (except reservation areas). The assistance we have been able to provide is in the form of motel vouchers for short term shelter. The targeted population that we serve includes the chronically homeless, eg: those who are homeless due to mental illness, drugs/alcohol addiction, chronically unemployed, and victims of abuse. The chronically homeless population mentioned above includes individuals, and families. The number of clients we anticipate serving in the first year of the contract is 200. This estimate is based on the number of prior referrals from community agencies as well as the number of clients turned away in the last fiscal year, for lack of funds and funding cuts. The Community Action Program service area is Northern and Southern Gila County (except reservation lands). There are CAHS offices providing service in Payson, Winkelman, and Globe.

**2.2.7** N/A Gila County CAHS does not subcontract.

## GILA COUNTY COMMUNITY ACTION/HOUSING SERVICES

### COMMUNITY SERVICES METHODOLOGY

#### **3.0**

**3.1.1** The Gila County Community Action/Housing Services has maintained a Community Action Agency Advisory Board since 1982. The Board is comprised of Private, Non-Profit, and Low Income members. The Board By-Laws were re-written, approved and adopted by the Gila County Board of Supervisors on January 20, 2008. CAP facilitates four quarterly meetings per year which conforms to the open meeting law. The Advisory Board approves the CAHS Plan on a yearly basis.

**3.1.2** To ensure participation of Low Income representatives on the Advisory Board, members of the Low Income sector are recruited primarily by Board discussion of prospective members, after which the person completes an application which is reviewed and a vote taken by the Board to accept or reject the application.

**3.1.3** Programmatic and budgetary information is provided to Board members quarterly for their review and input. The Board participates in an annual Strategic Planning meeting where the CAP Plan is discussed. All changes or revisions of the plan are implemented at that time. The Board votes to approve the implementation of the plan. It is anticipated that in the next fiscal year that the Board will review the results of any needs assessments and help in strategic planning for the next fiscal year. The Board does not review outcomes of case management efforts or evaluate the effectiveness of the service however this activity will be proposed for the next fiscal year. The Board reviews and approves budgets and expenditures on a quarterly basis.

**3.1.4** The Gila County Community Action Program Advisory Board consists of nine members representing the following sectors:

#### **PRIVATE SECTOR**

Annie Hinojos  
Margret Celix  
Lyn Canning  
Ramona Ortiz

#### **PRIVATE SECTOR**

Robert Closs

#### **LOW INCOME**

Barbara Leetham  
Audrey Opitz  
Norberto Waddell

**3.1.5** CAP Advisory Board meetings are scheduled by the CAHS Program Manager to be facilitated on a quarterly basis. Board meetings scheduled for the first year of the contract are for the third Wednesday of every third month beginning August 18, 2010. Board meetings scheduled: Nov. 17, 2010, Feb. 16, 2011, and May 17, 2011, for the first contract year.

**3.1.6** CSBG funds are the base for delivery of all Community Action/Housing Services. Our system for the delivery of or coordination of services is: first an intake form is completed by the client, date and time stamped for sequence of scheduling; forms are distributed to case managers for scheduling. Case managers determine eligibility, review household size, relationship and citizenship status. Then the determination of crisis and which program criteria will best assist the household. Discount programs and other referrals are made so that the household receives a full circle of assistance rather than the initial issue that brought them into the office for

assistance. In the event of an immediate crisis such as; utilities have been turned off or the late stages of legal eviction or homelessness, the client interview will take place immediately. The local utility companies coordinate and cooperate very well with CAHS staff. Often, with a phone call the utility company will accept a verbal commitment of payment by CAHS staff, and they will delay the disconnect or reinstate service immediately allowing the client time to provide documentation required for service and CAHS to schedule an appointment at the next available time slot. On occasion when the client is not ultimately eligible for service, CAHS staff have backup services available through local faith based organizations that perhaps will cover what we are unable to provide.

3.1.7 the most recent Needs Assessment was conducted in January 2009. The process used was to distribute the assessment to agencies within our Network group. Each group in turn had their clients fill out the assessment. Data was then collected and the results were compiled. The impact of this assessment has helped in prioritizing which needs need to be addressed first and ultimately incorporate them into our Community Action/Housing Services Plan. Needs that have been identified as priority are lack of jobs that create emergency needs, and lack of affordable, healthy & safe housing. Where CAHS does not have the resources to provide for clients, they are referred to our in house partners, local faith based organizations, local non profits and some school programs. Some needs that we were not able to provide service for are general special needs such as: auto repairs, auto insurance, and funds for driver's license or ID cards, education materials, tuition. Affordable, healthy & safe housing is a critical issue in Gila County. In addition to interdepartmental referrals the CAHS case manager will provide clients with a description of services available from CAHS as well as criteria for eligibility to receive services. In addition, information will be provided in the form of a program brochure, and a resource guide which outlines services available from other resources in the community. Information regarding how to access or will be accessed by the case manager for them will be provided to the client. CAHS has started a VITA Tax site in Payson and will be opening a new Vita Tax site in Globe, this will help keep clients within their budget and we are also conducting financial literacy classes. A written referral will be provided to the client and an introductory phone call will be made by the case manager on behalf of the client.

CAHS case managers are well trained and have expertise in identifying community resources and they routinely provide referrals for clients to other resources within the community. Information will be provided in the form of brochures and the Community Resource Guide, better known as the Peoples Information Guide, from Arizona Community Action Association. The Resource Guide outlines services available from CAHS as well as other services and resources available in our community and state. Information regarding how to access these agencies will also be provided to the client. When it has been determined by the case manager that a client requires services from another agency, the case manager will make the referral and advise the client of the eligibility requirements of that agency which will assist the client in accessing those services and expedite the process. CAHS's has formal agreements with DES State of Arizona, Arizona Department of Commerce, Energy Office, Arizona Department of Housing, Arizona Community Action Association/ Home Energy Fuel Fund, City of Globe, Town of Star Valley, Pinal-Gila Area Agency on Aging, Housing&Urban Development Town of Winkelman, Arizona Public Service.

3.1.8 CAHS case managers are well trained and have expertise in identifying community resources and they routinely provide referrals for clients to other resources within the community. Information will be provided in the form of brochures and the Community Resource Guide, better known as the Peoples Information Guide, from Arizona Community Action Association. The Resource Guide outlines services available from CAHS as well as other services and resources available in our community and state. Information regarding how to access these agencies will also be provided to the client. When it has been determined by the case manager that a client requires services from another agency, the case manager will make the referral and advise the client of the eligibility requirements of that agency which will assist the client in accessing those services and expedite the process. CAHS has formal agreements with DES State of Arizona, Arizona Department of Commerce, Energy Office, Arizona Department of Housing, Arizona Community Action Association/ Home Energy Fuel Fund, City of Globe, Town of Star Valley, Pinal-Gila Area Agency on Aging, Housing&Urban Development Town of Winkelman, Arizona Public Service.

3.1.9 CSBG funds will be coordinated with public resources such as Community Kids, and Payson Helping Payson. Other available public and private resources will also be utilized. Other funds leveraged with CSBG include DES, CDBG, SemStream, Southwest Gas, AZ Public Service, Gila County, HUD, Town of Payson, FEMA, HEAF, DOE, which are local and federal monies and provide both administrative dollars 15% and direct services 85%. Our agencies provide these services and are able to determine what the needs are of each client at the time of application and utilize the resources as applicable. CSBG funding also provides funding for staff salaries and monies for staff to attend and serve on local agency boards and committees.

3.1.10 Emergency services for conditions of malnutrition or starvation will be provided through the coordination of services which are within our division, eg. The Office of Health Services and our Local Food Bank. Local Food Banks are utilized quite often and referrals are given to clients and tracked by CAP staff. The WIC program through the Health Department which is a program within our division, which distributes food boxes, is also utilized. CAP staff makes referrals to the WIC program and facilitate deliveries to the home bound as well.

3.1.11 The Office of Community Services has established strong interagency linkages and provides a large cluster of direct and community services. Services are primarily directed at improving the quality of life for low income persons in Gila County and in improving service delivery through interagency cooperation. The Office of Community Services is located in the Gila/Pinal Workforce Investment Area Comprehensive One-Stop Center. This One-Stop Center is located in the Globe area and contains all One Stop core services, in addition to all the Divisions services previously mentioned in this methodology. CAP's location at the comprehensive site will better enable staff to assist clients in achieving self-sufficiency. CAP staff will be trained in all other programs which will result in being able to provide clients with a variety of information and assistance. Partners located at the center include Job Service, Veteran's Admin., and Job Core, Gila Literacy, Title I and all other required partners as stated in the Workforce Investment Act. CAP also coordinates and partners with local faith based and civic organizations to better serve our low income residents. One of the key responsibilities of each partner is to make available at the Comprehensive One Stop Center appropriate core services that are applicable to the partner's program. Individuals will be able to access the following partner's core services at the One Stop:

- a. Title I Adults, Youth, Dislocated Worker
- b. Job Corps
- c. Native American programs
- d. Migrant/Seasonal farm Worker Prog.
- e. Veterans Workforce Prog.
- f. Program authorized under Wagner/Peyser Act
- g. Adult education/literacy activities
- h. Vocational Rehabilitation Prog.
- i. Welfare to Work Prog.
- j. Senior community Sacs. Emp.
- k. Postsecondary Voc. Education
- l. Trade Adjustment Asst./NAFTA
- m. Community Service Block Grant
- n. Housing and Urban Dvp.

The Gila County Division of Health and Community Services is a division of Gila County. CAHS is one department within that division. There are four departments within the division and staff of all departments provide direct services to clients in an office setting, in the community, and in the client's home. Our goal is to continually update our knowledge and skills to enable clients to achieve self sufficiency. The division has established strong interagency linkages and provides a large cluster of direct and community services. Services are directed at improving the quality of life for all our clients and in improving services delivery through interagency cooperation. Through continued communication and partnering with agencies within the Interagency network CAHS staff have formed and maintain long lasting partnerships with other agencies to further serve our clientele.

3.1.12 The CAHS T.H.O. data base tracks all ROMA performance requirements to achieve the six CSBG national goals. CAHS proposes the following measures under each performance goal.

Goals	Community Needs / Gaps in Service	Performance Measures
Low Income People Become More Self-Sufficient	The unemployment rate for Gila County is 18.2%, which is higher than the rate for the State of Arizona. Many of the jobs available are in the mining industry which is currently laying off hundreds of employees. These jobs historically offer high wages, but are union jobs and see many layoffs and/or strikes.	Unemployed & obtained a job Achieved living wage employment & benefits Obtained safe & affordable housing Participate in tax preparation programs Enrolled in discount programs
The Conditions in Which Low-Income People Live are Improved.	Due to the age of homes in Gila County and the fact that the population is older citizens many of the low-income homeowners reside in unsafe housing and cannot afford the cost of replacement housing. In addition, many homeowners are facing foreclosure because of questionable mortgages with high and/or variable rates.	Provide weatherization & home repair and home repair education Provide foreclosure mitigation services
Low Income People Own a Stake in Their Community.	Many low-income individuals do not engage in community activities and, therefore, do not actively participate in the decision making that impacts their lives. In addition many low-income individuals are reluctant to consider the possibility of becoming homeowners.	Provide opportunities for community members to volunteer at Gila County CAP. Provide housing counseling workshops to improve credit and information about home ownership.
Partnerships Among Supporters and Providers of Service to Low-Income People are Achieved.	The issues of limited resources that are available for human services programs is most effectively addressed through community and agencies collaborations and partnerships.	Facilitate the Continuum of Care and the Interagency meetings and participate in other efforts to provide services to fill identified gaps.
Agencies Increase Their Capacity to Achieve Results	Agencies have a limited capacity due to budget cuts in Gila County so services are cut to the low-income population. Especially hard hit is personnel to work with clients.	By networking, bringing in more volunteers. Petition funding agencies to Find a way to cut back on the extreme amount of paperwork. Which would allow more time for clients and increase our capacity to achieve results for local clients in need
Low Income People, Especially Vulnerable Populations, Achieve their Potential by Strengthening Family and Other Supportive Systems.	In order for individuals and families to participate effectively in programs that increase, assistance must be provided to stabilize financial crises. When financial stability is achieved, the households can then begin to consider engaging in a case management plan to address identified issues.	Provide financial assistance to stabilize financial crises. Refer households to programs that focus on preparing children for school. Refer households to programs that increase their living and parenting skills.

## GILA COUNTY COMMUNITY ACTION/HOUSING SERVICES PROGRAM

### CASE MANAGEMENT METHODOLOGY

#### 3.2

3.2.1 At intake, a case manager will complete an EN-005 on all clients seeking assistance. The EN-005 gathers demographic information. A Client assessment record will be completed on each client using the Arizona Self-Sufficiency Matrix. The data used to complete the EN-005 and the assessment record will assist the case manager and client in determining need. Based on initial assessment, follow-up visits will be scheduled with the client and documented on the client assessment record. For those unable to come into the office, a case manager will provide a home visit to complete the above.

#1. Regular business hours are Monday through Friday 8:00 am to 5:00 pm. Home visits are scheduled at the time that the case manager calls the client to set an appointment. These visits are at the convenience of the client. CAHS case managers do not take applications over the phone or through the mail.

#2. If assistance is needed outside of regular business hours, arrangements will be made to provide that assistance on an as needed basis. Priority will be given to assist families with children, handicapped persons and the frail and elderly.

CAHS case managers make every effort to schedule appointments for clients when it is most convenient for the client. A preliminary intake form is completed at the time the client comes into our office. This intake form is routed to the appropriate case manager at which time the case manager will contact the client to arrange an appointment for the full intake process.

#3 CAHS staff schedule their individual lunch hours so that there is always a case manager in during that time. If a client comes into the office when staff are at trainings or off site meetings, the CAHS clerk will provide the preliminary intake form for them to be completed, and inform them when a case manager will likely call to schedule an appointment for them. Staff is always available to assist clients when a case manager is not available. CAHS staff who take care of the front desk (the receptionist or CAHS clerk) will assist clients in the absence of a case manager. Case managers always return calls as soon as they return to their office. All case managers have voice mail capabilities, and they call in to check the messages when they are away for trainings or off site meetings. Calls are generally returned no more than 24 hours after the client call. Clients can identify a time when the case manager can return their call.

Every person requesting services from CAHS is given an intake form to complete. The form is immediately date and time stamped. Clients are given a brochure that states what information is needed, referral numbers for other services and a statement of Clients rights and responsibilities. Client surveys are located in the lobby with clear signage that lets clients appeal and give feedback on how CAHS is doing. The data gathered on the intake is then entered into the data base. Case Managers schedule the applicants on a first come first served basis. Clients can schedule an appointment by phone without actually coming into the office. When an appointment is made, the case manager requests all pertinent documentation for the intake, from the client, and the appointment is made depending on when the client can collect all the documentation needed for intake.

Usually an appointment can be made within a couple of days. There is no pre-determined days/times for scheduling appointments, appointments can be made at anytime during business hours. #4. The process utilized to immediately assist a person in a crisis situation is first to do an initial interview with the person to determine the crisis and assess the need. If supportive services can be provided with CAHS funds, then those supportive services will be immediately be provided. If other resources are necessary to assist the client, then a referral will be made. Every effort is made to immediately see a client in crisis at the time the crisis is identified. If a client comes in and a crisis is identified, the case manager will work the client in between appointments.

A crisis is defined as a separation of the family that resulted from domestic violence, loss of income, unforeseen circumstances that increased expenditures making it difficult to meet the following months budgeted expenditures, a condition which endangers the health or safety of the household or special needs necessary to secure or maintain employment. CAHS has a screening document that quantifies risk factors. CAHS does not keep open appointment on a daily basis for clients in crisis, rather they are assisted as stated above when the crisis is identified and the client can be worked in between scheduled appointments as soon as possible.

#5. CAHS proposes to provide case management to all low income families and individuals meeting the CAHS eligibility requirements, homeless, and the elderly. The case management services will be modeled after the Family Development Program. This program is designed to assist families in overcoming multiple barriers enabling them to become self sufficient. Staff of CAP has received extensive training regarding Family Development and the utilization and implementation of the ROMA self sufficiency matrix. When STCS funds have been depleted, case managers will utilize HPRP as well as other funding resources available within the Program to assist clients with utility and Rental assistance. #6 Written Referrals to Salvation Army and St. Vincent De Paul in addition to other local agencies or churches are also made when funds are depleted. Case management services are provided even if voucher funds are depleted.

#7. The CAHS staff is very well aware of the importance of the involvement of the entire family in creating a safe and nurturing home life for its members. The staff expects that all members of the family participate in the formulation of a Family Service Plan and in all aspects of the fulfillment of the plan as well as the goals and steps required to reach that goal. The case management process and the notice of eligibility, denial, rights and responsibilities of the client regarding their participation in the program will be fully explained at the time of intake.

### 3.2.2 Below is the case management model utilized by Gila County Community Services Program:

a) A Family Service Plan is developed with each client based on their Arizona Self Sufficiency Matrix levels. The client is fully engaged in the formulation of their plan. The plan identifies the clients: goals, start and targeted completion dates, tasks required to achieve the goals, who will complete the task and services to be provided and/or accessed. Strengths, past successes and other assets that could contribute to a solution will be discussed. Clients will be encouraged to become skilled in solving problems, using appropriate resources that the client, case manager and other agencies can obtain. A copy of the service plan will be contained in the client file along with case notes documenting activities of the client and their family. The client's case plan is monitored by completing a 30, 60, and 90 day follow up addressing the outcomes of referrals from the clients case plan.

3.2.2(4) For outside referrals client is provided with paperwork directing them to the additional assistance and then it is returned to CAHS.

b.) After developing of the case plan which is outlined above in a), the plan will be monitored using the information and documentation contained in the client file. Our current contracts with Arizona Department of Economic Security dictates that the type and quantity of services that clients receive, which is also entered into our T.H.O database. A client file for each client receiving case management services will be formulated. This file will contain the Self-Sufficiency Assessment and updates, a copy of the EN-005, the Family Service Plan/updates, case notes, and follow-up information in addition to any other pertinent documentation required from the various funding sources utilized to provide services to the client.

e) As an ongoing process of case management, the case manager will continue to assess and assist the client in obtaining services required to meet their needs and situation. Copies of all documents utilized to track the progress will be included in the client file. The client's progress will be tracked utilizing the Arizona Self-Sufficiency Matrix. Case closure will occur upon successful completion of goals outlined in the service plan, at the request of the client to discontinue services, or by agreement of the case manager, program manager or Divisional Program Manager. At the time of closure, reasons for the closure will be documented in the client file. Reasons for case closure may be: due to non-compliance by the client or because they have reached a level of self sufficiency that is satisfactory to the client and case manager.

d.)The CAHS case managers are well trained in community resources and routinely provide referrals for clients to other resources within the division and community. When the determination that a client requires services from another agency the case manager will make the referral and advise the client regarding that agency's services and eligibility requirements. This will assist the client in accessing those services and expediting the process of obtaining assistance.

e) A Pre and Post Assessment will be completed with each client who is receiving case management services utilizing the Arizona self-sufficiency matrix. The matrix shows the clients status in 12 areas of need, based on their status, the case manager will work with the client to set goals in the areas that the client feels they need the most assistance. As a client progresses toward their goal, the matrix is updated to indicate positive or negative movement toward the goal. The CAHS plan will be reviewed on a quarterly basis to evaluate the effectiveness of case management services and to determine whether we are meeting our targeted goals and following the mission and philosophies identified in the plan. The CAHS plan will assist in identifying areas where we are failing to meet goals and to provide direction for the staff to strive for improvement.

3.2.3 Case management services assist in achieving the six CSBG national goals by assisting low-income persons in all areas to help them attain their own personal level of self-sufficiency. These various levels are measured and tracked through the Arizona Self-Sufficiency Matrix. The Matrix is an intricate part of the T.H.O. Client Information System. This database meets all of ROMA tracking requirements and is able to track each client as they move up on the various levels of the matrix. CAHS case managers will interview all applicants during the initial intake for services. This process will include input from the client with the assistance of the case manager. When possible all adults in the household are asked to participate. The number one and number six National Family Goals and the corresponding indicators are discussed at that time. Any appropriate indicators within the goals that apply to that family will be discussed and potential future outcomes or objectives will be identified. This assessment is recorded in the service plan that identifies the direct services that are being provided through CAHS. It will also include outside referral information and resources for the client to contact to assist in implementing the plan. Case notes on clients who receive case management are printed out hardcopy and maintained in the client file.

**NOTICE OF ELIGIBILITY, DENIAL, APPEAL FOR SOCIAL SERVICES**  
Gila County Community Action  
P O Box 1254  
Globe, AZ 85502-1254  
(928) 425-7631

Date: 6/11/2010

Dear:

Your application for social services has been approved. You will be receiving the following service:

\_\_\_\_\_ \$  
\_\_\_\_\_ \$ -  
\_\_\_\_\_ \$ -

Your application for social services has been denied. The reason(s) is/are:

Your income exceed Federal poverty levels.

You have already received assistance and by regulation cannot be assisted again at this time.  
You MAY be eligible to reapply on: \_\_\_\_\_

You failed to provide requested verification needed to complete your application and to determine eligibility  
\_\_\_\_\_

Gila County CAP had no contract funds available at this time to assist you.

You requested your application not to be completed.

The program for which you applied required that you have a documentable crisis in the home.

Other

**YOU HAVE THE RIGHT TO APPEAL THIS DECISION**

If you believe that your application should not be denied you may appeal this decision. If you wish to appeal you or your authorized representative must do so in writing within fifteen (15) days of the mailing or delivery of this notification. Please notify the CAP office if you wish to appeal this decision. You will be assisted in your request to appeal.

Case worker Name: Maria Brusoe

Caseworker Signature: \_\_\_\_\_ Date: 6/11/2010

### **3.2.4**

The tools utilized to complete a needs assessment, case planning, monitoring, and closure of the case plan is primarily the T.H.O. data base information system which provides data that is utilized to determine the progress or lack of progress in reaching self sufficiency. Hard copies of the assessment of needs are contained in the client file in the form of case notes and the Matrix. Any data in the T.H.O. data base can also be printed out hard copy and maintained in the client file.

### **3.2.5**

A client satisfaction survey form is disbursed and a request for the completion of the survey is provided at the time of initial contact with the client and again at the time of case closure. A survey box is located in the lobby of our facility and the client is asked to deposit the survey in that container. The Division Director or Deputy Director retrieves survey documents from the box on a monthly basis and at the end of the quarter the results from the survey are reviewed by the CAHS Manager and Administrative staff quarterly. The results are prioritized by the CAHS Manager, and discussed with staff to determine what if anything needs to be done to make CAP more effective in serving our community. These surveys are collected, and reviewed by supervisory staff on a quarterly basis, and the results are discussed with program manager in the effort to continue to improve and enhance service delivery to our clients. CAHS staff have plans to formulate a program specific survey to be utilized in the next fiscal year.

**3.2.6** Funds utilized by case managers to provide utility assistance and the STCS program, on an on-going basis are made available to the case managers by an allotment process. This process is achieved by the Fiscal Manager. Carryover funds at the end of each month and the monthly allotment provided by the State is used to percentage out to the case managers, the funds available to provide direct client services for that current month. Expenditures are monitored on a weekly basis as vouchers are submitted and kept within an Excel spreadsheet. Fiscal Manager balances and reconciles on a monthly basis with the grant and the county. Case managers are given an allotment amount to expend each month at a CAHS staff meeting and work with all funding sources available to ensure they do not exceed the monthly budgeted amounts.

**3.2.7** All clients are informed of the CAHS grievance policy and procedures at the time of the initial intake process. Upon receipt of a grievance the CAHS Manager will schedule a meeting with the client and case manager within 24 hours, if the complaint cannot be resolved in this meeting, another meeting will be facilitated within 5 working days, with the Division Director, Program Manager, case manager and client. If the grievance is not resolved at this meeting a written appeal and all accompanying documents will be forwarded to the Department of Economic Security within 7 working days of the last meeting. The written appeal shall be forwarded to Ariz. Dept. of Economic Security, Community Services Admin. P.O. Box 6123 Site Code 086Z, Phx. AZ 85005

**3.2.8** As previously mentioned in this methodology, the client satisfaction surveys are reviewed and discussed with the appropriate case managers in the effort to ascertain what measures need to be discussed to improve and enhance our services to the clients. The Division Director or Deputy Director retrieve survey documents from the box on a monthly basis and at the end of the quarter the results from the surveys are reviewed by the CAHS Manager and Administrative staff quarterly. The results are prioritized by the CAHS Manager, and discussed with staff to determine what if anything needs to be done to make CAP more effective in serving our community.

**GILA COUNTY DIVISION OF HEALTH COMMUNITY SERVICES  
ALLOCATED FUNDS REPORT  
SFY 2011**

<u>CONTRACTOR</u>	<u>E#</u>	<u>COUNTY</u>	<u>SVC</u>	<u>FUND SOURCE</u>	<u>COST TYPE</u>	<u>2011 AWARD</u>	<u>COMMENTS</u>
GILA		GILA	CMT-A	LIHEAP	A	14,222.00	
GILA		GILA	CMT	LIHEAP	V	222,500.00	
GILA		GILA	CMT	LIHEAP A16	A	15,623.00	
GILA		GILA	CMT	NHN	V	865.00	
GILA		GILA	CMT	SSBGLP	A	8,352.00	Total:
GILA		GILA	CMT	TANF	S	150,000.00	Vouchers 256077
GILA		GILA	CMT	TANF	V	0.00	130,767.00
GILA		GILA	CMT	QWEST	A	1,082.00	19,293.00
GILA		GILA	CMT	ESG	P	6,659.00	
GILA		GILA	CMT	LIHCON	A	1,473.00	
GILA		GILA	CMT	LIHCON	V	25,055.00	
GILA		GILA	CMT	LLVG	V	0.00	
				<b>sub-total</b>		<b>445,831.00</b>	
GILA		GILA	CSV-B	CSBG	A	150,000.00	140,000
GILA		GILA	CSV	CSBG	V	0.00	10,000
				<b>sub-total</b>		<b>150,000.00</b>	
GILA		GILA	CSV-C	CSBG-ARRA	A	0.00	
GILA		GILA	CSV-C	CSBG-ARRA	V	0.00	
				<b>Total</b>		<b>595,831.00</b>	

**ITEMIZED SERVICE BUDGET**  
**FOR CONTRACT SERVICE: Case Management**  
**PROVIDER NAME: Gila County Community Action Program**  
**CONTRACT PERIOD: 7-01-10 TO 6-30-11**  
**Attachment A**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service Cost	CPIP Cost
1	1	Divisional Fiscal Manager	\$53,893	50%+0=50%	\$ 26,946	\$ 26,946
1	1	Divisional Accountant	\$35,422	50%+0=50%	\$ 17,711	\$ 17,711
1	1	Program Manager	\$47,632	25%+25=50%	\$ 23,816	\$ 11,908
1	1	Case Manager	\$30,534	0%+50%=50%	\$ 15,267	\$ 15,267
1	1	Case Manager	\$32,094	0%+50%=50%	\$ 16,047	\$ 16,047
1	1	Clerk	\$21,091	0%+50%=50%	\$ 10,546	\$ 10,546
<b>TOTAL PERSONNEL COST:</b>					<b>\$ 110,334</b>	<b>\$ 98,426</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	CPIP Cost
Health Insurance	\$595.83 per mo x 12 mo X 1 @ 25%	\$ 1,787	\$ 1,787
	\$595.83 per mo x 12 mo X 5 @ 50%	\$ 17,875	\$ 17,875
FICA	0.0765 X \$110,334	\$ 8,441	\$ 4,220
Workman's Comp	0.003 X \$110,334	\$ 331	\$ 166
Retirement	0.0985 X \$110,334	\$ 10,868	\$ 5,434
<b>TOTAL EMPLOYEE COST:</b>		<b>\$ 39,302</b>	<b>\$ 29,483</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	CPIP Cost
Gas/Vehicles/Maint	\$200 per month x 12 months	\$ 2,700	\$ 1,350
Per Diem	\$25 per day for 20 days for 10 FTE's	\$ 5,000	\$ 4,000
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ 7,700</b>	<b>\$ 5,350</b>

**5 SPACE**

Item	Basis	Service Cost	CPIP Cost
Rent - Globe Office	Rent \$1,673 monthly X 12 months (Included electricity, cleaning, water, etc.)	\$ 20,076	\$ 10,038
Sparklets/Other Space Expense	\$100 x 12 months	\$ 1,200	\$ 240
<b>TOTAL SPACE COSTS:</b>		<b>\$ 21,276</b>	<b>\$ 10,278</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	CPIP Cost
N/A			
<b>TOTAL EQUIPMENT COSTS:</b>		\$ -	\$ -
		\$ -	\$ -

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	CPIP Cost
General Office Supplies	\$200 per month x 6 FTE's x 12 months	\$ 14,400	\$ 10,800
Postage	\$250 per month x 12 months	\$ 3,000	\$ 1,200
<b>TOTAL MAT &amp; SUPP COSTS:</b>		\$ 17,400	\$ 12,000

**8 OPERATING SERVICES**

Item	Basis	Service Cost	CPIP Cost
Staff Training & Registration	\$1000 for training sessions for 3 FTE's \$1500 for out of state training for 2 FTE's (includes flight, hotel & registration)	\$ 3,000	\$ 3,000
Printing, Publishing & Advertising Costs	4 publications @ \$200 in local papers	\$ 800	\$ 160
Local Fax, 800 Line, Phone Line & Service Maintenance, Leases Agreements & Memberships/Dues	\$1,713.30 x 12 months	\$ 20,560	\$ 9,764
<b>TOTAL OPERATING SERVICE COSTS:</b>		\$ 27,360	\$ 15,924

**9 INDIRECT COSTS**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		\$ -	\$ -

10

<b>SUBTOTAL ADMINISTRATIVE COSTS:</b>	\$ 223,372	\$ 171,459
---------------------------------------	------------	------------

**11 VOUCHERS**

Item			Service Cost	CPIP Cost
1	LIHEAP	77	\$ 222,500	\$ 222,500
2	LIHCON	78	\$ 25,055	\$ 25,055
3	LLVG		\$ -	\$ -
4	NHN	70	\$ 865	\$ 865
5	TANF	49	\$ 19,293	\$ 19,293
6	ESG	17	\$ 6,659	\$ 6,659
<b>TOTAL VOUCHER COSTS:</b>			<b>\$ 274,372</b>	<b>\$ 274,372</b>

12			<b>TOTAL COSTS: \$ 497,744</b>	<b>\$ 445,831</b>
----	--	--	--------------------------------	-------------------

**REVENUE SOURCES:**

CPIP Case Mgt.	\$ 445,981	\$ 445,831
CPIP CSV-B	\$ 150,000	
CPIP CSV-C	\$ -	
<b>TOTAL REVENUE:</b>	<b>\$ 595,981</b>	<b>\$ 445,831</b>
<b>TOTAL REVENUE:</b>	<b>\$ 595,981</b>	<b>\$ 445,831</b>

CMT-A Case Management ISB 10-11  
Submitted 04/23/2010

**ITEMIZED SERVICE BUDGET**  
**FOR CONTRACT SERVICE: Community Services**  
**PROVIDER NAME: Gila County Community Action Program**  
**CONTRACT PERIOD: 7-01-10 TO 6-30-11**  
**Attachment B**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service Cost	CPIP Cost
1	1	Community Services Director	\$81,994	50%+0=50%	\$ 40,997	\$ 4,100
1	1	Community Services Deputy Director	\$67,309	50%+0=50%	\$ 33,654	\$ 3,365
1	1	Divisional Program Manager	\$55,245	50%+0=50%	\$ 27,622	\$ 5,524
1	1	Divisional Special Projects	\$27,908	50%+0=50%	\$ 13,954	\$ 5,582
1	1	Divisional Assistant	\$32,885	50%+0=50%	\$ 16,442	\$ 6,577
1	1	Program Manager	\$47,632	25%+25=50%	\$ 23,816	\$ 23,816
1	1	Case Manager	\$30,534	0%+50%=50%	\$ 15,267	\$ 15,267
1	1	Case Manager	\$32,094	0%+50%=50%	\$ 16,047	\$ 16,047
1	1	Clerk	\$21,091	0%+50%=50%	\$ 10,546	\$ 10,546
<b>TOTAL PERSONNEL COST:</b>					<b>\$ 198,347</b>	<b>\$ 90,825</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	CPIP Cost
Health Insurance	\$595.83 per mo x 12 mo X 2	\$ 14,300	\$ 715
	\$595.83 per mo x 12 mo X 1	\$ 7,150	\$ 715
	\$595.83 per mo x 12 mo X 2	\$ 14,300	\$ 2,860
	\$595.83 per mo x 12 mo X 4	\$ 28,600	\$ 14,300
FICA	0.0765 X \$198,347	\$ 15,174	\$ 7,587
Vacation's Comp	0.003 X \$198,347	\$ 595	\$ 298
Retirement	0.0985 X \$198,347	\$ 19,537	\$ 9,769
<b>TOTAL ERE COST:</b>		<b>\$ 99,655</b>	<b>\$ 36,243</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	CPIP Cost
Gas/Vehicles/Maint	\$321.17 per month x 12 months	\$ 6,000	\$ 5,832
Per Diem	\$25 per day for 20 days for 5 FTE's	\$ 2,500	\$ 2,500
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ 8,500</b>	<b>\$ 8,332</b>

**5 SPACE**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL SPACE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL EQUIPMENT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL MAT &amp; SUPP COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**8 OPERATING SERVICES**

Item	Basis	Service Cost	CPIP Cost
Staff Training & Registration	\$500 for training sessions for 2 FTE's @ 100%	\$ 1,000	\$ 1,000
Local Fax, 800 Line, Phone Line & Service	\$1,000 x 12 months		
Maintenance, Leases Agreements & Memberships/Dues		\$ 12,000	\$ 3,600
<b>TOTAL OPERATING SERVICE COSTS:</b>		<b>\$ 13,000</b>	<b>\$ 4,600</b>

**9 INDIRECT COSTS**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

10 **SUBTOTAL ADMINISTRATIVE COSTS:** \$ 319,503 \$ 140,000

**11 VOUCHERS**

Item	Basis	Service Cost	CPIP Cost
Vouchers - Direct Client Services	Average \$500 x 20 households	\$ 10,000	\$ 10,000
<b>TOTAL VOUCHER COSTS:</b>		<b>\$ 10,000</b>	<b>\$ 10,000</b>

12 **TOTAL COSTS:** \$ 329,503 \$ 150,000

**REVENUE SOURCES:**

CPIP CSV	\$ 150,000	\$ 150,000
CPIP Case Mgt.	\$ 445,831	
<b>TOTAL REVENUE:</b>	<b>\$ 595,831</b>	<b>\$ 150,000</b>
<b>TOTAL REVENUE:</b>	<b>\$ 595,831</b>	<b>\$ 150,000</b>

**ITEMIZED SERVICE BUDGET**  
**FOR CONTRACT SERVICE: Community Services AARA (Stimulus)**  
**PROVIDER NAME: Gila County Community Action Program**  
**CONTRACT PERIOD: 7-01-10 TO 6-30-11**  
**Attachment C**

**1 PERSONNEL**

Number of Positions	FTE Level	Position Title	Salary for Contract Period	% Allocated to Service A+ D = Total	Total Service Cost	CPIP Cost
N/A					\$ -	\$ -
<b>TOTAL PERSONNEL COST:</b>					<b>\$ -</b>	<b>\$ -</b>

**2 EMPLOYEE RELATED EXPENSES**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL ERE COST:</b>		<b>\$ -</b>	<b>\$ -</b>

**3 PROFESSIONAL AND OUTSIDE SERVICES**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL PROF &amp; OUTSIDE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**4 TRAVEL**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL TRAVEL COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**5 SPACE**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL SPACE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**6 EQUIPMENT**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL EQUIPMENT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**7 MATERIALS & SUPPLIES**

Item	Basis	Service Cost	CPIP Cost
Outreach/media materials & supplies for clients for CARE Fair and EITC activities.	\$50 x 500 individuals for both activities	\$ -	\$ -
<b>TOTAL MAT &amp; SUPP COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**8 OPERATING SERVICES**

	Basis	Service Cost	CPIP Cost
		\$ -	\$ -
<b>TOTAL OPERATING SERVICE COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

**9 INDIRECT COSTS**

Item	Basis	Service Cost	CPIP Cost
N/A		\$ -	\$ -
<b>TOTAL INDIRECT COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

10	<b>SUBTOTAL ADMINISTRATIVE COSTS:</b>		\$ -	\$ -
----	---------------------------------------	--	------	------

**11 VOUCHERS**

Item	Basis	Service Cost	CPIP Cost
Vouchers - Direct Client Services	Average \$1,000 x 125 households	\$ -	\$ -
<b>TOTAL VOUCHER COSTS:</b>		<b>\$ -</b>	<b>\$ -</b>

12	<b>TOTAL COSTS:</b>		\$ -	\$ -
----	---------------------	--	------	------

**REVENUE SOURCES:**

CPIP CSV	\$ -	\$ -
<b>TOTAL REVENUE:</b>	<b>\$ -</b>	<b>\$ -</b>

<b>TOTAL REVENUE:</b>	<b>\$ -</b>	<b>\$ -</b>
-----------------------	-------------	-------------



*GILA COUNTY ATTORNEY*  
*Bradley D. Beauchamp*

Re: County Attorney's Office approval of IGA pursuant to A.R.S. § 11-952(D).

To whom it may concern:

The County Attorney's Office has reviewed the Intergovernmental Agreement attached to this agenda item and has determined that it is in its "proper form" and "is within the powers and authority granted under the laws of this state to such public agency or public procurement unit" pursuant to A.R.S. § 11-952(D).

**Explanation of the Gila County Attorney's Office Intergovernmental Agreement (IGA) Review**

A.R.S. § 11-952(D) requires that

every agreement or contract involving any public agency or public procurement unit of this state . . . before its execution, shall be submitted to the attorney for each such public agency or public procurement unit, who shall determine whether the agreement is in proper form and is within the powers and authority granted under the laws of this state to such public agency or public procurement unit.

In performing this review, the County Attorney's Office reviews IGAs to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the IGA. That approval is solely the province of the public agency through its elected body.

Likewise, this approval is not a certification that the IGA has been properly executed. Proper execution can only be determined after all the entities entering into the IGA have taken legal action to approve the IGA. There is no statutory requirement for the County Attorney's Office to certify that IGAs are properly executed.

Nonetheless, it is imperative for each public agency to ensure that each IGA is properly executed because A.R.S. § 11-952(F) requires that "[a]ppropriate action ... applicable to the governing bodies of the participating agencies approving or extending the duration of the ... contract shall be necessary before any such agreement, contract or extension may be filed or become effective." This can be done by ensuring that the governing body gives the public proper notice of the meeting wherein action will be taken to approve the IGA, that the item is adequately described in the agenda accompanying the notice, and that the governing body takes such action. Any questions regarding whether the IGA has been properly executed may be directed to the County Attorney's Office.

Proper execution of IGAs is important because A.R.S. § 11-952(H) provides that "[p]ayment for services under this section shall not be made unless pursuant to a fully approved written contract." Additionally, A.R.S. § 11-952(I) provides that "[a] person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment."

The public agency or department submitting the IGA for review has the responsibility to read and understand the IGA in order to completely understand its obligations under the IGA if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the IGA as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor IGA compliance. Hence the public entity or submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the IGA will be necessary to monitor compliance.

Before determining whether an IGA contract "is in proper form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the IGA for review to ask any specific questions or address any concerns it has about the IGA to the County Attorney's Office at the same time they submit the IGA for review. Making such an inquiry also helps improve the County Attorney's Office review of the IGA because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the IGA.

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted For:** Malissa Buzan, Community Services Division Director  
**Submitted By:** Cecilia Bejarano, Executive Administrative Assistant, Community Services Division

**Department:** Community Services Division **Division:** Comm. Action Program/Housing Servs.

---

Information

Request/Subject

Gila County Housing Choice Voucher Program Administrative Plan.

Background Information

The Housing Choice Voucher Program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

Housing Choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program.

Gila County Housing has participated in Section 8 Housing for the past 19 years.

Evaluation

A public housing agency (PHA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The PHA enters into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. The PHA must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

The Administrative Plan is reviewed annually by the local PHA and if necessary updated to adhere to any changes that have occurred.

In order to be in compliance with HUD regulations, Gila County PHA has updated its Administrative Plan for the Housing Choice Voucher Program.

Conclusion

By the Board of Supervisors approving the Administrative Plan for the Housing Choice Voucher Program, Gila County PHA will be in compliance with HUD requirements.

Recommendation

The Community Services Director recommends the Board of Supervisors approve the Administrative Plan for the Housing Choice Voucher Program.

Suggested Motion

Approval of the Gila County Housing Choice Voucher Program Administrative Plan as required by the U.S. Department of Housing and Urban Development (HUD) effective July 1, 2013, through, June 30, 2014, at which time the Plan will be reviewed and updated if deemed necessary by the Public Housing Authority.

---

Attachments

Administrative Plan for the Housing Choice Voucher Program



## **ADMINISTRATIVE PLAN**

**FOR THE**

## **HOUSING CHOICE VOUCHER PROGRAM**

Gila County Housing Choice Voucher Program Administrative Plan Revised  
5/29/2013

Approved and Adopted by the Gila County Board of Supervisors/Board of  
Commissioners:

Submitted to HUD:

<b>REVISION DATE</b>	<b>REVISION DATE</b>
UNKNOWN	
April 17, 2001	
November 26, 2001	
March 15, 2005	
July 1, 2008	
May 21, 2013	

The Gila County Division of Community Services does not in the provision of services, or in any manner, discriminate on the basis of race, color, national origin, religion, sex, family status or disability.



Copyright 2012 by Nan McKay & Associates, Inc.

All rights reserved

Permission to reprint granted only to the Public Housing Authority or Housing Agency that has purchased this plan from Nan McKay & Associates, Inc. This document may not be reprinted or distributed to any other person or entity other than the purchasing agency without the express written permission of Nan McKay & Associates, Inc.

\_\_\_\_\_  
Date: \_\_\_\_\_

Michael A. Pastor, Chairman  
Gila County Board of Supervisors

ATTEST:

\_\_\_\_\_  
Date: \_\_\_\_\_

Marian E. Sheppard  
Clerk of the Board

Approved as to form:

\_\_\_\_\_  
Date: \_\_\_\_\_

Bryan B. Chambers  
Deputy Attorney Principal

**Introduction**  
**ABOUT THE REFERENCES CITED IN THE MODEL ADMINISTRATIVE PLAN**

**Chapter 1**  
**OVERVIEW OF THE PROGRAM AND PLAN**

PART I:	THE PHA.....	36
	1-I.A. Overview.....	36
	1-I.B. Organization and Structure of the PHA.....	36
	1-I.C. PHA Mission.....	36
	1-I.D. The PHA’s Programs.....	37
	1-I.E. The PHA’s Commitment to Ethics and Service .....	37
PART II:	THE HOUSING CHOICE VOUCHER (HCV) PROGRAM.....	38
	1-II.A. Overview and History of the Program .....	38
	1-II.B. HCV Program Basics .....	40
	1-II.C. The HCV Partnerships.....	40
	The HCV Relationships: .....	41
	What does HUD do?.....	42
	What does the PHA do?.....	42
	What does the Owner do?.....	43
	What does the Family do?.....	43
	1-II.D. Applicable Regulations .....	44
PART III:	THE HCV ADMINISTRATIVE PLAN.....	45
	1-III.A. Overview and Purpose of the Plan .....	45
	1-III.B. Contents of the Plan (24CFR 982.54) .....	45
	Mandatory vs. Discretionary Policy .....	47
	1-III.C. Organization of the Plan .....	47
	1-III.D. Updating and Revising the Plan.....	47

**Chapter 2**  
**FAIR HOUSING AND EQUAL OPPORTUNITY**

PART I:	NONDISCRIMINATION.....	49
	2-I.A. Overview.....	49
	2-I.B. Nondiscrimination.....	50
	Providing Information to Families and Owners.....	51
	Discrimination Complaints .....	51
PART II:	POLICIES RELATED TO PERSONS WITH DISABILITIES .....	52
	2-II.A. Overview.....	52
	2-II.B. Definition of Reasonable Accommodation .....	53
	Types of Reasonable Accommodations.....	53
	2-II.C. Request for an Accommodation.....	54
	2-II.D. Verification of Disability .....	55
	2-II.E. Approval/Denial of a Requested Accommodation [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act, Notice PIH 2010-26]. .....	56
	2-II.F. Program Accessibility for Persons with Hearing or Vision Impairments .....	57
	2-II.G. Physical Accessibility.....	58
	2-II.H. Denial or Termination of Assistance.....	59
PART III:	IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP).....	60
	2-III.A. Overview.....	60
	2-III.B. Oral Interpretation .....	61
	2-III.C. Written Translation .....	61
	2-III.D. Implementation Plan.....	62
Exhibit 2-1:	Definition of a Person with a Disability Under Federal Civil Rights Laws [24 CFR Parts 8.3, and 100.201] .....	63

**Chapter 3**  
**ELIGIBILITY**

PART I:	DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS .....	65
3-I.A.	Overview.....	66
3-I.B.	Family and Household [24 CFR 982.201(c); HUD-50058 IB, p. 13; FR Notice 02/03/12].....	66
	Family .....	66
	Household .....	66
3-I.C.	Family Breakup and Remaining Member of Tenant Family.....	67
	Family Breakup [24 CFR 982.315] .....	67
	Remaining Member of a Tenant Family [24 CFR 5.403].....	67
3-I.D.	Head of Household [24 CFR 5.504(b)] .....	68
3-I.E.	Spouse, Cohead, and Other Adult .....	68
3-I.F.	Dependent [24 CFR 5.603].....	69
	Joint Custody of Dependents .....	69
3-I.G.	Full-Time Student [24 CFR 5.603, HVC GB, p. 5-29] .....	69
3-I.H.	Elderly and Near-Elderly Persons, and Elderly Family [24 CFR 5.100 and 5.403, FR Notice 02/03/12].....	69
	Elderly Persons .....	69
	Near-Elderly Persons .....	69
	Elderly Family.....	70
3-I.I.	Persons with Disabilities and Disabled Family [24 CFR 5.403, FR Notice 02/03/12].....	70
	Persons with Disabilities.....	70
	Disabled Family .....	70
3-I.J.	Guests [24 CFR 5.100] .....	70
3-I.K.	Foster Children and Foster Adults .....	71
3-I.L.	Absent Family Members .....	71
	Definitions of Temporarily and Permanently Absent .....	71
	Absent Students.....	72
	Absences Due to Placement in Foster Care [24 CFR 5.403].....	72
	Absent Head, Spouse, or Cohead .....	72
	Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22] .....	72
	Return of Permanently Absent Family Members.....	73
3-I.M.	Live-In Aide.....	73

PART II:	BASIC ELIGIBILITY CRITERIA.....	74
3-II.A.	Income Eligibility and Targeting .....	74
	Income Limits .....	74
	Types of Low-Income Families [24 CFR 5.603(b)].....	75
	Using Income Limits for Eligibility [24 CFR 982.201] .....	75
	Using Income Limits for Targeting [24 CFR 982.201].....	75
3-II.B.	Citizenship or Eligible Immigration Status [24 CFR 5, Subpart E].....	75
	Declaration [24 CFR 5.508].....	76
	Mixed Families.....	77
	Ineligible Families [24 CFR 5.514(d), (e), and (f)].....	77
	Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)] .....	78
3-II.C.	Social Security Numbers [24 CFR 5.216 and 5.218, Notice PIH 2012-10] .....	78
3-II.D.	Family Consent to Release of Information [24 CFR 5.230; HCV GB, p. 5-13] .....	78
3-II.E.	Students Enrolled In Institutions of Higher Education [24 CFR 5.612, FR Notice 4/10/06].....	80
	Definitions.....	80
	Determining Student Eligibility .....	82
PART III:	DENIAL OF ASSISTANCE.....	83
3-III.A.	Overview.....	83
	Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35].....	84
	Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), 24 CFR 5.2005(b)] .....	84
3-III.B.	Mandatory Denial of Assistance [24 CFR 982.553(a)].....	84
3-III.C.	Other Permitted Reasons for Denial of Assistance .....	85
	Criminal Activity [24 CFR 982.553].....	85
	Previous Behavior in Assisted Housing [24 CFR 982.552(c)] .....	86
3-III.D.	Screening .....	88
	Screening for Eligibility.....	88
	Screening for Suitability as a Tenant [24 CFR 982.307].....	88
3-III.E.	Criteria for Deciding to Deny Assistance.....	89
	Evidence [24 CFR 982.553(c)] .....	89
	Consideration of Circumstances [24 CFR 982.552(c)(2)].....	90
	Removal of a Family Member's Name from the Application [24 CFR 982.552(c)(2)(ii)] .....	90
	Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)] .....	91
3-III.F.	Notice of Eligibility or Denial .....	91

3-III.G. Prohibition Against Denial of Assistance to Victims of Domestic Violence, Dating Violence, and Stalking .....	92
Notification .....	92
Documentation .....	93
Exhibit 3-1: Detailed Definitions Related to Disabilities .....	94
Person with Disabilities [24 CFR 5.403] .....	94
Individual with Handicaps [24 CFR 8.3].....	95
Exhibit 3-2: Definition of Institution of Higher Education [20 U.S.C 1001 and 1002] .....	97
Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006] .....	97

**Chapter 4**  
**APPLICATIONS, WAITING LIST AND TENANT SELECTION**

<b>PART I:</b>	<b>THE APPLICATION PROCESS .....</b>	<b>104</b>
4-I.A.	Overview.....	104
4-I.B.	Applying for Assistance [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36].....	104
4-I.C.	Accessibility of the Application Process .....	105
	Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13] .....	105
	Limited English Proficiency .....	105
4-I.D.	Placement on the Waiting List.....	105
	Ineligible for Placement on the Waiting List.....	105
	Eligible for Placement on the Waiting List.....	106
<b>PART II:</b>	<b>MANAGING THE WAITING LIST.....</b>	<b>106</b>
4-II.A.	Overview.....	106
4-II.B.	Organization of the Waiting List [24 CFR 982.204 and 205] .....	106
4-II.C.	Opening and Closing the Waiting List [24 CFR 982.206] .....	107
	Closing the Waiting List .....	107
	Reopening the Waiting List .....	107
4-II.D.	Family Outreach [HCV GB, pp. 4-2 to 4-4].....	109
4-II.E.	Reporting Changes in Family Circumstances.....	110
4-II.F.	Updating the Waiting List [24 CFR 982.204] .....	110
	Purging the Waiting List.....	110
	Removal from the Waiting List.....	111
<b>PART III:</b>	<b>SELECTION FOR HCV ASSISTANCE.....</b>	<b>112</b>
4-III.A.	Overview.....	112
4-III.B.	Selection and HCV Funding Sources.....	112
	Special Admissions [24 CFR 982.203] .....	112
	Targeted Funding [24 CFR 982.204(e)] .....	112
	Regular HCV Funding .....	112
4-III.C.	Selection Method .....	113
	Local Preferences [24 CFR 982.207; HCV p. 4-16] .....	113
	Income Targeting Requirement [24 CFR 982.201(b)(2)].....	113
	Order of Selection.....	114
4-III.D.	Notification of Selection.....	115
4-III.E.	The Application Interview .....	115
4-III.F.	Completing the Application Process .....	117

**Chapter 5**  
**BRIEFINGS AND VOUCHER ISSUANCE**

PART I:	BRIEFINGS AND FAMILY OBLIGATIONS.....	119
5-I.A.	Overview.....	119
5-I.B.	Briefing [24 CFR 982.301].....	119
	Notification and Attendance .....	119
	Oral Briefing [24 CFR 982.301(a)].....	120
	Briefing Packet [24 CFR 982.301(b)] .....	121
	Additional Items to be Included in the Briefing Packet .....	122
5-I.C.	Family Obligations .....	123
	Time Frames for Reporting Changes Required by Family	
	Obligations .....	123
	Family Obligations [24 CFR 982.551] .....	123
PART II:	SUBSIDY STANDARDS AND VOUCHER ISSUANCE .....	126
5-II.A.	Overview.....	126
5-II.B.	Determining Family Unit (Voucher) Size [24 CFR 982.402] .....	126
5-II.C.	Exceptions to Subsidy Standards .....	127
5-II.D.	Voucher Issuance [24 CFR 982.302] .....	128
5-II.E.	Voucher Term, Extensions, and Suspensions .....	129
	Voucher Term [24 CFR 982.303] .....	129
	Extensions of Voucher Term [24 CFR 982.303(b)] .....	129
	Suspensions of Voucher Term [24 CFR 982.303(c)] .....	130
	Expiration of Voucher Term.....	130

**Chapter 6**  
**INCOME AND SUBSIDY DETERMINATIONS**  
[24 CFR Part 5, Subparts E and F; 24 CFR 982]

PART I:	ANNUAL INCOME.....	133
6-I.A.	Overview.....	133
6-I.B.	Household Composition and Income .....	134
	Summary of Income Included and Excluded by Person.....	134
	Temporarily Absent Family Members.....	135
	Family Members Permanently Confined for Medical Reasons .....	136
	Joint Custody of Dependents .....	136
	Caretakers for a Child.....	137
6-I.C.	Anticipating Annual Income .....	138
	Basis of Annual Income Projection.....	138
	Projecting Income.....	139
6-I.D.	Earned Income .....	140
	Types of Earned Income Included in Annual Income.....	140
	Types of Earned Income <u>Not</u> Counted in Annual Income.....	140
6-I.E.	Earned Income Disallowance for Persons with Disabilities [24 CFR 5.617] .....	143
	Eligibility .....	143
	Calculation of the Disallowance .....	144
6-I.F.	Business Income [24 CFR 5.609(b)(2)] .....	145
	Business Expenses.....	145
	Business Expansion .....	145
	Capital Indebtedness.....	146
	Negative Business Income.....	146
	Withdrawal of Cash or Assets from a Business .....	146
	Co-owned Businesses .....	146
6-I.G.	Assets [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)].....	147
	Overview.....	147
	General Policies.....	147
	Types of Assets .....	150
6-I.H.	Periodic Payments .....	154
	Periodic Payments <u>Included</u> in Annual Income .....	154
	Lump-Sum Payments for the Delayed Start of a Periodic Payment.....	154
	Treatment of Overpayment Deductions from Social Security Benefits.....	155
	Periodic Payments <u>Excluded</u> from Annual Income .....	155
6-I.I.	Payments In Lieu of Earnings.....	156
6-I.J.	Welfare Assistance .....	156
	Overview.....	156
	Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615].....	156

6-I.K.	Periodic and Determinable Allowances [24 CFR 5.609(b)(7)] .....	157
	Alimony and Child Support .....	157
	Regular Contributions or Gifts .....	157
6-I.L.	Student Financial Assistance [24 CFR 5.609(b)(9)] .....	158
	Student Financial Assistance <u>Included</u> in Annual Income	
	[24 CFR 5.609(b)(9) and FR 4/10/06] .....	158
	Student Financial Assistance <u>Excluded</u> from Annual Income	
	[24 CFR 5.609(c)(6)] .....	159
6-I.M.	Additional Exclusions From Annual Income	
PART II:	ADJUSTED INCOME.....	161
6-II.A.	Introduction.....	161
	Overview .....	161
	Anticipating Expenses .....	162
6-II.B.	Dependent Deduction .....	162
6-II.C.	Elderly or Disabled Family Deduction.....	162
6-II.D.	Medical Expenses Deduction [24 CFR 5.611(a)(3)(i)] .....	162
	Definition of <i>Medical Expenses</i> .....	162
	Summary of Allowable Medical Expenses from IRS	
	Publication 502.....	163
	Families That Qualify for Both Medical and Disability	
	Assistance Expenses .....	163
6-II.E.	Disability Assistance Expenses Deduction [24 CFR 5.603(b) and	
	24 CFR 5.611(a)(3)(ii)] .....	163
	Earned Income Limit on the Disability Assistance	
	Expense Deduction .....	164
	Eligible Disability Expenses .....	164
	Necessary and Reasonable Expenses .....	165
	Families That Qualify for Both Medical and Disability	
	Assistance Expenses .....	166
6-II.F.	Child Care Expense Deduction.....	166
	Clarifying the Meaning of <i>Child</i> for This Deduction.....	166
	Qualifying for the Deduction .....	166
	Earned Income Limit on Child Care Expense Deduction.....	167
	Eligible Child Care Expenses.....	168

PART III:	CALCULATING FAMILY SHARE AND PHA SUBSIDY .....	169
6-III.A.	Overview of Rent and Subsidy Calculations .....	169
	TTP Formula [24 CFR 5.628] .....	169
	Family Share [24 CFR 982.305(a)(5)] .....	170
	PHA Subsidy [24 CFR 982.505(b)] .....	170
	Utility Reimbursement [24 CFR 982.514(b)] .....	170
6-III.B.	Financial Hardships Affecting Minimum Rent [24 CFR 5.630] .....	170
	Overview .....	170
	HUD-Defined Financial Hardship.....	171
	Implementation of Hardship Exemption.....	172
6-III.C.	Applying Payment Standards [24 CFR 982.505].....	174
	Overview .....	174
	Changes in Payment Standards .....	174
	Reasonable Accommodation.....	175
6-III.D.	Applying Utility Allowances [24 CFR 982.517] .....	176
	Overview .....	176
	Reasonable Accommodation.....	176
	Utility Allowance Revisions .....	176
6-III.E.	Prorated Assistance for Mixed Families [24 CFR 5.520] .....	176
Exhibit 6-1:	Annual Income Inclusions.....	177
	HHS Definition of "Assistance" .....	178
Exhibit 6-2:	Annual Income Exclusions.....	180
Exhibit 6-3:	Treatment of Family Assets .....	183
Exhibit 6-4:	Earned Income Disallowance for Persons with Disabilities .....	184
Exhibit 6-5:	The Effect of Welfare Benefit Reduction .....	185

**Chapter 7**  
**VERIFICATION**

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, Notice PIH 2010-19]

PART I:	<b>GENERAL VERIFICATION REQUIREMENTS</b> .....	188
	7-I.A. Family Consent to Release of Information [24 CFR 982.516 and 982.551, 24 CFR 5.230].....	188
	Consent Forms.....	188
	Penalties for Failing to Consent [24 CFR 5.232].....	189
	7-I.B. Overview of Verification Requirements.....	189
	HUD’s Verification Hierarchy [Notice PIH 2010-19] .....	189
	Requirements for Acceptable Documents .....	189
	File Documentation .....	190
	7-I.C. Up-Front Income Verification (UIV).....	190
	Upfront Income Verification Using HUD’s Enterprise Income Verification (EIV) System (Mandatory).....	191
	Upfront Income Verification Using Non-HUD Systems (Optional) .....	193
	7-I.D. Third-Party Written and Oral Verification .....	193
	Written Third-Party Verification [Notice PIH 2010-19] .....	193
	Written Third-Party Verification Form .....	194
	Oral Third-Party Verification [Notice PIH 2010-19] .....	194
	When Third-Party Verification is Not Required [Notice PIH 2010-19] .....	195
	7-I.E. Self-Certification.....	196
PART II:	<b>VERIFYING FAMILY INFORMATION</b> .....	197
	7-II.A. Verification of Legal Identity .....	197
	7-II.B. Social Security Numbers [24 CFR 5.216, Notice PIH 2012-10].....	198
	7-II.C. Documentation of Age .....	199
	7-II.D. Family Relationships .....	200
	Marriage.....	200
	Separation or Divorce .....	201
	Absence of Adult Member.....	201
	Foster Children and Foster Adults.....	201
	7-II.E. Verification of Student Status.....	202
	General Requirements .....	202
	Restrictions on Assistance to Students Enrolled in Institutions of Higher Education .....	202
	7-II.F. Documentation of Disability.....	203
	Family Members Receiving SSA Disability Benefits.....	204
	Family Members Not Receiving SSA Disability Benefits .....	204
	7-II.G. Citizenship or Eligible Immigration Status [24 CFR 5.508] .....	205
	Overview .....	205
	U.S. Citizens and Nationals .....	205
	Eligible Immigrants .....	206
	7-II.H. Verification of Preference Status .....	206

PART III:	VERIFYING INCOME AND ASSETS .....	207
	7-III.A. Earned Income .....	207
	Tips .....	207
	7-III.B. Business and Self Employment Income .....	207
	7-III.C. Periodic Payments and Payments In Lieu of Earnings.....	208
	Social Security/SSI Benefits .....	208
	7-III.D. Alimony or Child Support .....	209
	7-III.E. Assets and Income From Assets .....	210
	Assets Disposed of for Less than Fair Market Value .....	210
	7-III.F. Net Income From Rental Property .....	210
	7-III.G. Retirement Accounts .....	211
	7-III.H. Income From Excluded Sources .....	211
	7-III.I. Zero Annual Income Status .....	212
	7-III.J. Student Financial Assistance .....	212
	7-III.K. Parental Income of Students Subject to Eligibility Restrictions.....	213
PART IV:	VERIFYING MANDATORY DEDUCTIONS .....	214
	7-IV.A. Dependent and Elderly/Disabled Household Deductions .....	214
	Dependent Deduction .....	214
	Elderly/Disabled Family Deduction .....	214
	7-IV.B. Medical Expense Deduction .....	215
	Amount of Expense .....	215
	Eligible Household .....	216
	Qualified Expenses .....	216
	Unreimbursed Expenses .....	216
	Expenses Incurred in Past Years .....	216
	7-IV.C. Disability Assistance Expenses.....	217
	Amount of Expense .....	217
	Family Member is a Person with Disabilities .....	218
	Family Member(s) Permitted to Work .....	218
	Unreimbursed Expenses .....	218
	7-IV.D. Child Care Expenses .....	219
	Eligible Child .....	219
	Unreimbursed Expense .....	219
	Pursuing an Eligible Activity .....	219
	Allowable Type of Child Care .....	221
	Reasonableness of Expenses.....	221
Exhibit 7-1:	Summary of Documentation Requirements for Noncitizens	
	[HCV GB, pp. 5-9 and 5-10] .....	222

**Chapter 8**  
**HOUSING QUALITY STANDARDS AND RENT REASONABLENESS**  
**DETERMINATIONS**

[24 CFR 982 Subpart I and 24 CFR 982.507]

PART I:	PHYSICAL STANDARDS .....	224
	8-I.A. General HUD Requirements .....	224
	HUD Performance and Acceptability Standards.....	224
	Tenant Preference Items .....	224
	Modifications to Provide Accessibility .....	225
	8-I.B. Additional Local Requirements .....	225
	Thermal Environment [HCV GB p.10-7] .....	225
	Clarifications of HUD Requirements .....	226
	8-I.C. Life Threatening Conditions [24 CFR 982.404(a)].....	227
	8-I.D. Owner and Family Responsibilities [24 CFR 982.404] .....	228
	Family Responsibilities .....	228
	Owner Responsibilities .....	228
	8-I.E. Special Requirements for Children with Environmental Intervention Blood Lead Level [24 CFR 35.1225] .....	229
	8-I.F. Violation of HQS Space Standards [24 CFR 982.403] .....	229
PART II:	THE INSPECTION PROCESS.....	230
	8-II.A. Overview [24 CFR 982.405] .....	230
	Types of Inspections.....	230
	Inspection of PHA-owned Units [24 CFR 982.352(b)].....	230
	Inspection Costs .....	230
	Notice and Scheduling.....	231
	Owner and Family Inspection Attendance.....	231
	8-II.B. Initial HQS Inspection [24 CFR 982.401(a)].....	232
	Timing of Initial Inspections.....	232
	Inspection Results and Reinspections.....	232
	Utilities.....	233
	Appliances.....	233
	8-II.C. Annual HQS Inspections [24 CFR 982.405(a)].....	234
	Scheduling the Inspection.....	234
	8-II.D. Special Inspections [HCV GB p. 10-30] .....	234
	8-II.E. Quality Control Inspections [24 CFR 982.405(b), HCV GB p. 10-32] .....	234
	8-II.F. Inspection Results and Reinspections for Units Under HAP Contract.....	235
	Notification of Corrective Actions .....	235
	Extensions .....	236
	Reinspections .....	236
	8-II.G. Enforcing Owner Compliance .....	237
	HAP Abatement .....	237
	HAP Contract Termination .....	237
	8-II.H. Enforcing Family Compliance with HQS [24 CFR 982.404(b)].....	237

PART III:	RENT REASONABLENESS [24 CFR 982.507]	238
8-III.A.	Overview	238
	PHA-owned Units [24 CFR 982.352(b)]	238
8-III.B.	When Rent Reasonableness Determinations Are Required	239
	Owner-initiated Rent Determinations	239
	PHA- and HUD-Initiated Rent Reasonableness Determinations	239
8-III.C.	How Comparability Is Established	240
	Factors to Consider	240
	Units that Must Not be Used as Comparables	240
	Rents Charged for Other Units on the Premises	240
8-III.D.	PHA Rent Reasonableness Methodology	241
	How Market Data is Collected	241
	How Rents are Determined	241
Exhibit 8-1:	Overview of HUD Housing Quality Standards	242
Exhibit 8-2:	Summary of Tenant Preference Areas Related to Housing Quality	245

**Chapter 9**  
**GENERAL LEASING POLICIES**

9-I.A.	Tenant Screening .....	248
9-I.B.	Requesting Tenancy Approval [Form HUD-52517].....	249
9-I.C.	Owner Participation.....	251
9-I.D.	Eligible Units .....	251
	Ineligible Units [24 CFR 982.352(a)].....	251
	PHA-Owned Units [24 CFR 982.352(b)] .....	251
	Special Housing Types [24 CFR 982 Subpart M].....	251
	Duplicative Assistance [24 CFR 982.352(c)] .....	252
	Housing Quality Standards (HQS) [24 CFR 982.305 and 24 CFR 982.401] .....	252
	Unit Size.....	253
	Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507] .....	253
	Rent Burden [24 CFR 982.508] .....	253
9-I.E.	Lease and Tenancy Addendum.....	254
	Lease Form and Tenancy Addendum [24 CFR 982.308].....	254
	Lease Information [24 CFR 982.308(d)] .....	254
	Term of Assisted Tenancy .....	255
	Security Deposit [24 CFR 982.313 (a) and (b)].....	255
	Separate Non-Lease Agreements between Owner and Tenant .....	256
	PHA Review of Lease .....	257
9-I.F.	Tenancy Approval [24 CFR 982.305].....	258
9-I.G.	HAP Contract Execution [24 CFR 982.305] .....	259
9-I.H.	Changes in Lease or Rent [24 CFR 982.308] .....	260

## Chapter 10

### MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

PART I:	MOVING WITH CONTINUED ASSISTANCE.....	261
10-I.A.	Allowable Moves .....	261
10-I.B.	Restrictions On Moves .....	263
	Denial of Moves .....	263
	Restrictions on Elective Moves [24 CFR 982.314(c)] .....	264
10-I.C.	Moving Process.....	264
	Notification .....	264
	Approval .....	265
	Reexamination of Family Income and Composition.....	265
	Voucher Issuance and Briefing .....	265
	Housing Assistance Payments [24 CFR 982.311(d)] .....	265
PART II:	PORTABILITY .....	266
10-II.A.	Overview.....	266
10-II.B.	Initial PHA Role.....	266
	Allowable Moves under Portability.....	266
	Determining Income Eligibility .....	267
	Reexamination of Family Income and Composition.....	268
	Briefing .....	268
	Voucher Issuance and Term.....	268
	Voucher Extensions and Expiration .....	269
	Preapproval Contact with the Receiving PHA.....	269
	Initial Notification to the Receiving PHA .....	269
	Sending Documentation to the Receiving PHA.....	270
	Initial Billing Deadline [Notice PIH 2011-3] .....	271
	Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2011-3].....	271
	Annual Updates of Form HUD-50058 .....	272
	Denial or Termination of Assistance [24 CFR 982.355(c)(9)] .....	272
10-II.C.	Receiving PHA Role .....	272
	Responding to Initial PHA’s Request.....	272
	Initial Contact with Family .....	272
	Briefing .....	273
	Income Eligibility and Reexamination .....	273
	Voucher Issuance .....	274
	Notifying the Initial PHA.....	275
	Administering a Portable Family’s Voucher .....	275
	Absorbing a Portable Family .....	278

**Chapter 11**  
**REEXAMINATIONS**

PART I:	ANNUAL REEXAMINATIONS [24 CFR 982.516].....	279
11-I.A.	Overview.....	279
11-I.B.	Scheduling Annual Reexaminations .....	280
	Notification of and Participation in the Annual Reexamination Process .....	280
11-I.C.	Conducting Annual Reexaminations.....	281
11-I.D.	Determining Ongoing Eligibility of Certain Students [24 CFR 982.552(b)(5)].....	282
11-I.E.	Effective Dates .....	283
PART II:	INTERIM REEXAMINATIONS [24 CFR 982.516].....	284
11-II.A.	Overview.....	284
11-II.B.	Changes In Family and Household Composition .....	284
	New Family Members <u>Not</u> Requiring Approval.....	284
	New Family and Household Members Requiring Approval .....	285
	Departure of a Family or Household Member .....	286
11-II.C.	Changes Affecting Income or Expenses.....	286
	PHA-Initiated Interim Reexaminations .....	286
	Family-Initiated Interim Reexaminations .....	287
11-II.D.	Processing the Interim Reexamination.....	288
	Method of Reporting .....	288
	Effective Dates .....	288
PART III:	RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT .....	289
11-III.A.	Overview.....	289
11-III.B.	Changes In Payment Standards and Utility Allowances .....	289
	Payment Standards [24 CFR 982.505] .....	289
	Subsidy Standards [24 CFR 982.505(c)(4)].....	290
	Utility Allowances [24 CFR 982.517(d)] .....	290
11-III.C.	Notification of New Family Share and HAP Amount .....	290
11-III.D.	Discrepancies .....	291



PART III: TERMINATION OF TENANCY BY THE OWNER.....	306
12-III.A. Overview.....	306
12-III.B. Grounds for Owner Termination of Tenancy [24 CFR 982.310, 24 CFR 5.2005(c), and Form HUD-52641-A, Tenancy Addendum].....	306
Serious or Repeated Lease Violations .....	306
Violation of Federal, State, or Local Law .....	306
Criminal Activity or Alcohol Abuse .....	306
Other Good Cause .....	307
12-III.C. Eviction [24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum] .....	308
12-III.D. Deciding Whether to Terminate Tenancy [24 CFR 982.310(h), 24 CFR 982.310(h)(4)].....	308
12-III.E. Effect of Tenancy Termination on the Family’s Assistance .....	309
Exhibit 12-1: Statement of Family Obligations .....	310

## Chapter 13 OWNERS

PART I:	OWNERS IN THE HCV PROGRAM .....	314
	13-I.A. Owner Recruitment and Retention [HCV GB, pp. 2-4 to 2-6] .....	314
	Recruitment .....	314
	Retention .....	315
	13-I.B. Basic HCV Program Requirements.....	315
	13-I.C. Owner Responsibilities [24 CFR 982.452].....	317
	13-I.D. Owner Qualifications .....	317
	Owners Barred from Participation [24 CFR 982.306(a) and (b)] ....	317
	Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2].....	317
	Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19] .....	317
	Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)] .....	319
	Legal Ownership of Unit .....	320
	13-I.E. Non-Discrimination [HAP Contract – Form HUD-52641] .....	320
PART II:	HAP CONTRACTS.....	321
	13-II.A. Overview.....	321
	13-II.B. HAP Contract Contents .....	321
	13-II.C. HAP Contract Payments .....	323
	General.....	323
	Owner Certification of Compliance .....	323
	Late HAP Payments [24 CFR 982.451(a)(5)].....	324
	Termination of HAP Payments [24 CFR 982.311(b)].....	324
	13-II.D. Breach of HAP Contract [24 CFR 982.453].....	325
	13-II.E. HAP Contract Term and Terminations.....	326
	13-II.F. Change In Ownership / Assignment of the HAP Contract [HUD-52641].....	327
	13-II.G. Foreclosure [HUD-52641 and Notice PIH 2010-49] .....	328

**Chapter 14**  
**PROGRAM INTEGRITY**

PART I:	PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE .....	330
14-I.A.	Preventing Errors and Program Abuse .....	331
14-I.B.	Detecting Errors and Program Abuse.....	332
	Quality Control and Analysis of Data .....	332
	Independent Audits and HUD Monitoring .....	332
	Individual Reporting of Possible Errors and Program Abuse.....	333
14-I.C.	Investigating Errors and Program Abuse.....	333
	When the PHA Will Investigate.....	333
	Consent to Release of Information [24 CFR 982.516].....	333
	Analysis and Findings.....	333
	Consideration of Remedies .....	334
	Notice and Appeals.....	334
PART II:	CORRECTIVE MEASURES AND PENALTIES .....	335
14-II.A.	Subsidy Under- or Overpayments.....	335
	Corrections .....	335
	Reimbursement.....	335
14-II.B.	Family-Caused Errors and Program Abuse .....	335
	Family Reimbursement to PHA [HCV GB pp. 22-12 to 22-13].....	335
	PHA Reimbursement to Family [HCV GB p. 22-12] .....	336
	Prohibited Actions .....	336
	Penalties for Program Abuse.....	337
14-II.C.	Owner-Caused Error or Program Abuse .....	337
	Owner Reimbursement to the PHA.....	337
	Prohibited Owner Actions.....	337
	Remedies and Penalties .....	338
14-II.D.	PHA-Caused Errors or Program Abuse.....	339
	Repayment to the PHA .....	339
	PHA Reimbursement to Family or Owner.....	339
	Prohibited Activities .....	339
14-II.E.	Criminal Prosecution .....	340
14-II.F.	Fraud and Program Abuse Recoveries .....	340

**Chapter 15**  
**SPECIAL HOUSING TYPES**  
[24 CFR 982 Subpart M]

PART I:	SINGLE ROOM OCCUPANCY [24 CFR 982.602 through 982.605].....	342
	15-I.A. Overview.....	342
	15-I.B. Payment Standard, Utility Allowance, and HAP Calculation .....	342
	15-I.C. Housing Quality Standards (HQS).....	342
PART II:	CONGREGATE HOUSING [24 CFR 982.606 through 982.609] .....	344
	15-II.A. Overview.....	344
	15-II.B. Payment Standard, Utility Allowance, and HAP Calculation .....	344
	15-II.C. Housing Quality Standards .....	344
PART III:	GROUP HOME [24 CFR 982.610 through 982.614 and HCV GB p. 7-4].....	345
	15-III.A. Overview.....	345
	15-III.B. Payment Standard, Utility Allowance, and HAP Calculation .....	345
	15-III.C. Housing Quality Standards .....	346
PART IV:	SHARED HOUSING [24 CFR 982.615 through 982.618] .....	348
	15-IV.I. Overview.....	348
	15-IV.B. Payment Standard, Utility Allowance and HAP Calculation .....	348
	15-IV.C. Housing Quality Standards .....	349
PART V:	COOPERATIVE HOUSING [24 CFR 982.619] .....	350
	15-V.A. Overview.....	350
	15-V.B. Payment Standard, Utility Allowance and HAP Calculation .....	350
	15-V.C. Housing Quality Standards .....	350
PART VI:	MANUFACTURED HOMES [24 CFR 982.620 through 982.624] .....	351
	15-VI.A. Overview.....	351
	15-VI.B. Special Policies for Manufactured Home Owners	
	Who Lease A Space .....	351
	Family Income.....	351
	Lease and HAP Contract.....	351
	15-VI.C. Payment Standard, Utility Allowance and HAP Calculation .....	352
	Payment Standards .....	352
	Utility Allowance .....	352
	Space Rent.....	352
	Housing Assistance Payment .....	352
	Rent Reasonableness .....	352
	15-VI.D. Housing Quality Standards .....	353

PART VII: HOMEOWNERSHIP [24 CFR 982.625 through 982.643]	354
15-VII.A. Overview [24 CFR 982.625]	354
15-VII.B. Family Eligibility [24 CFR 982.627]	355
15-VII.C. Selection of Families [24 CFR 982.626]	356
15-VII.D. Eligible Units [24 CFR 982.628]	356
15-VII.E. Additional PHA Requirements for Search and Purchase [24 CFR 982.629]	357
15-VII.F. Homeownership Counseling [24 CFR 982.630]	358
15-VII.G. Home Inspections, Contract of Sale, and PHA Disapproval of Seller [24 CFR 982.631]	359
Home Inspections	359
Contract of Sale	359
Disapproval of a Seller	359
15-VII.H. Financing [24 CFR 982.632]	360
15-VII.I. Continued Assistance Requirements; Family Obligations [24 CFR 982.633]	360
15-VII.J. Maximum Term of Homeowner Assistance [24 CFR 982.634]	361
15-VII.K. Homeownership Assistance Payments and Homeownership Expenses [24 CFR 982.635]	361
15-VII.L. Portability [24 CFR 982.636, 982.637, 982.353(b) and (c), 982.552, 982.553]	363
15-VII.M. Moving with Continued Assistance [24 CFR 982.637]	363
15-VII.N. Denial or Termination of Assistance [24 CFR 982.638]	364

**Chapter 16**  
**PROGRAM ADMINISTRATION**

PART I:	ADMINISTRATIVE FEE RESERVE [24 CFR 982.155] .....	366
PART II:	SETTING PROGRAM STANDARDS AND SCHEDULES.....	367
	16-II.A. Overview.....	367
	16-II.B. Payment Standards [24 CFR 982.503; HCV GB, Chapter 7].....	367
	Updating Payment Standards .....	368
	Exception Payment Standards [982.503(c)] .....	369
	Unit-by-Unit Exceptions [24 CFR 982.503(c)(2)(ii), 24 CFR 982.505(d), Notice PIH 2010-26].....	369
	"Success Rate" Payment Standard Amounts [24 CFR 982.503(e)].....	370
	Decreases in the Payment Standard Below the Basic Range [24 CFR 982.503(d)] .....	370
	16-II.C. Utility Allowances [24 CFR 982.517] .....	370
	Air Conditioning.....	371
	Reasonable Accommodation.....	371
	Utility Allowance Revisions .....	371
PART III:	INFORMAL REVIEWS AND HEARINGS .....	372
	16-III.A. Overview.....	372
	16-III.B. Informal Reviews .....	372
	Decisions Subject to Informal Review .....	372
	Notice to the Applicant [24 CFR 982.554(a)].....	373
	Scheduling an Informal Review .....	373
	Informal Review Procedures [24 CFR 982.554(b)] .....	373
	Informal Review Decision [24 CFR 982.554(b)].....	374
	16-III.C. Informal Hearings for Participants [24 CFR 982.555].....	375
	Decisions Subject to Informal Hearing.....	375
	Informal Hearing Procedures .....	376
	16-III.D. Hearing and Appeal Provisions for Noncitizens [24 CFR 5.514] .....	386
	Notice of Denial or Termination of Assistance [24 CFR 5.514(d)] .....	386
	USCIS Appeal Process [24 CFR 5.514(e)].....	387
	Informal Hearing Procedures for Applicants [24 CFR 5.514(f)].....	387
	Informal Hearing Procedures for Residents [24 CFR 5.514(f)].....	387
	Retention of Documents [24 CFR 5.514(h)].....	389

PART IV:	OWNER OR FAMILY DEBTS TO THE PHA.....	390
	16-IV.A. Overview.....	390
	16-IV.B. Repayment Policy .....	391
	Owner Debts to the PHA .....	391
	Family Debts to the PHA.....	391
	Repayment Agreement [24 CFR 792.103] .....	391
	General Repayment Agreement Guidelines for Families .....	392
	Repayment Agreements Involving Improper Payments.....	394
PART V:	MANAGEMENT ASSESSMENT (SEMAP).....	395
	16-V.A. Overview.....	395
	16-V.B. SEMAP Certification [24 CFR 985.101] .....	396
	HUD Verification Method .....	396
	16-V.C. SEMAP Indicators [24 CFR 985.3 and form HUD-52648] .....	397
	SEMAP Indicators Chart .....	397
PART VI:	RECORD KEEPING .....	401
	16-VI.A. Overview.....	401
	16-VI.B. Record Retention [24 CFR 982.158].....	401
	16-VI.C. Records Management .....	402
	Privacy Act Requirements [24 CFR 5.212 and Form-9886] .....	402
	Upfront Income Verification (UIV) Records.....	402
	Criminal Records.....	403
	Medical/Disability Records.....	403
	Documentation of Domestic Violence, Dating Violence, or Stalking.....	403
PART VII:	REPORTING AND RECORD KEEPING FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL .....	404
	16-VII.A. Overview.....	404
	16-VII.B. Reporting Requirement [24 CFR 35.1225(e)] .....	404
	16-VII.C. Data Collection and Record Keeping [24 CFR 35.1225(f)] .....	404
PART VIII:	DETERMINATION OF INSUFFICIENT FUNDING .....	405
	16-VIII.A. Overview.....	405
	16-VIII.B. Methodology .....	405

PART IX: VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, CONFIDENTIALITY .....	406
16-IX.A. Overview .....	406
16-IX.B. Definitions [24 CFR 5.2003] .....	406
16-IX.C. Notification [24 CFR 5.2005(a)].....	408
Notification to Public.....	408
Notification to Program Applicants and Participants [24 CFR 5.2005(a)(1)] .....	409
Notification to Owners and Managers [24 CFR 5.2005(a)(2)] .....	409
16-IX.D. Documentation [24 CFR 5.2007] .....	410
Conflicting Documentation [24 CFR 5.2007(e)] .....	411
Discretion to Require No Formal Documentation [24 CFR 5.2007(d)] .....	411
16-IX.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)].....	411
Exhibit 16-1: Sample Notice to Housing Choice Voucher Applicants and Tenants Regarding the Violence Against Women Act (VAWA) .....	413
Exhibit 16-2: Sample Notice to Housing Choice Voucher Owners and Managers Regarding the Violence Against Women Act (VAWA) .....	416

GLOSSARY

## **Introduction**

### **ABOUT THE REFERENCES CITED IN THE MODEL ADMINISTRATIVE PLAN**

#### **AUTHORITIES IN THE MODEL ADMINISTRATIVE PLAN**

Authority for PHA policies is derived from many sources. Primary among these sources are regulations and guidance issued by HUD. State law also directs PHA policy. State law must be followed where such law exists and does not conflict with federal regulations. In the absence of legal requirements or HUD guidance, industry practice may lead to PHA policy.

#### **HUD**

HUD provides the primary source of PHA policy through federal regulations, HUD Notices and handbooks. Compliance with federal regulations, current HUD Notices and HUD handbooks is mandatory.

HUD provides nonmandatory guidance to PHAs through HUD published guidebooks. Expired HUD Notices and handbooks also provide guidance for PHA policy. Following HUD guidance is optional, as long as PHA policies comply with federal law, federal regulations and mandatory policy. Because HUD has already determined that the guidance it provides is consistent with mandatory policies, PHA reliance on HUD guidance provides the PHA with a “safe harbor.”

Content contained on the HUD website can provide further clarification of HUD policies. For example, FAQs on the HUD website can provide direction on the application of federal regulations to a specific pattern.

#### **State Law**

Where there is no mandatory federal guidance, PHAs must comply with state law, if it exists. Where state law is more restrictive than federal law, but does not conflict with it, the PHA should follow the state law.

#### **Industry Practice**

Where no law or HUD authority exists on a particular subject, industry practice may support PHA policy. An industry practice is a way of doing things that is followed by most housing authorities.

## RESOURCES CITED IN THE MODEL ADMINISTRATIVE PLAN

The model administrative plan cites several documents. Where a document or resource is cited frequently, it may be abbreviated. Where it is cited only once or twice, the model administrative plan may contain the entire name of the document or resource. Following is a key to abbreviations used for various sources that are frequently cited in the administrative plan and a list of references and document locations that are referenced in the model administrative plan or that may be helpful to you.

### Abbreviations

Throughout the model administrative plan, abbreviations are used to designate certain documents in citations. The following is a table of abbreviations of documents cited in the model administrative plan.

<b>Abbreviation</b>	<b>Document</b>
CFR	Code of Federal Regulations
HCV GB	Housing Choice Voucher Program Guidebook (7420.10G), April 2001.
HUD-50058 IB	HUD-50058 Instruction Booklet
RHIIP FAQs	Rental Housing Integrity Improvement Program (RHIIP) Frequently Asked Questions.
VG	PIH Notice 2004-01 Verification Guidance, March 9, 2004.
HB 4350.3	Occupancy Requirements of Subsidized Multifamily Housing Programs

## Resources and Where to Find Them

Following is a list of resources helpful to the PHA or referenced in the model administrative plan, and the online location of each.

<b>Document and Location</b>
Code of Federal Regulations  <a href="http://www.gpoaccess.gov/cfr/index.html"><u>http://www.gpoaccess.gov/cfr/index.html</u></a>
Earned Income Disregard FAQ  <a href="http://www.hud.gov/offices/pih/phr/about/ao_faq_eid.cfm"><u>www.hud.gov/offices/pih/phr/about/ao_faq_eid.cfm</u></a>
Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Final Rule  <a href="http://edocket.access.gpo.gov/2008/pdf/E8-19435.pdf"><u>http://edocket.access.gpo.gov/2008/pdf/E8-19435.pdf</u></a>
Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data  <a href="http://www.hud.gov/offices/pih/programs/ph/rhiip/docs/eivsecguidepha.pdf"><u>http://www.hud.gov/offices/pih/programs/ph/rhiip/docs/eivsecguidepha.pdf</u></a>
Executive Order 11063  <a href="http://www.hud.gov/offices/fheo/FHLaws/EXO11063.cfm"><u>http://www.hud.gov/offices/fheo/FHLaws/EXO11063.cfm</u></a>

Federal Register

[http://www.access.gpo.gov/su\\_docs/aces/fr-cont.html](http://www.access.gpo.gov/su_docs/aces/fr-cont.html)

General Income and Rent Determination FAQs

[www.hud.gov/offices/pih/programs/ph/rhiip/faq\\_gird.cfm](http://www.hud.gov/offices/pih/programs/ph/rhiip/faq_gird.cfm)

Housing Choice Voucher Program Guidebook (7420.10G), April 2001

[www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm](http://www.hud.gov/offices/pih/programs/hcv/forms/guidebook.cfm)

HUD-50058 Instruction Booklet

<http://www.hud.gov/offices/pih/systems/pic/50058/pubs/ib/form50058ib.pdf>

Joint Statement of the Department of Housing and Urban Development and the Department of Justice, issued May 17, 2004

<http://www.hud.gov/offices/fheo/library/huddojstatement.pdf>

Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons, published December 19, 2003

[http://www.hudclips.org/sub\\_nonhud/cgi/pdf/31267.pdf](http://www.hudclips.org/sub_nonhud/cgi/pdf/31267.pdf)

Notice PIH 2012-10, Verification of Social Security Numbers (SSNs) and Supplemental Security Income (SSI) Benefits; and Effective Use of the Enterprise Income Verification (EIV) System's Identity Verification Report

<http://portal.hud.gov/huddoc/pih2012-10.pdf>

Notice PIH 2010-19, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System

<http://www.hud.gov/offices/pih/publications/notices/10/pih2010-19.pdf>

Notice PIH 2010-26 (HA), Nondiscrimination and Accessibility Notice

<http://www.hud.gov/offices/pih/publications/notices/10/pih2010-26.pdf>

OMB Circular A-133

**[http://www.whitehouse.gov/omb/circulars/a133 compliance supplement 2010](http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2010)**

Project-Based Voucher Program; Final Rule

**[http://www.hudclips.org/sub\\_nonhud/cgi/pdf/20035.pdf](http://www.hudclips.org/sub_nonhud/cgi/pdf/20035.pdf)**

Rental Housing Integrity Improvement Program (RHIIP) Frequently Asked Questions.

**[www.hud.gov/offices/pih/programs/ph/rhiip/faq.cfm](http://www.hud.gov/offices/pih/programs/ph/rhiip/faq.cfm)**

VAWA Final Rule

**<http://www.gpo.gov/fdsys/pkg/FR-2010-10-27/pdf/2010-26914.pdf>**

Verification FAQ

**[www.hud.gov/offices/pih/programs/ph/rhiip/faq\\_verif.cfm](http://www.hud.gov/offices/pih/programs/ph/rhiip/faq_verif.cfm)**

Verification Guidance, March 2004 (attachment to Notice PIH 2004-1)

**<http://www.hud.gov/offices/pih/publications/notices/04/verifguidance.pdf>**

The HUD Web site is **<http://www.hud.gov/index.html>**.

Guidebooks, handbooks and other HUD resources may be found at the HUDClips Web site:  
<http://www.hud.gov/offices/adm/hudclips/>.

## Chapter 1

### OVERVIEW OF THE PROGRAM AND PLAN

#### INTRODUCTION

The PHA receives its funding for the Housing Choice Voucher (HCV) program from the Department of Housing and Urban Development. The PHA is not a federal department or agency. A public housing agency (PHA) is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The PHA enters into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. The PHA must ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about the PHA and its programs with emphasis on the HCV program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

Part I: The Public Housing Agency (PHA). This part includes a description of the PHA, its jurisdiction, its programs, and its mission and intent.

Part II: The HCV Program. This part contains information about the Housing Choice Voucher program operation, roles and responsibilities, and partnerships.

Part III: The HCV Administrative Plan. This part discusses the purpose and organization of the plan and its revision requirements.

## **PART I: THE PHA**

### **1-I.A. OVERVIEW**

This part explains the origin of the PHA's creation and authorization, the general structure of the organization, and the relationship between the PHA Board and staff.

### **1-I.B. ORGANIZATION AND STRUCTURE OF THE PHA**

The Section 8 tenant-based Housing Choice Voucher (HCV) assistance program is funded by the federal government and administered by the **Gila County Housing Authority** for the jurisdiction of **Gila County**.

The officials of a PHA are known as commissioners or, collectively, as the board of commissioners. Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation, establishing policies under which the PHA conducts business, ensuring that policies are followed by PHA staff and ensuring that the PHA is successful in its mission. The board is responsible for preserving and expanding the agency's resources and assuring the agency's continued viability.

Formal actions of the PHA are taken through written resolutions, adopted by the board of commissioners and entered into the official records of the PHA.

The principal staff member of the PHA is the executive director (ED), hired and appointed by the board of commissioners. The executive director is directly responsible for carrying out the policies established by the commissioners and is delegated the responsibility for hiring, training and supervising the remainder of the PHA's staff in order to manage the day-to-day operations of the PHA to ensure compliance with federal and state laws and directives for the programs managed. In addition, the executive director's duties include budgeting and financial planning for the agency.

### **1-I.C. PHA MISSION**

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides guiding direction for developing strategy, defining critical success factors, searching out key opportunities, making resource allocation choices, satisfying clients and stakeholders, and making decisions.

#### PHA Policy

The PHA's mission is to provide safe, decent and sanitary housing conditions for very low-income families and to manage resources efficiently. The PHA is to promote personal, economic and social upward mobility to provide families the opportunity to make the transition from subsidized to non-subsidized housing.

### **1-I.D. THE PHA'S PROGRAMS**

The following programs are included under this administrative plan:

#### PHA Policy

The PHA's administrative plan is applicable to the operation of the Housing Choice Voucher program.

### **1-I.E. THE PHA'S COMMITMENT TO ETHICS AND SERVICE**

As a public service agency, the PHA is committed to providing excellent service to HCV program participants – families and owners – in the community. The PHA's standards include:

- Administer applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing – in compliance with program housing quality standards – for very low income families while ensuring that family rents are fair, reasonable, and affordable.
- Encourage self sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human services needs.
- Promote fair housing and the opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
- Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
- Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing the PHA's mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the PHA's support systems and commitment to our employees and their development.

The PHA will make every effort to keep program participants informed of HCV program rules and regulations, and to advise participants of how the program rules affect them.

## **PART II: THE HOUSING CHOICE VOUCHER (HCV) PROGRAM**

### **1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM**

The intent of this section is to provide the public and staff with information related to the overall operation of the program. There have been many changes to the program since its inception in 1974 and a brief history of the program will assist the audience in understanding the program.

The United States Housing Act of 1937 (the “Act”) is responsible for the birth of federal housing program initiatives. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing developments for low-income residents.

The Housing and Community Development (HCD) Act of 1974 created a new federally assisted housing program – the Section 8 Existing program (also known as the Section 8 Certificate program). The HCD Act represented a significant shift in federal housing strategy from locally owned public housing to privately owned rental housing.

Under the Certificate program, federal housing assistance payments were made directly to private owners of rental housing, where this housing was made available to lower-income families. Eligible families were able to select housing in the private rental market. Assuming that the housing met certain basic physical standards of quality (“housing quality standards”) and was within certain HUD-established rent limitations (“fair market rents”), the family would be able to receive rental assistance in the housing unit. Family contribution to rent was generally set at 30 percent of the family’s adjusted income, with the remainder of the rent paid by the program.

Another unique feature of the Certificate program was that the rental assistance remained with the eligible family, if the family chose to move to another privately-owned rental unit that met program requirements (in contrast to the public housing program where the rental assistance remains with the unit, should the family decide to move). Consequently, the Certificate program was characterized as tenant-based assistance, rather than unit-based assistance.

The Housing and Community Development (HCD) Act of 1987 authorized a new version of tenant-based assistance – the Section 8 Voucher program. The Voucher program was very similar to the Certificate program in that eligible families were able to select housing in the private rental market and receive assistance in that housing unit.

However, the Voucher program permitted families more options in housing selection. Rental housing still had to meet the basic housing quality standards, but there was no fair market rent limitation on rent. In addition, family contribution to rent was not set at a limit of 30 percent of adjusted income. Consequently, depending on the actual rental cost of the unit selected, a family might pay more or less than 30 percent of their adjusted income for rent.

From 1987 through 1999, public housing agencies managed both the Certificate and Voucher tenant-based assistance programs, with separate rules and requirements for each. From 1994 through 1998, HUD published a series of new rules, known as “conforming” rules, to more closely combine and align the two similar housing programs, to the extent permitted by the law.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act – was signed into law. QHWRA eliminated all statutory differences between the Certificate and Voucher tenant-based programs and required that the two programs be merged into a single tenant-based assistance program, now known as the Housing Choice Voucher (HCV) program.

The HCV program was modeled closely on the pre-merger Voucher program. However, unlike the pre-merger Voucher program, the HCV program requires an assisted family to pay at least 30 percent of adjusted income for rent.

The transition of assistance from the Certificate and Voucher programs to the new HCV program began in October 1999. By October 2001, all families receiving tenant-based assistance were converted to the HCV program.

## **1-II.B. HCV PROGRAM BASICS**

The purpose of the HCV program is to provide rental assistance to eligible families. The rules and regulations of the HCV program are determined by the U.S. Department of Housing and Urban Development. The PHA is afforded choices in the operation of the program which are included in the PHA's administrative plan, a document approved by the board of commissioners of the PHA.

The HCV program offers mobility to eligible families because they may search for suitable housing anywhere in the PHA's jurisdiction and may also be eligible to move under portability to other PHAs' jurisdictions.

When a family is determined to be eligible for the program and funding is available, the PHA issues the family a housing voucher. When the family finds a suitable housing unit and funding is available, the PHA will enter into a contract with the owner and the family will enter into a lease with the owner. Each party makes their respective payment to the owner so that the owner receives full rent.

Even though the family is determined to be eligible for the program, the owner has the responsibility of approving the family as a suitable renter. The PHA continues to make payments to the owner as long as the family is eligible and the housing unit continues to qualify under the program.

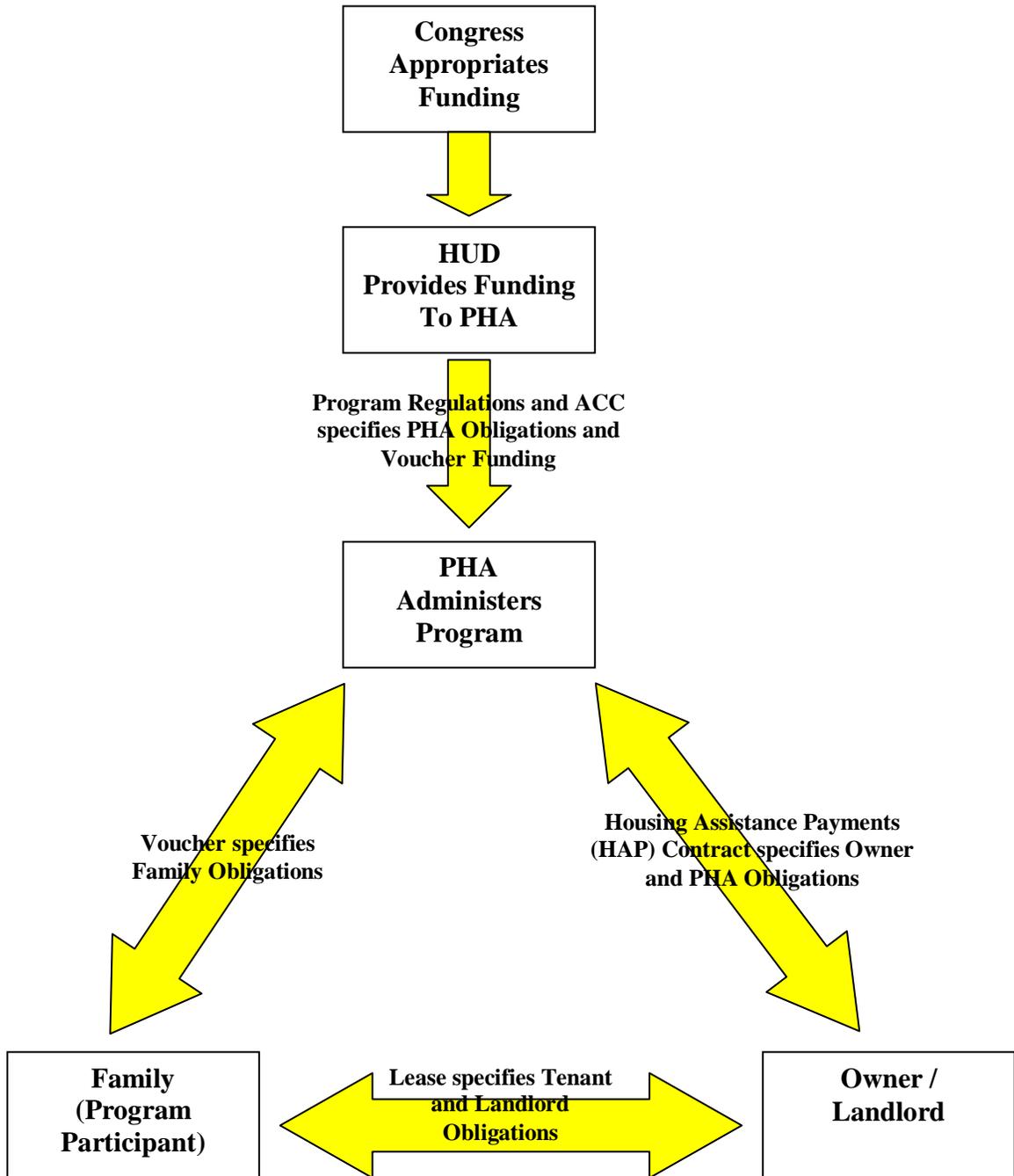
## **1-II.C. THE HCV PARTNERSHIPS**

To administer the HCV program, the PHA enters into a contractual relationship with HUD. The PHA also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit.

For the HCV program to work and be successful, all parties involved – HUD, the PHA, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

The chart on the following page illustrates key aspects of these relationships.

**The HCV Relationships:**



### **What does HUD do?**

HUD has the following major responsibilities:

- Develop regulations, requirements, handbooks, notices and other guidance to implement HCV housing program legislation passed by Congress;
- Allocate HCV program funds to PHAs;
- Provide technical assistance to PHAs on interpreting and applying HCV program requirements;
- Monitor PHA compliance with HCV program requirements and PHA performance in program administration.

### **What does the PHA do?**

The PHA administers the HCV program under contract with HUD and has the following major responsibilities:

- Establish local policies;
- Review applications from interested applicant families to determine whether applicants are eligible for the program;
- Maintain waiting list and select families for admission;
- Issue voucher to selected family and, if necessary, assist the family in finding a place to live;
- Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration;
- Approve the rental unit (including assuring compliance with housing quality standards and rent reasonableness), the owner, and the tenancy;
- Make housing assistance payments to the owner in a timely manner;
- Ensure that families and their rental units continue to qualify under the program;
- Ensure that owners and families comply with program rules;
- Provide families and owners with prompt, professional service;
- Comply with all fair housing and equal opportunity requirements , HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the PHA's administrative plan, and other applicable federal, state and local laws.

## **What does the Owner do?**

The owner has the following major responsibilities:

- Screen families who apply for tenancy, to determine if they will be good renters.
  - The PHA can provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.
  - The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, whether the family is engaging in drug-related criminal activity or other criminal activity that might threaten others.
- Comply with the terms of the Housing Assistance Payments contract, executed with the PHA;
- Comply with all applicable fair housing laws and discriminate against no one;
- Maintain the housing unit by making necessary repairs in a timely manner;
- Collect rent due from the assisted family and otherwise comply with and enforce provisions of the dwelling lease.

## **What does the Family do?**

The family has the following responsibilities:

- Provide the PHA with complete and accurate information, determined by the PHA to be necessary for administration of the program;
- Make their best and most timely efforts to find a place to live that is suitable for them and that qualifies for the program;
- Attend all appointments scheduled by the PHA;
- Allow the PHA to inspect the unit at reasonable times and after reasonable notice;
- Take responsibility for care of the housing unit, including any violations of housing quality standards caused by the family;
- Comply with the terms of the lease with the owner;
- Comply with the family obligations of the voucher;
- Not commit serious or repeated violations of the lease;
- Not engage in drug-related or violent criminal activity;
- Notify the PHA and the owner before moving or terminating the lease;
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit, assign the lease, or have any interest in the unit;
- Promptly notify the PHA of any changes in family composition;

- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

If all parties fulfill their obligations in a professional and timely manner, the program responsibilities will be fulfilled effectively.

#### **1-II.D. APPLICABLE REGULATIONS**

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Vouchers
- 24 CFR Part 985: The Section 8 Management Assessment Program (SEMAP)

## **PART III: THE HCV ADMINISTRATIVE PLAN**

### **1-III.A. OVERVIEW AND PURPOSE OF THE PLAN**

The administrative plan is required by HUD. The purpose of the administrative plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the PHA's agency plan. This administrative plan is a supporting document to the PHA agency plan, and is available for public review as required by CFR 24 Part 903.

This administrative plan is set forth to define the PHA's local policies for operation of the housing programs in the context of federal laws and regulations. All issues related to Section 8 not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices and other applicable law. The policies in this administrative plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

The PHA is responsible for complying with all changes in HUD regulations pertaining to the HCV program. If such changes conflict with this plan, HUD regulations will have precedence.

Administration of the HCV program and the functions and responsibilities of PHA staff shall be in compliance with the PHA's personnel policy and HUD's Section 8 regulations as well as all federal, state and local fair housing laws and regulations.

### **1-III.B. CONTENTS OF THE PLAN [24 CFR 982.54]**

HUD regulations contain a list of what must be included in the administrative plan. The PHA administrative plan must cover PHA policies on these subjects:

- Selection and admission of applicants from the PHA waiting list, including any PHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the PHA waiting list (Chapter 4);
- Issuing or denying vouchers, including PHA policy governing the voucher term and any extensions or suspensions of the voucher term. 'Suspension' means stopping the clock on the term of a family's voucher after the family submits a request for approval of the tenancy. If the PHA decides to allow extensions or suspensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions or suspensions, and how the PHA determines the length of any extension or suspension (Chapter 5);
- Any special rules for use of available funds when HUD provides funding to the PHA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4);

- Occupancy policies, including definition of what group of persons may qualify as a 'family', definition of when a family is considered to be 'continuously assisted'; standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 (Chapters 3 and 12);
- Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13);
- Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2);
- Providing information about a family to prospective owners (Chapters 3 and 9);
- Disapproval of owners (Chapter 13);
- Subsidy standards (Chapter 5);
- Family absence from the dwelling unit (Chapter 12) ;
- How to determine who remains in the program if a family breaks up (Chapter 3);
- Informal review procedures for applicants (Chapter 16);
- Informal hearing procedures for participants (Chapter 16);
- The process for establishing and revising voucher payment standards (Chapter 16);
- The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 8);
- Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 15);
- Policies concerning payment by a family to the PHA of amounts the family owes the PHA (Chapter 16);
- Interim redeterminations of family income and composition (Chapter 11);
- Restrictions, if any, on the number of moves by a participant family (Chapter 10);
- Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 16);
- Procedural guidelines and performance standards for conducting required housing quality standards inspections (Chapter 8); and
- PHA screening of applicants for family behavior or suitability for tenancy (Chapter 3).

## **Mandatory vs. Discretionary Policy**

HUD makes a distinction between:

- Mandatory policies: those driven by legislation, regulations, current handbooks, notices, and legal opinions, and
- Optional, non-binding guidance, including guidebooks, notices that have expired and recommendations from individual HUD staff.

HUD expects PHAs to develop policies and procedures that are consistent with mandatory policies and to make clear the optional policies the PHA has adopted. The PHA's administrative plan is the foundation of those policies and procedures. HUD's directions require PHAs to make policy choices that provide guidance to staff and consistency to program applicants and participants.

Following HUD guidance, even though it is not mandatory, provides a PHA with a "safe harbor." HUD has already determined that the recommendations and suggestions it makes are consistent with mandatory policies. If a PHA adopts an alternative strategy, it must make its own determination that the alternative approach is consistent with legislation, regulations, and other mandatory requirements. There may be very good reasons for adopting a policy or procedure that is different than HUD's safe harbor, but PHAs should carefully think through those decisions.

### **1-III.C. ORGANIZATION OF THE PLAN**

The Plan is organized to provide information to users in particular areas of operation.

### **1-III.D. UPDATING AND REVISING THE PLAN**

The PHA will revise this administrative plan as needed to comply with changes in HUD regulations. The original plan and any changes must be approved by the board of commissioners of the agency, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

#### PHA Policy

The PHA will review and update the plan at least once a year, and more often if needed, to reflect changes in regulations, PHA operations, or when needed to ensure staff consistency in operation.

## Chapter 2

### FAIR HOUSING AND EQUAL OPPORTUNITY

#### INTRODUCTION

This chapter explains the laws and HUD regulations requiring PHAs to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility to further nondiscrimination pertains to all areas of the PHA's housing choice voucher (HCV) operations.

This chapter describes HUD regulations and PHA policies related to these topics in three parts:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of the PHA regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the housing choice voucher program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42.U.S.C.) and Section 504 of the Rehabilitation Act of 1973, and incorporate guidance from the Joint Statement of The Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.

Part III: Prohibition of Discrimination Against Limited English Proficiency Persons. This part details the obligations of the PHA to ensure meaningful access to the HCV program and its activities by persons with limited English proficiency (LEP). This part incorporates the Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons published January 22, 2007, in the *Federal Register*.

## PART I: NONDISCRIMINATION

### 2-I.A. OVERVIEW

Federal laws require PHAs to treat all applicants and participants equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. The PHA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Violence Against Women Reauthorization Act of 2005 (VAWA)
- The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the *Federal Register* February 3, 2012

When more than one civil rights law applies to a situation, the laws will be read and applied together.

Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted will also apply.

#### PHA Policy

No state or local nondiscrimination laws or ordinances apply.

## **2-I.B. NONDISCRIMINATION**

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as PHA policies, can prohibit discrimination against additional classes of people.

The PHA shall not discriminate because of race, color, sex, religion, familial status, age, disability or national origin (called “protected classes”)

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

The PHA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12].

### PHA Policy

The PHA does not identify any additional protected classes.

The PHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
- Provide housing that is different from that provided to others
- Subject anyone to segregation or disparate treatment
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
- Treat a person differently in determining eligibility or other requirements for admission
- Steer an applicant or participant toward or away from a particular area based any of these factors
- Deny anyone access to the same level of services
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminate in the provision of residential real estate transactions
- Discriminate against someone because they are related to or associated with a member of a protected class
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class

## **Providing Information to Families and Owners**

The PHA must take steps to ensure that families and owners are fully aware of all applicable civil rights laws. As part of the briefing process, the PHA must provide information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods [24 CFR 982.301]. The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

## **Discrimination Complaints**

If an applicant or participant believes that any family member has been discriminated against by the PHA or an owner, the family should advise the PHA. HUD requires the PHA to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. In addition, the PHA is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304].

### PHA Policy

Applicants or participants who believe that they have been subject to unlawful discrimination may notify the PHA either orally or in writing.

The PHA will attempt to remedy discrimination complaints made against the PHA.

The PHA will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

## **PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES**

### **2-II.A. OVERVIEW**

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

The PHA must ensure that persons with disabilities have full access to the PHA's programs and services. This responsibility begins with the first inquiry of an interested family and continues through every programmatic area of the HCV program.

#### PHA Policy

The PHA will ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the PHA, by including the following language:

“If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority.”

A specific name and phone number will be indicated as the contact for requests for accommodation for persons with disabilities.

## **2-II.B. DEFINITION OF REASONABLE ACCOMMODATION**

A person with a disability may require special accommodations in order to have equal access to the HCV program. The types of reasonable accommodations the PHA can provide include changes, exceptions, or adjustments to a rule, policy, practice, or service.

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an "undue financial and administrative burden" for the PHA, or result in a "fundamental alteration" in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider's operations.

### **Types of Reasonable Accommodations**

When needed, the PHA must modify normal procedures to accommodate the needs of a person with disabilities. Examples include:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside the PHA range) if the PHA determines this is necessary to enable a person with disabilities to obtain a suitable housing unit
- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with PHA staff
- Displaying posters and other housing information in locations throughout the PHA's office in such a manner as to be easily readable from a wheelchair

## **2-II.C. REQUEST FOR AN ACCOMMODATION**

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the PHA treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the PHA's programs and services.

If the need for the accommodation is not readily apparent or known to the PHA, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability.

### PHA Policy

The PHA will encourage the family to make its request in writing using a reasonable accommodation request form. However, the PHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

## **2-II.D. VERIFICATION OF DISABILITY**

**The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.**

Before providing an accommodation, the PHA must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the PHA's programs and services.

If a person's disability is obvious, or otherwise known to the PHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to the PHA, the PHA must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation.

When verifying a disability, the PHA will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 16. In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act]
- The PHA must request only information that is necessary to evaluate the disability-related need for the accommodation. The PHA will not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.
- In the event that the PHA does receive confidential information about a person's specific diagnosis, treatment, or the nature or severity of the disability, the PHA will dispose of it. In place of the information, the PHA will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the information [Notice PIH 2010-26].

**2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION** [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act, Notice PIH 2010-26].

The PHA must approve a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the PHA, or fundamentally alter the nature of the PHA's HCV operations (including the obligation to comply with HUD requirements and regulations).

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the overall size of the PHA's program with respect to the number of employees, type of facilities and size of budget, type of operation including composition and structure of workforce, the nature and cost of the requested accommodation, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the PHA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the PHA may verify the need for the requested accommodation.

PHA Policy

After a request for an accommodation is presented, the PHA will respond, in writing, within 10 business days.

If the PHA denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the PHA's operations), the PHA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the HCV program and without imposing an undue financial and administrative burden.

If the PHA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the PHA will notify the family, in writing, of its determination within 10 business days from the date of the most recent discussion or communication with the family.

## **2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS**

HUD regulations require the PHA to ensure that persons with disabilities related to hearing and vision have reasonable access to the PHA's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, the PHA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

### PHA Policy

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication will be available.

To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with PHA staff, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

## **2-II.G. PHYSICAL ACCESSIBILITY**

The PHA must comply with a variety of regulations pertaining to physical accessibility, including the following:

- Notice PIH 2010-26
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

The PHA's policies concerning physical accessibility must be readily available to applicants and participants. They can be found in three key documents:

- This plan describes the key policies that govern the PHA's responsibilities with regard to physical accessibility.
- Notice PIH 2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally-funded housing programs.
- The PHA Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of PHA facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the HCV program.

When issuing a voucher to a family that includes an individual with disabilities, the PHA will include a current list of available accessible units known to the PHA and will assist the family in locating an available accessible unit, if necessary.

In general, owners must permit the family to make reasonable modifications to the unit. However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family's expense when the family moves.

## **2-II.H. DENIAL OR TERMINATION OF ASSISTANCE**

A PHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 982.552 (2)(iv)].

When applicants with disabilities are denied assistance, the notice of denial must inform them of the PHA's informal review process and their right to request a hearing. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal hearing process.

When a participant family's assistance is terminated, the notice of termination must inform them of the PHA's informal hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, the PHA must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to the PHA's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the PHA must make the accommodation.

## **PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)**

### **2-III.A. OVERVIEW**

Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register*.

The PHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).

LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this administrative plan, LEP persons are HCV applicants and participants, and parents and family members of applicants and participants.

In order to determine the level of access needed by LEP persons, the PHA will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the Housing Choice Voucher program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the PHA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the PHA.

## **2-III.B. ORAL INTERPRETATION**

In a courtroom, a hearing, or situations in which health, safety, or access to important benefits and services are at stake, the PHA will generally offer, or ensure that the family is offered through other sources, competent services free of charge to the LEP person.

### PHA Policy

The PHA will analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. “Reasonable steps” may not be reasonable where the costs imposed substantially exceed the benefits.

Where feasible, the PHA will train and hire bilingual staff to be available to act as interpreters and translators, will pool resources with other PHAs, and will standardize documents. Where feasible and possible, the PHA will encourage the use of qualified community volunteers.

Where LEP persons desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the PHA. The interpreter may be a family member or friend.

## **2-III.C. WRITTEN TRANSLATION**

Translation is the replacement of a written text from one language into an equivalent written text in another language.

### PHA Policy

In order to comply with written-translation obligations, the PHA will take the following steps:

The PHA will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally; or

If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, the PHA does not translate vital written materials, but provides written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.

## **2-III.D. IMPLEMENTATION PLAN**

After completing the four-factor analysis and deciding what language assistance services are appropriate, the PHA shall determine whether it is necessary to develop a written implementation plan to address the identified needs of the LEP populations it serves.

If the PHA determines that it is not necessary to develop a written implementation plan, the absence of a written plan does not obviate the underlying obligation to ensure meaningful access by LEP persons to the PHA's Housing Choice Voucher program and services.

### PHA Policy

If it is determined that the PHA serves very few LEP persons, and the PHA has very limited resources, the PHA will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

If the PHA determines it is appropriate to develop a written LEP plan, the following five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.

**EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3 and 100.201]**

A person with a disability, as defined under federal civil rights laws, is any person who:

- Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual, or
- Has a record of such impairment, or
- Is regarded as having such impairment

The phrase “physical or mental impairment” includes:

- Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
- Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term “physical or mental impairment” includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

“Major life activities” includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

“Has a record of such impairment” means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

“Is regarded as having an impairment” is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the PHA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

The definition of a person with disabilities does not include:

- Current illegal drug users
- People whose alcohol use interferes with the rights of others
- Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the HCV program

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the \$400 elderly/disabled household deduction, the \$480 dependent deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

**The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the HCV program, yet an accommodation is needed to provide equal opportunity.**

## Chapter 3

### ELIGIBILITY

#### INTRODUCTION

The PHA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the PHA to confirm eligibility and determine the level of the family's assistance.

To be eligible for the HCV program:

- The applicant family must:
  - Qualify as a family as defined by HUD and the PHA.
  - Have income at or below HUD-specified income limits.
  - Qualify on the basis of citizenship or the eligible immigrant status of family members.
  - Provide social security number information for family members as required.
  - Consent to the PHA's collection and use of family information as provided for in PHA-provided consent forms.
- The PHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the PHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and PHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant's past or current conduct (e.g. criminal activity) that can cause the PHA to deny assistance.

## PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

### 3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

### 3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c); HUD-50058 IB, p. 13; FR Notice 02/03/12]

The terms *family* and *household* have different meanings in the HCV program.

#### **Family**

To be eligible for assistance, an applicant must qualify as a family. *Family* as defined by HUD includes, but is not limited to the following, regardless actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. The PHA has the discretion to determine if any other group of persons qualifies as a family.

*Gender Identity* means actual or perceived gender characteristics.

*Sexual orientation* means homosexuality, heterosexuality, or bisexuality.

#### PHA Policy

A family also includes two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family must identify the individuals to be included in the family at the time of application, and must update this information if the family's composition changes.

#### **Household**

*Household* is a broader term that includes additional people who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

### **3-I.C. FAMILY BREAKUP AND REMAINING MEMBER OF TENANT FAMILY**

#### **Family Breakup [24 CFR 982.315]**

Except under the following conditions, the PHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family breakup results from an occurrence of domestic violence, dating violence, or stalking, the PHA must ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, and stalking, see section 16-IX.D of this plan.)
- If a court determines the disposition of property between members of the assisted family in a divorce or separation decree, the PHA is bound by the court's determination of which family members continue to receive assistance.

#### PHA Policy

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision or an agreement among the original family members, the PHA will determine which family will retain their placement on the waiting list or continue to receive assistance. In making its determination, the PHA will take into consideration the following factors: (1) the interest of any minor children, including custody arrangements; (2) the interest of any ill, elderly, or disabled family members; (3) the interest of any family member who is the victim of domestic violence, dating violence, or stalking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse; (4) any possible risks to family members as a result of criminal activity; and (5) the recommendations of social service professionals

#### **Remaining Member of a Tenant Family [24 CFR 5.403]**

The HUD definition of family includes the *remaining member of a tenant family*, which is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family.

If dependents are the only "remaining members of a tenant family" and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on "Caretakers for a Child."

### **3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]**

*Head of household* means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

#### PHA Policy

The family may designate any qualified family member as the head of household.

The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

### **3-I.E. SPOUSE, COHEAD, AND OTHER ADULT**

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

*Spouse* means the marriage partner of the head of household.

#### PHA Policy

A *marriage partner* includes the partner in a "common law" marriage as defined in state law. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

#### PHA Policy

Minors who are emancipated under state law may be designated as a cohead.

*Other adult* means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered other adults.

### **3-I.F. DEPENDENT [24 CFR 5.603]**

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

#### **Joint Custody of Dependents**

##### PHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

### **3-I.G. FULL-TIME STUDENT [24 CFR 5.603; HCV GB, p. 5-29]**

A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because: (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent deduction, and (2) the income of such an FTS is treated differently from the income of other family members.

### **3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403, FR Notice 02/03/12]**

#### **Elderly Persons**

An *elderly person* is a person who is at least 62 years of age.

#### **Near-Elderly Persons**

A *near-elderly person* is a person who is 50-61 years of age.

## **Elderly Family**

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because these families qualify for special deductions from income as described in Chapter 6.

### **3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403, FR Notice 02/03/12]**

#### **Persons with Disabilities**

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, the PHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability.

#### **Disabled Family**

A *disabled family* is one in which the head, spouse, or cohead is a person with disabilities. Identifying disabled families is important because these families qualify for special deductions from income as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent the PHA from denying assistance for reasons related to alcohol and drug abuse following policies found in Part III of this chapter, or from terminating assistance following the policies in Chapter 12.

### **3-I.J. GUESTS [24 CFR 5.100]**

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to so consent.

#### PHA Policy

A guest can remain in the assisted unit no longer than 30 consecutive days or a total of 90 cumulative calendar days during any 12-month period.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the assisted household more than 50 percent of the time, are not subject to the time limitations of guests as described above.

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

### **3-I.K. FOSTER CHILDREN AND FOSTER ADULTS**

*Foster adults* are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609].

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults that are living with an applicant or assisted family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603; HUD-50058 IB, p. 13].

#### PHA Policy

A *foster child* is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

### **3-I.L. ABSENT FAMILY MEMBERS**

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

#### **Definitions of Temporarily and Permanently Absent**

#### PHA Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

## **Absent Students**

### PHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

## **Absences Due to Placement in Foster Care [24 CFR 5.403]**

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

### PHA Policy

If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

## **Absent Head, Spouse, or Cohead**

### PHA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

## **Family Members Permanently Confined for Medical Reasons [HCV GB, p. 5-22]**

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

### PHA Policy

The PHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

## **Return of Permanently Absent Family Members**

### PHA Policy

The family must request PHA approval for the return of any adult family members that the PHA has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

### **3-I.M. LIVE-IN AIDE**

*Live-in aide* means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

The PHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

### PHA Policy

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. For continued approval, the family must submit a new, written request-subject to PHA verification-at each annual reexamination.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

The PHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The person commits drug-related criminal activity or violent criminal activity; or

The person currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

Within 10 business days of receiving a request for a live-in aide, including all required documentation related to the request, the PHA will notify the family of its decision in writing.

## **PART II: BASIC ELIGIBILITY CRITERIA**

### **3-II.A. INCOME ELIGIBILITY AND TARGETING**

#### **Income Limits**

HUD is required by law to set income limits that determine the eligibility of applicants for HUD's assisted housing programs, including the housing choice voucher program. The income limits are published annually and are based on HUD estimates of median family income in a particular area or county, with adjustments for family size.

#### **Types of Low-Income Families [24 CFR 5.603(b)]**

*Low-income family.* A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

*Very low-income family.* A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

*Extremely low-income family.* A family whose annual income does not exceed 30 percent of the median income for the area, adjusted for family size.

HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

#### **Using Income Limits for Eligibility [24 CFR 982.201]**

Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be one of the following:

- A *very low-income* family
- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance

under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4]

#### PHA Policy

The PHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were issued a voucher by the PHA.

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173
- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

HUD permits the PHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the PHA plan and the consolidated plans for local governments within the PHA's jurisdiction.

#### PHA Policy

The PHA has not established any additional categories of eligible low-income families.

### **Using Income Limits for Targeting [24 CFR 982.201]**

At least 75 percent of the families admitted to the PHA's program during a PHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the PHA demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not subject to the 75 percent restriction.

### **3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]**

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the PHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

## **Declaration [24 CFR 5.508]**

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

### ***U.S. Citizens and Nationals***

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the PHA to request additional documentation of their status, such as a passport.

#### **PHA Policy**

Family members who declare citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

### ***Eligible Noncitizens***

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with PHA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

### ***Ineligible Noncitizens***

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a noncontending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. The PHA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

### **Mixed Families**

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

### **Ineligible Families [24 CFR 5.514(d), (e), and (f)]**

A PHA may elect to provide assistance to a family before the verification of the eligibility of the individual or one family member [24 CFR 5.512(b)]. Otherwise, no individual or family may be assisted prior to the affirmative establishment by the PHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to the PHA in accordance with program requirements [24 CFR 5.512(a)].

#### PHA Policy

The PHA will not provide assistance to a family before the verification of at least one family member.

When a PHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 10 business days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance, and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the PHA. The informal hearing with the PHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 16.

### **Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]**

For new occupants joining the assisted family, the PHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

If an individual qualifies for a time extension for the submission of required documents, the PHA must grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

#### PHA Policy

The PHA will verify the status of applicants at the time other eligibility factors are determined.

### **3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218, Notice PIH 2012-10]**

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. A detailed discussion of acceptable documentation is provided in Chapter 7.

*Note:* These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed an SSN, has previously disclosed an SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

The PHA must deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216.

### **3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230; HCV GB, p. 5-13]**

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, and other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

The PHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

### **3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612, FR Notice 4/10/06]**

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established new restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be examined along with the income eligibility of the student's parents. In these cases, both the student and the student's parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from his/her parents in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's eligibility.

The new law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

#### **Definitions**

In determining whether and how the new eligibility restrictions apply to a student, the PHA will rely on the following definitions [FR 4/10/06, p. 18148].

#### ***Dependent Child***

In the context of the student eligibility restrictions, *dependent child* means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

## *Independent Student*

### PHA Policy

The PHA will consider a student “independent” from his or her parents and the parents’ income will not be considered when determining the student’s eligibility if the following four criteria are all met:

The individual is of legal contract age under state law.

The individual has established a household separate from his/her parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education’s definition of independent student.

To be considered an *independent student* according to the Department of Education, a student must meet one or more of the following criteria:

Be at least 24 years old by December 31 of the award year for which aid is sought

Be an orphan or a ward of the court through the age of 18

Be a veteran of the U.S. Armed Forces

Have one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent)

Be a graduate or professional student

Be married

The individual was not claimed as a dependent by his/her parents pursuant to IRS regulations, as demonstrated on the parents’ most recent tax forms.

The individual provides a certification of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

The PHA will verify that a student meets the above criteria in accordance with the policies in Section 7-II.E.

### ***Institution of Higher Education***

The PHA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education* (see Exhibit 3-2).

### ***Parents***

#### PHA Policy

For purposes of student eligibility restrictions, the definition of *parents* includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc).

### ***Person with Disabilities***

The PHA will use the statutory definition under section 3(b)(3)(E) of the 1937 Act to determine whether a student is a *person with disabilities* (see Exhibit 3-1).

### ***Veteran***

#### PHA Policy

A *veteran* is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

### **Determining Student Eligibility**

If a student is applying for assistance on his/her own, apart from his/her parents, the PHA must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, the PHA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from his/her parents or the student's parents are income eligible for the program, and (3) the "family" with which the student is applying is collectively eligible for the program.

#### PHA Policy

For any student who is subject to the 5.612 restrictions, the PHA will:

Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program

Determine whether the student is independent from his/her parents in accordance with the definition of *independent student* in this section

Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program

If the PHA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, the PHA will send a notice of denial in accordance with the policies in Section 3-III.F, and the applicant family will have the right to request an informal review in accordance with the policies in Section 16-III.B.

### ***Determining Parental Income Eligibility***

#### **PHA Policy**

For any student who is subject to the 5.612 restrictions and who does not satisfy the definition of *independent student* in this section, the PHA will determine the income eligibility of the student's parents as follows:

If the student's parents are married and living together, the PHA will obtain a joint income declaration and certification of joint income from the parents.

If the student's parent is widowed or single, the PHA will obtain an income declaration and certification of income from that parent.

If the student's parents are divorced or separated, the PHA will obtain an income declaration and certification of income from each parent.

If the student has been living with one of his/her parents and has not had contact with or does not know where to contact his/her other parent, the PHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. The PHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student's parents, the PHA will use the income limits for the jurisdiction in which the parents live.

## **PART III: DENIAL OF ASSISTANCE**

### **3-III.A. OVERVIEW**

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance.

In addition, HUD requires or permits the PHA to deny assistance based on certain types of current or past behaviors of family members.

## **Forms of Denial [24 CFR 982.552(a)(2); HCV GB, p. 5-35]**

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list
- Denying or withdrawing a voucher
- Not approving a request for tenancy or refusing to enter into a HAP contract
- Refusing to process a request for or to provide assistance under portability procedures

## **Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b), 24 CFR 5.2005(b)]**

HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

- Age, disability, race, color, religion, sex, or national origin (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction under portability. (See Chapter 10.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Whether or not a qualified applicant is or has been a victim of domestic violence, dating violence, or stalking if the applicant is otherwise qualified for assistance (See section 3-III.G.)

## **3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]**

HUD requires the PHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity. HUD permits, but does not require, the PHA to admit an otherwise-eligible family if the household member has completed a PHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g., the person involved in the criminal activity no longer lives in the household).

### PHA Policy

The PHA will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if the PHA is

able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the PHA, or the person who committed the crime, is no longer living in the household.

- The PHA determines that any household member is currently engaged in the use of illegal drugs.

PHA Policy

*Currently engaged in* is defined as any use of illegal drugs during the previous six months.

- The PHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

PHA Policy

In determining reasonable cause, the PHA will consider all credible evidence, including but not limited to, any record of convictions, arrests, or evictions of household members related to the use of illegal drugs or the abuse of alcohol. A conviction will be given more weight than an arrest. The PHA will also consider evidence from treatment providers or community-based organizations providing services to household members.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program

### **3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE**

HUD permits, but does not require, the PHA to deny assistance for the reasons discussed in this section.

#### **Criminal Activity [24 CFR 982.553]**

HUD permits, but does not require, the PHA to deny assistance if the PHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

PHA Policy

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past five years, the family will be denied assistance.

*Drug-related criminal activity*, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

*Violent criminal activity*, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners and management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including a PHA employee or a PHA contractor, subcontractor, or agent).

*Immediate vicinity* means within a three-block radius of the premises.

Evidence of such criminal activity includes, but is not limited to:

Any conviction for drug-related or violent criminal activity within the past 5 years.

Any arrests for drug-related or violent criminal activity within the past 5 years.

Any record of eviction from public or privately-owned housing as a result of criminal activity within the past 5 years.

A conviction for drug-related or violent criminal activity will be given more weight than an arrest for such activity.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

### **Previous Behavior in Assisted Housing [24 CFR 982.552(c)]**

HUD authorizes the PHA to deny assistance based on the family's previous behavior in assisted housing:

#### PHA Policy

The PHA **will not** deny assistance to an otherwise eligible family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program.

The PHA **will** deny assistance to an applicant family if:

The family does not provide information that the PHA or HUD determines is necessary in the administration of the program.

The family does not provide complete and true information to the PHA.

Any family member has been evicted from federally-assisted housing in the last five years.

Any PHA has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family owes rent or other amounts to any PHA in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs, unless the family repays the full amount of the debt prior to being selected from the waiting list.

If the family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with the PHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

*Abusive or violent behavior towards PHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

*Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, the PHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, decide not to deny assistance.

### **3-III.D. SCREENING**

#### **Screening for Eligibility**

PHAs are authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists the PHA in complying with HUD requirements and PHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records the PHA must require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

##### PHA Policy

The PHA will perform a criminal background check through local law enforcement for every adult household member.

If the results of the criminal background check indicate that there may be past criminal activity, but the results are inconclusive, the PHA will request a fingerprint card and will request information from the National Crime Information center (NCIC).

PHAs are required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

If the PHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information, the PHA must notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

#### **Screening for Suitability as a Tenant [24 CFR 982.307]**

The PHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. The PHA may opt to conduct additional screening to determine whether an applicant is likely to be a suitable tenant.

##### PHA Policy

The PHA will not conduct additional screening to determine an applicant family's suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner's unit. The PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family's history with respect to factors such as: payment of

rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires the PHA to provide prospective owners with the family's current and prior address (as shown in PHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the PHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

The PHA may not disclose to the owner any confidential information provided in response to a PHA request for documentation of domestic violence, dating violence, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

#### PHA Policy

The PHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the initial HQS inspection or before. The PHA will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

### **3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE**

#### **Evidence [24 CFR 982.553(c)]**

#### PHA Policy

The PHA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

## **Consideration of Circumstances [24 CFR 982.552(c)(2)]**

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandated (see Section 3-III.B).

### PHA Policy

The PHA will consider the following factors prior to making its decision:

The seriousness of the case, especially with respect to how it would affect other residents

The effects that denial of assistance may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.G) a victim of domestic violence, dating violence, or stalking

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The PHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

## **Removal of a Family Member's Name from the Application [24 CFR 982.552(c)(2)(ii)]**

HUD permits PHAs to impose as a condition of admission, a requirement that family members who participated in or were culpable for an action or failure to act which results in the denial of assistance, to not reside in the unit.

### PHA Policy

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit.

After admission to the program, the family must present evidence of the former family member's current address upon PHA request.

### **Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]**

If the family includes a person with disabilities, the PHA's decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

#### PHA Policy

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, the PHA will determine whether the behavior is related to the disability. If so, upon the family's request, the PHA will determine whether alternative measures are appropriate as a reasonable accommodation. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. See Chapter 2 for a discussion of reasonable accommodation.

### **3-III.F. NOTICE OF ELIGIBILITY OR DENIAL**

If the family is eligible for assistance, the PHA will notify the family when it extends the invitation to attend the voucher briefing appointment, as discussed in Chapter 5.

If the PHA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe: (1) the reasons for which assistance has been denied, (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 16, for informal review policies and procedures.

#### PHA Policy

The family will be notified of a decision to deny assistance in writing within 10 business days of the determination.

If a PHA uses a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, as the basis of a denial, a copy of the record must precede the notice to deny, with an opportunity for the applicant to dispute the accuracy and relevance of the information before the PHA can move to deny the application. In addition, a copy of the record must be provided to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with program requirements [24 CFR 982.553(d)].

### PHA Policy

If based on a criminal record or sex offender registration information, an applicant family appears to be ineligible the PHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 10 business days to dispute the accuracy and relevance of the information. If the family does not contact the PHA to dispute the information within that 10-day period, the PHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process.

Notice requirements related to denying assistance to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, or stalking are contained in Section 3-III.G.

### **3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING**

The Violence against Women Act of 2005 (VAWA) and the HUD regulation at 24 CFR 5.2005(b) prohibit PHAs from denying an applicant admission to the HCV program “on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking, if the applicant otherwise qualifies for assistance or admission.”

Definitions of key terms used in VAWA are provided in section 16-IX of this plan, where general VAWA requirements and policies pertaining to notification, documentation, and confidentiality are also located.

### **Notification**

#### PHA Policy

The PHA acknowledges that a victim of domestic violence, dating violence, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under the PHA’s policies. Therefore, if the PHA makes a determination to deny assistance to an applicant family, the PHA will include in its notice of denial the VAWA information described in section 16-IX.C of this plan and will request that an applicant wishing to claim protection under VAWA notify the PHA within 10 business days.

## **Documentation**

### ***Victim Documentation [24 CFR 5.2007]***

#### PHA Policy

If an applicant claims the protection against denial of assistance that VAWA provides to victims of domestic violence, dating violence, or stalking, the PHA will request in writing that the applicant provide documentation supporting the claim in accordance with section 16-IX.D of this plan.

### ***Perpetrator Documentation***

#### PHA Policy

If the perpetrator of the abuse is a member of the applicant family, the applicant must provide additional documentation consisting of one of the following:

A signed statement (1) requesting that the perpetrator be removed from the application and (2) certifying that the perpetrator will not be permitted to visit or to stay as a guest in the assisted unit

Documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation or treatment. The documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation.

## EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

### Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*

In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:

#### **(A) In General**

The term “developmental disability” means a severe, chronic disability of an individual that:

- (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;
- (ii) is manifested before the individual attains age 22;
- (iii) is likely to continue indefinitely;
- (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) Self-care, (II) Receptive and expressive language, (III) Learning, (IV) Mobility, (V) Self-direction, (VI) Capacity for independent living, (VII) Economic self-sufficiency; and
- (v) reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

## **(B) Infants and Young Children**

An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

### **Individual with Handicaps [24 CFR 8.3]**

*Individual with handicaps* means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(1) Physical or mental impairment includes:

- (a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
- (b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) *Is regarded as having an impairment* means:

- (a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;
- (b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or
- (c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

**EXHIBIT 3-2: DEFINITION OF INSTITUTION OF HIGHER EDUCATION**  
**[20 U.S.C. 1001 and 1002]**

**Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006]**

*Institution of Higher Education* shall have the meaning given this term in the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002.

*Definition of “Institution of Higher Education” From 20 U.S.C. 1001*

- (a) Institution of higher education. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term “institution of higher education” means an educational institution in any State that
- (1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;
  - (2) Is legally authorized within such State to provide a program of education beyond secondary education;
  - (3) Provides an educational program for which the institution awards a bachelor’s degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;
  - (4) Is a public or other nonprofit institution; and
  - (5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.
- (b) Additional institutions included. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term “institution of higher education” also includes—
- (1) Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a) of this section; and
  - (2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1) of this section, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

- (c) List of accrediting agencies. For purposes of this section and section 1002 of this title, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part G of subchapter IV of this chapter, to be reliable authority as to the quality of the education or training offered.

*Definition of “Institution of Higher Education” From 20 U.S.C. 1002*

- (a) Definition of institution of higher education for purposes of student assistance programs

- (1) Inclusion of additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term “institution of higher education” for purposes of subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—

- (A) A proprietary institution of higher education (as defined in subsection (b) of this section);

- (B) A postsecondary vocational institution (as defined in subsection (c) of this section); and

- (C) Only for the purposes of part B of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part B of subchapter IV of this chapter.

- (2) Institutions outside the United States

- (A) In general. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a)(4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B of subchapter IV of this chapter unless—

- (i) In the case of a graduate medical school located outside the United States—

- (I)(aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091(a)(5) of this title in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; and

- (bb) At least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals

of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of subchapter IV of this chapter; or

(II) The institution has a clinical training program that was approved by a State as of January 1, 1992; or

(ii) In the case of a veterinary school located outside the United States that does not meet the requirements of section 1001(a)(4) of this title, the institution's students complete their clinical training at an approved veterinary school located in the United States.

(B) Advisory panel

(i) In general. For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—

(I) Evaluate the standards of accreditation applied to applicant foreign medical schools; and

(II) Determine the comparability of those standards to standards for accreditation applied to United States medical schools.

(ii) Special rule if the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.

(C) Failure to release information. The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part B of subchapter IV of this chapter.

(D) Special rule. If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

(3) Limitations based on course of study or enrollment. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

- (A) Offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 2471 (4)(C) of this title;
  - (B) Enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;
  - (C) Has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or
  - (D) Has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2-or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.
- (4) Limitations based on management. An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—
- (A) The institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or
  - (B) The institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.

- (5) Certification. The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.
- (6) Loss of eligibility. An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action pursuant to part G of subchapter IV of this chapter.

(b) Proprietary institution of higher education

- (1) Principal criteria. For the purpose of this section, the term “proprietary institution of higher education” means a school that—
  - (A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;
  - (B) Meets the requirements of paragraphs (1) and (2) of section 1001 (a) of this title;
  - (C) Does not meet the requirement of paragraph (4) of section 1001 (a) of this title;
  - (D) Is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter;
  - (E) Has been in existence for at least 2 years; and
  - (F) Has at least 10 percent of the school's revenues from sources that are not derived from funds provided under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, as determined in accordance with regulations prescribed by the Secretary.
- (2) Additional institutions. The term “proprietary institution of higher education” also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

(c) Postsecondary vocational institution.

- (1) Principal criteria. For the purpose of this section, the term “postsecondary vocational institution” means a school that—
  - (A) Provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) Meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001 (a) of this title; and

(C) Has been in existence for at least 2 years.

(2) Additional institutions. The term “postsecondary vocational institution” also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 1001 (a) of this title, admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

## Chapter 4

### APPLICATIONS, WAITING LIST AND TENANT SELECTION

#### INTRODUCTION

When a family wishes to receive Section 8 HCV assistance, the family must submit an application that provides the PHA with the information needed to determine the family's eligibility. HUD requires the PHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, the PHA must select families from the waiting list in accordance with HUD requirements and PHA policies as stated in the administrative plan and the annual plan.

The PHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, selecting families from the waiting list and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the PHA to receive preferential treatment. Funding earmarked exclusively for families with particular characteristics may also alter the order in which families are served.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that the PHA affirmatively further fair housing goals in the administration of the program [24 CFR 982.53, HCV GB p. 4-1]. Adherence to the selection policies described in this chapter ensures that the PHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

This chapter describes HUD and PHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how the PHA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how the PHA's waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process the PHA will use to keep the waiting list current.

Part III: Selection for HCV Assistance. This part describes the policies that guide the PHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that the PHA has the information needed to make a final eligibility determination.

## **PART I: THE APPLICATION PROCESS**

### **4-I.A. OVERVIEW**

This part describes the policies that guide the PHA's efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes the PHA's obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

### **4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]**

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the PHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by the PHA. However, the PHA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the PHA's application.

#### PHA Policy

Prior to the opening of its waiting list, the PHA will publish a Public Notice in the local newspaper announcing the format of how such applicants will be made available to interested families and how applicants will be accepted by the PHA.

Depending upon the length of time that applicants may need to wait to receive assistance, the PHA will use a two-step application process.

A two-step process will be used to compile a wait list in the PHA's jurisdiction. Under the two-step application process, the PHA initially will require families to complete a preliminary application form and provide only the information needed to make an initial assessment of the family's eligibility. The family will be required to provide all of the information necessary to establish family eligibility.

Families may obtain application forms from the PHA's office during normal business hours. Families may also request – by telephone or by mail – a preliminary application form will be sent to the family via first class mail.

Completed pre-applications must be returned to the PHA by mail, by fax, or submitted in person during normal business hours. Applications must be complete in order to be accepted by the PHA for processing. If a preliminary application is incomplete, the PHA will notify the family of the additional information required. Preliminary applications received will be date and time stamped upon receiving. All preliminary applications will be entered into the waiting list accordingly.

The second phase is the final determination of eligibility, referred to as the full application. The full application takes place when the family nears the top of the waiting list .

#### **4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS**

##### **Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]**

The PHA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard PHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). The PHA must provide reasonable accommodation to the needs of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the PHA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of the PHA’s policies related to providing reasonable accommodations for people with disabilities.

##### **Limited English Proficiency**

PHAs are required to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the PHA’s policies related to ensuring access to people with limited English proficiency (LEP).

#### **4-I.D. PLACEMENT ON THE WAITING LIST**

The PHA must review each complete application received and make a preliminary assessment of the family’s eligibility. The PHA must accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, the PHA must notify the family in writing [24 CFR 982.201(f)]. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

##### **Ineligible for Placement on the Waiting List**

###### PHA Policy

If the PHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the PHA will send written notification of the ineligibility determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 16).

## **Eligible for Placement on the Waiting List**

### PHA Policy

Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

Applicants will be placed on the waiting list according to any preference(s) for which they qualify, and the date and time their complete application is received by the PHA. A confirmation notice will be provided to the family showing the date and the time the preliminary application was received.

## **PART II: MANAGING THE WAITING LIST**

### **4-II.A. OVERVIEW**

The PHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how a PHA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

### **4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]**

The PHA's HCV waiting list must be organized in such a manner to allow the PHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

The waiting list must contain the following information for each applicant listed:

- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household.

HUD requires the PHA to maintain a single waiting list for the HCV program unless it serves more than one county or municipality. Such PHAs are permitted, but not required, to maintain a separate waiting list for each county or municipality served.

### PHA Policy

The PHA will maintain a single waiting list for the HCV program.

HUD directs that a family that applies for assistance from the HCV program must be offered the opportunity to be placed on the waiting list for any public housing, project-based voucher or moderate rehabilitation program the PHA operates if 1) the other programs' waiting lists are open, and 2) the family is qualified for the other programs.

HUD permits, but does not require, that PHAs maintain a single merged waiting list for their public housing, Section 8, and other subsidized housing programs.

A family's decision to apply for, receive, or refuse other housing assistance must not affect the family's placement on the HCV waiting list, or any preferences for which the family may qualify.

### PHA Policy

The PHA will not merge the HCV waiting list with the waiting list for any other program the PHA operates.

## **4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]**

### **Closing the Waiting List**

A PHA is permitted to close the waiting list if it has an adequate pool of families to use its available HCV assistance. Alternatively, the PHA may elect to continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

### PHA Policy

The PHA will publish a Public Notice in the local newspaper announcing the closing of the waiting list at least 30 days prior to closing. Where the PHA has particular preferences or funding criteria that require a specific category of family, the PHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

Closing the waiting list will be announced via public notice. The public notice will state the date the waiting list will be closed. The public notice will be published in a local newspaper of general circulation, on the county website and also by any available minority media.

### **Reopening the Waiting List**

If the waiting list has been closed, it cannot be reopened until the PHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice

must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

### PHA Policy

The PHA will announce the reopening of the waiting list at least 30 days prior to the date preliminary applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

Prior to opening of its waiting list, the PHA will publish a Public Notice in the local newspaper announcing the format of how such applications will be made available to interested families and how applications will be accepted by the PHA.

The PHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:

*Payson Roundup*

*Arizona Silver Belt*

#### **4-II.D. FAMILY OUTREACH [HCV GB, pp. 4-2 to 4-4]**

The PHA must conduct outreach as necessary to ensure that the PHA has a sufficient number of applicants on the waiting list to use the HCV resources it has been allotted.

Because HUD requires the PHA to serve a specified percentage of extremely low income families (see Chapter 4, Part III), the PHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance [HCV GB, p. 4-20 to 4-21].

PHA outreach efforts must comply with fair housing requirements. This includes:

- Analyzing the housing market area and the populations currently being served to identify underserved populations
- Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
- Avoiding outreach efforts that prefer or exclude people who are members of a protected class

PHA outreach efforts must be designed to inform qualified families about the availability of assistance under the program. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies
- Providing application forms to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

##### PHA Policy

The PHA will monitor the characteristics of the population being served and the characteristics of the population as a whole in the PHA's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

#### **4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES**

##### PHA Policy

While the family is on the waiting list, the family must immediately inform the PHA of changes in contact information, including current residence, mailing address, and phone number. The changes must be submitted in writing.

#### **4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]**

HUD requires the PHA to establish policies to use when removing applicant names from the waiting list.

##### **Purging the Waiting List**

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list is subject to reasonable accommodation. If the applicant did not respond to a PHA request for information or updates because of the family member's disability, the PHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

##### PHA Policy

The waiting list will be updated annually to ensure that all applicants and applicant information is current and timely.

To update the waiting list, the PHA will send an update request via first class mail to each family on the waiting list to determine whether the family continues to be interested in, and to qualify for, the program. This update request will be sent to the last address that the PHA has on record for the family. The update request will provide a deadline by which the family must respond and will state that failure to respond will result in the applicant's name being removed from the waiting list.

The family's response must be in writing and may be delivered in person, by mail, or by fax. Responses should be postmarked or received by the PHA not later than 10 business days from the date of the PHA letter.

If the family fails to respond within 10 business days, the family will be removed from the waiting list without further notice.

If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated. The family will have 10 business days to respond from the date the letter was re-sent.

If a family is removed from the waiting list for failure to respond, the Executive Director may reinstate the family if s/he determines the lack of response was due to PHA error, or to circumstances beyond the family's control.

### **Removal from the Waiting List**

#### PHA Policy

If at any time an applicant family is on the waiting list, the PHA determines that the family is not eligible for assistance (see Chapter 3), the family will be removed from the waiting list unless:

The applicant requests that the name be removed;

The applicant fails to respond to a written request for information or a request to declare their continued interest in the program or misses scheduled appointments;  
or

The applicant does not meet either the eligibility or screening criteria for the program.

If a family is removed from the waiting list because the PHA has determined the family is not eligible for assistance, a notice will be sent to the family's address of record. The notice will state the reasons the family was removed from the waiting list and will inform the family how to request an informal review regarding the PHA's decision (see Chapter 16) [24 CFR 982.201(f)].

## **PART III: SELECTION FOR HCV ASSISTANCE**

### **4-III.A. OVERVIEW**

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part.

The order in which families receive assistance from the waiting list depends on the selection method chosen by the PHA and is impacted in part by any selection preferences that the family qualifies for. The source of HCV funding also may affect the order in which families are selected from the waiting list.

The PHA must maintain a clear record of all information required to verify that the family is selected from the waiting list according to the PHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

### **4-III.B. SELECTION AND HCV FUNDING SOURCES**

#### **Special Admissions [24 CFR 982.203]**

HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing; a non-purchasing family residing in a HOPE 1 or 2 projects). In these cases, the PHA may admit families that are not on the waiting list, or without considering the family's position on the waiting list. The PHA must maintain records showing that such families were admitted with special program funding.

#### **Targeted Funding [24 CFR 982.204(e)]**

HUD may award a PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

#### PHA Policy

The PHA does not currently administer any type of Targeted Funding.

#### **Regular HCV Funding**

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

#### **4-III.C. SELECTION METHOD**

PHAs must describe the method for selecting applicant families from the waiting list, including the system of admission preferences that the PHA will use [24 CFR 982.202(d)].

##### **Local Preferences [24 CFR 982.207; HCV p. 4-16]**

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

##### PHA Policy

##### **RESIDE IN GILA COUNTY**

To qualify for this preference, applicant must meet at least one of the following criteria: Lessee (tenant); must have a current lease with the legal owner/landlord of the rental property; or Household member; must be listed on a current lease as legally living in the rental property as a member of the Lessee's household; or

Lessee (tenant); must be legally responsible for rent payments to the legal

owner/landlord of the rental property. Residency will be verified with the legal owner/landlord of the rental property.

##### **WORKING OR HIRED TO WORK IN GILA COUNTY**

To qualify for this preference, the Head of Household and/or Spouse or Co-Head or Sole Member must meet at least one of the following criteria: be physically employed in the Gila County Jurisdiction; or have been notified that they are hired to work in the Gila County Jurisdiction; or employed in the Gila County Jurisdiction through an internship or other training program designed to prepare individuals for the job market may qualify for this preference. Employment will be verified with the employer. An applicant shall be given the benefit of the working family preference if the Head of Household and/or Spouse or Co-Head or Sole Member is age 62 or older, or is a person with disabilities and is homeless and/or resides in the Gila County Jurisdiction.

##### **Income Targeting Requirement [24 CFR 982.201(b)(2)]**

HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted to the HCV program during the PHA's fiscal year. ELI families are those with annual

incomes at or below 30% of the area median income. To ensure this requirement is met, a PHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low income families admitted to the program that are “continuously assisted” under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

#### PHA Policy

The PHA will monitor progress in meeting the ELI requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

#### **Order of Selection**

The PHA system of preferences may select families either according to the date and time of application, or by a random selection process [24 CFR 982.207(c)]. When selecting families from the waiting list PHAs are required to use targeted funding to assist only those families who meet the specified criteria, and PHAs are not permitted to skip down the waiting list to a family that it can afford to subsidize when there are not sufficient funds to subsidize the family at the top of the waiting list [24 CFR 982.204(d) and (e)].

#### PHA Policy

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify, and in accordance with the PHA’s hierarchy of preferences, if applicable. Within each targeted funding or preference category, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by the PHA. Documentation will be maintained by the PHA as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the PHA does not have to ask higher placed families each time targeted selections are made.

#### **4-III.D. NOTIFICATION OF SELECTION**

When a family has been selected from the waiting list, the PHA must notify the family.

##### PHA Policy

The PHA will notify the family by first class mail when it is selected from the waiting list. The notice will inform the family of the following:

Date, time, and location of the scheduled application interview, including any procedures for rescheduling the interview

Who is required to attend the interview

Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation

Other documents and information that should be brought to the interview

If a notification letter is returned to the PHA by the Post Office, or family does not show up for interview or submit documentation the family will be removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family's last known address of record.

The PHA will allow the family to reschedule appointments for good cause. "Good Cause" will be determined by the PHA on a case-by-case basis.

#### **4-III.E. THE APPLICATION INTERVIEW**

HUD recommends that the PHA obtain the information and documentation needed to make an eligibility determination through a private interview [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the PHA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period of time determined by the PHA [Notice PIH 2012-10].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

##### PHA Policy

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the PHA.

The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity). If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

Pending disclosure and documentation of social security numbers, the PHA will allow the family to retain its place on the waiting list for 10 business days. If not all household members have disclosed their SSNs at the next time the PHA is issuing vouchers, the PHA will issue a voucher to the next eligible applicant family on the waiting list.

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, the PHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within 10 business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status). If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the PHA will provide translation services in accordance with the PHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, the PHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without PHA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

#### **4-III.F. COMPLETING THE APPLICATION PROCESS**

The PHA must verify all information provided by the family (see Chapter 7). Based on verified information, the PHA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted admission, or selection preference that affected the order in which the family was selected from the waiting list.

##### PHA Policy

If the PHA determines that the family is ineligible, the PHA will send written notification of the ineligibility determination within 10 business days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to its original position on the waiting list. The PHA will notify the family in writing that it has been returned to the waiting list, and will specify the reasons for it.

If the PHA determines that the family is eligible to receive assistance, the PHA will invite the family to attend a briefing in accordance with the policies in Chapter 5.

## Chapter 5

### BRIEFINGS AND VOUCHER ISSUANCE

#### INTRODUCTION

This chapter explains the briefing and voucher issuance process. When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, the PHA must ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing written documentation of information the family needs to know. Once the family is fully informed of the program's requirements, the PHA issues the family a voucher. The voucher includes the unit size the family qualifies for based on the PHA's subsidy standards, as well as the dates of issuance and expiration of the voucher. The voucher is the document that permits the family to begin its search for a unit, and limits the amount of time the family has to successfully locate an acceptable unit.

This chapter describes HUD regulations and PHA policies related to these topics in two parts:

Part I: Briefings and Family Obligations. This part details the program's requirements for briefing families orally, and for providing written materials describing the program and its requirements. It includes a particular focus on the family's obligations under the program.

Part II: Subsidy Standards and Voucher Issuance. This part discusses the PHA's standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued, and how long families have to locate a unit.

## **PART I: BRIEFINGS AND FAMILY OBLIGATIONS**

### **5-I.A. OVERVIEW**

HUD regulations require the PHA to conduct mandatory briefings for applicant families. The briefing provides a broad description of owner and family responsibilities, explains the PHA's procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family's obligations under the program.

### **5-I.B. BRIEFING [24 CFR 982.301]**

The PHA must give the family an oral briefing and provide the family with a briefing packet containing written information about the program. Families may be briefed individually or in groups. At the briefing, the PHA must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973), and ensure that the briefing site is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

#### PHA Policy

Briefings will be conducted in group meetings.

Generally, the head of household is required to attend the briefing. If the head of household is unable to attend, the PHA may approve another adult family member to attend the briefing.

Families that attend group briefings and still need individual assistance will be referred to an appropriate PHA staff person.

Briefings will be conducted in English. For limited English proficient (LEP) applicants, the PHA will provide translation services in accordance with the PHA's LEP plan (See Chapter 2).

### **Notification and Attendance**

#### PHA Policy

Families will be notified of their eligibility for assistance at the time they are invited to attend a briefing. The notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.

If the notice is returned by the post office with no forwarding address, the applicant will be denied and their name will not be placed back on the waiting list. If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated.

Applicants who fail to attend a scheduled briefing will automatically be scheduled for another briefing. The PHA will notify the family of the date and time of the second scheduled briefing. Applicants who fail to attend two scheduled briefings, without PHA approval, will be denied assistance (see Chapter 3).

### **Oral Briefing [24 CFR 982.301(a)]**

Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside the PHA's jurisdiction;
- For families eligible under portability, an explanation of portability. The PHA cannot discourage eligible families from moving under portability;
- For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations; and
- For families receiving welfare-to-work vouchers, a description of any local obligations of a welfare-to-work family and an explanation that failure to meet the obligations is grounds for denial of admission or termination of assistance.

#### PHA Policy

When PHA-owned units are available for lease, the PHA will inform the family during the oral briefing that the family has the right to select any eligible unit available for lease, and is not obligated to choose a PHA-owned unit.

## **Briefing Packet [24 CFR 982.301(b)]**

Documents and information provided in the briefing packet must include the following:

- The term of the voucher, and the PHA's policies on any extensions or suspensions of the term. If the PHA allows extensions, the packet must explain how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how the PHA determines the payment standard for a family, how the PHA determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.
- An explanation of how the PHA determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit. For a family that qualifies to lease a unit outside the PHA jurisdiction under portability procedures, the information must include an explanation of how portability works.
- The HUD-required tenancy addendum, which must be included in the lease.
- The form the family must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy.
- A statement of the PHA policy on providing information about families to prospective owners.
- The PHA subsidy standards including when and how exceptions are made.
- The HUD brochure on how to select a unit.
- The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home*.
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form.
- A list of landlords or other parties willing to lease to assisted families or help families find units, especially outside areas of poverty or minority concentration.
- Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to the PHA.
- The family obligations under the program, including any obligations of a welfare-to-work family.
- The grounds on which the PHA may terminate assistance for a participant family because of family action or failure to act.
- PHA informal hearing procedures including when the PHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

If the PHA is located in a metropolitan FMR area, the following additional information must be included in the briefing packet in order to receive full points under SEMAP Indicator 7, Expanding Housing Opportunities [24 CFR 985.3(g)]:

- Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction
- Information about the characteristics of these areas including job opportunities, schools, transportation, and other services
- An explanation of how portability works, including a list of portability contact persons for neighboring PHAs with names, addresses, and telephone numbers

### **Additional Items to Be Included in the Briefing Packet**

In addition to items required by the regulations, PHAs may wish to include supplemental materials to help explain the program to both participants and owners [HCV GB p. 8-7, Notice PIH 2010-19].

#### PHA Policy

The PHA will provide the following additional materials in the briefing packet:

When PHA-owned units are available for lease, a written statement that the family has the right to select any eligible unit available for lease and is not obligated to choose a PHA-owned unit

Information on how to fill out and file a housing discrimination complaint form

Information about the protections afforded by the Violence against Women Act of 2005 (VAWA) to victims of domestic violence, dating violence, and stalking (see section 16-IX.C)

Information about the protections afforded by the Protecting Tenants at Foreclosure Act (PTFA) (see section 13-II.G)

“Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse

“What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2010-19

## **5-I.C. FAMILY OBLIGATIONS**

Obligations of the family are described in the housing choice voucher (HCV) regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. The PHA must inform families of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the family's unit is approved and the HAP contract is executed, the family must meet those obligations in order to continue participating in the program. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

### **Time Frames for Reporting Changes Required By Family Obligations**

#### PHA Policy

Unless otherwise noted below, when family obligations require the family to respond to a request or notify the PHA of a change, notifying the PHA of the request or change within 10 business days is considered prompt notice.

When a family is required to provide notice to the PHA, the notice must be in writing.

### **Family Obligations [24 CFR 982.551]**

Following is a listing of a participant family's obligations under the HCV program:

- The family must supply any information that the PHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

#### PHA Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.

- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.

- The family must not commit any serious or repeated violation of the lease.

PHA Policy

The PHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict.

*Serious and repeated lease violations* will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

- The family must notify the PHA and the owner before moving out of the unit or terminating the lease.

PHA Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to the PHA at the same time the owner is notified.

- The family must promptly give the PHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

PHA Policy

The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. The PHA will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify the PHA in writing if any family member no longer lives in the unit.

- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (sections I.K and I.M), and Chapter 11 (section II.B).
- The family must not sublease the unit, assign the lease, or transfer the unit.

PHA Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the PHA when the family is absent from the unit.

PHA Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to the PHA at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and PHA policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and PHA policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination)

that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

## **PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE**

### **5-II.A. OVERVIEW**

The PHA must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern making exceptions to those standards. The PHA also must establish policies related to the issuance of the voucher, to the voucher term, and to any extensions or suspensions of that term.

### **5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]**

For each family, the PHA determines the appropriate number of bedrooms under the PHA subsidy standards and enters the family unit size on the voucher that is issued to the family. The family unit size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.

The following requirements apply when the PHA determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the housing quality standards.
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by the PHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size;

- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under the PHA subsidy standards.

PHA Policy

The PHA will assign one bedroom for each two persons within the household, except in the following circumstances:

Persons of the opposite sex (other than spouses, and children under age 5) will be allocated separate bedrooms.

Live-in aides will be allocated a separate bedroom.

Single person families will be allocated one bedroom.

The PHA will reference the following chart in determining the appropriate voucher size for a family:

<b>Voucher Size</b>	<b>Persons in Household (Minimum – Maximum)</b>
1 Bedroom	1-2
2 Bedrooms	2-4
3 Bedrooms	3-6
4 Bedrooms	4-8
5 Bedrooms	6-10

**5-II.C. EXCEPTIONS TO SUBSIDY STANDARDS**

In determining family unit size for a particular family, the PHA may grant an exception to its established subsidy standards if the PHA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances [24 CFR 982.402(b)(8)]. Reasons may include, but are not limited to:

- A need for an additional bedroom for medical equipment
- A need for a separate bedroom for reasons related to a family member’s disability, medical or health condition

For a single person who is not elderly, disabled, or a remaining family member, an exception cannot override the regulatory limit of a zero or one bedroom [24 CFR 982.402(b)(8)].

## PHA Policy

The PHA will consider granting an exception for any of the reasons specified in the regulation: the age, sex, health, handicap, or relationship of family members or other personal circumstances.

The family must request any exception to the subsidy standards in writing. The request must explain the need or justification for a larger family unit size, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source (e.g., doctor or health professional), unless the disability and the disability-related request for accommodation is readily apparent or otherwise known. The family's continued need for an additional bedroom due to special medical equipment must be re-verified at annual reexamination.

The PHA will notify the family of its determination within 10 business days of receiving the family's request. If a participant family's request is denied, the notice will inform the family of their right to request an informal hearing.

### **5-II.D. VOUCHER ISSUANCE [24 CFR 982.302]**

When a family is selected from the waiting list (or as a special admission as described in Chapter 4), or when a participant family wants to move to another unit, the PHA issues a Housing Choice Voucher, form HUD-52646. This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, please refer to Chapter 10.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies, and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that the PHA has determined the family to be eligible for the program, and that the PHA expects to have money available to subsidize the family if the family finds an approvable unit. However, the PHA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in the PHA's housing choice voucher program [Voucher, form HUD-52646]

A voucher can be issued to an applicant family only after the PHA has determined that the family is eligible for the program based on information received within the 60 days prior to issuance [24 CFR 982.201(e)] and after the family has attended an oral briefing [HCV 8-1].

## PHA Policy

Vouchers will be issued to eligible applicants immediately following the mandatory briefing.

The PHA should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, the PHA must wait until it has adequate funds before it calls another family from the list [HCV GB p. 8-10].

### PHA Policy

Prior to issuing any vouchers, the PHA will determine whether it has sufficient funding in accordance with the policies in Part VIII of Chapter 16.

If the PHA determines that there is insufficient funding after a voucher has been issued, the PHA may rescind the voucher and place the affected family back on the waiting list.

## **5-II.E. VOUCHER TERM, EXTENSIONS, AND SUSPENSIONS**

### **Voucher Term [24 CFR 982.303]**

The initial term of a voucher must be at least 60 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

### PHA Policy

The initial voucher term will be 60 calendar days.

The family must submit a Request for Tenancy Approval and proposed lease within the 60-day period unless the PHA grants an extension.

### **Extensions of Voucher Term [24 CFR 982.303(b)]**

The PHA has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. There is no limit on the number of extensions that the PHA can approve. Discretionary policies related to extension and expiration of search time must be described in the PHA's administrative plan [24 CFR 982.54].

PHAs must approve additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for the purpose.

The family must be notified in writing of the PHA's decision to approve or deny an extension. The PHA's decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

### PHA Policy

The PHA will automatically approve one 30-day extension upon written request from the family.

The PHA will approve additional extensions only in the following circumstances:

It is necessary as a reasonable accommodation for a person with disabilities.

It is necessary due to reasons beyond the family's control, as determined by the PHA. Following is a list of extenuating circumstances that the PHA may consider in making its decision. The presence of these circumstances does not guarantee that an extension will be granted:

Serious illness or death in the family

Other family emergency

Obstacles due to employment

Whether the family has already submitted requests for tenancy approval that were not approved by the PHA

Whether family size or other special requirements make finding a unit difficult

Any request for an additional extension must include the reason(s) an additional extension is necessary. The PHA may require the family to provide documentation to support the request.

All requests for extensions to the voucher term must be made in writing and submitted to the PHA prior to the expiration date of the voucher (or extended term of the voucher).

The PHA will decide whether to approve or deny an extension request within 10 business days of the date the request is received, and will immediately provide the family written notice of its decision.

### **Suspensions of Voucher Term [24 CFR 982.303(c)]**

At its discretion, a PHA may adopt a policy to suspend the housing choice voucher term if the family has submitted a Request for Tenancy Approval (RTA) during the voucher term. "Suspension" means stopping the clock on a family's voucher term from the time a family submits the RTA until the time the PHA approves or denies the request [24 CFR 982.4]. The PHA's determination not to suspend a voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

#### PHA Policy

When a Request for Tenancy Approval and proposed lease is received by the PHA, the term of the voucher will not be suspended while the PHA processes the request.

### **Expiration of Voucher Term**

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, the PHA may require that the family reapply, or may place the family on the waiting list with a new application date but without requiring reapplication. Such a family does not

become ineligible for the program on the grounds that it was unable to locate a unit before the voucher expired [HCV GB p. 8-13].

### PHA Policy

If an applicant family's voucher term or extension expires before the family has submitted a Request for Tenancy Approval (RTA), the PHA will require the family to reapply for assistance. If an RTA that was submitted prior to the expiration date of the voucher is subsequently disapproved by the PHA (after the voucher term has expired), the family will be required to reapply for assistance.

Within 10 business days after the expiration of the voucher term or any extension, the PHA will notify the family in writing that the voucher term has expired and that the family must reapply in order to be placed on the waiting list.

## Chapter 6

### INCOME AND SUBSIDY DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

#### INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and the PHA's subsidy. The PHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations. This chapter describes HUD regulations and PHA policies related to these topics in three parts as follows:

- Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and PHA policies for calculating annual income are found in Part I.
- Part II: Adjusted Income. Once annual income has been established HUD regulations require the PHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and PHA policies for calculating adjusted income are found in Part II.
- Part III: Calculating Family Share and PHA Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining PHA subsidy and required family payment.

## PART I: ANNUAL INCOME

### 6-I.A. OVERVIEW

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph [5.609(c)].

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets. The full texts of those portions of the regulations are provided in exhibits at the end of this chapter as follows:

- Annual Income Inclusions (Exhibit 6-1)
- Annual Income Exclusions (Exhibit 6-2)
- Treatment of Family Assets (Exhibit 6-3)
- Earned Income Disallowance for Persons with Disabilities (Exhibit 6-4)
- The Effect of Welfare Benefit Reduction (Exhibit 6-5)

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

## 6-I.B. HOUSEHOLD COMPOSITION AND INCOME

Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

<b>Summary of Income Included and Excluded by Person</b>	
Live-in aides	Income from all sources is excluded [24 CFR 5.609(c)(5)].
Foster child or foster adult	Income from all sources is excluded [24 CFR 5.609(c)(2)].
Head, spouse, or cohead Other adult family members	All sources of income not specifically excluded by the regulations are included.
Children under 18 years of age	Employment income is excluded [24 CFR 5.609(c)(1)].  All other sources of income, except those specifically excluded by the regulations, are included.
Full-time students 18 years of age or older (not head, spouse, or cohead)	Employment income above \$480/year is excluded [24 CFR 5.609(c)(11)].  All other sources of income, except those specifically excluded by the regulations, are included.

## **Temporarily Absent Family Members**

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit [HCV GB, p. 5-18].

### PHA Policy

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

## ***Absent Students***

### PHA Policy

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

## ***Absences Due to Placement in Foster Care***

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

### PHA Policy

If a child has been placed in foster care, the PHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

## ***Absent Head, Spouse, or Cohead***

### PHA Policy

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

## **Family Members Permanently Confined for Medical Reasons**

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted [HCV GB, p. 5-22].

### PHA Policy

The PHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.

## **Joint Custody of Dependents**

### PHA Policy

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the PHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

## **Caretakers for a Child**

### PHA Policy

If neither a parent nor a designated guardian remains in a household receiving HCV assistance, the PHA will take the following actions.

- (1) If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.
- (2) If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 days. After the 90 days has elapsed, the caretaker will be considered a family member unless information is provided that would confirm that the caretaker's role is temporary. In such cases the PHA will extend the caretaker's status as an eligible visitor.
- (3) At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.
- (4) During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify the family for any deductions from income.

## **6-I.C. ANTICIPATING ANNUAL INCOME**

The PHA is required to count all income “anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date” [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

### **Basis of Annual Income Projection**

The PHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the PHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected [HCV GB, p. 5-17]
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The PHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

PHAs are required to use HUD’s Enterprise Income Verification (EIV) system in its entirety as a third party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].

HUD allows PHAs to use pay-stubs to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where the PHA does not determine it is necessary to obtain additional third-party data.

#### PHA Policy

When EIV is obtained and the family does not dispute the EIV employer data, the PHA will use current tenant-provided documents to project annual income. When the tenant-provided documents are pay stubs, the PHA will make every effort to obtain current and consecutive pay stubs dated within the last 60 days.

The PHA will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:

If EIV or other UIV data is not available,

If the family disputes the accuracy of the EIV employer data, and/or

If the PHA determines additional information is needed.

In such cases, the PHA will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how the PHA annualized projected income.

When the PHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the PHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the PHA to show why the historic pattern does not represent the family's anticipated income.

### ***Known Changes in Income***

If the PHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period.

**Example:** An employer reports that a full-time employee who has been receiving \$8/hour will begin to receive \$8.25/hour in the eighth week after the effective date of the reexamination. In such a case the PHA would calculate annual income as follows:  $(\$8/\text{hour} \times 40 \text{ hours} \times 7 \text{ weeks}) + (\$8.25 \times 40 \text{ hours} \times 45 \text{ weeks})$ .

The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family. In such cases the PHA will calculate annual income using current circumstances and then require an interim reexamination when the change actually occurs. This requirement will be imposed even if the PHA's policy on reexaminations does not require interim reexaminations for other types of changes.

When tenant-provided third-party documents are used to anticipate annual income, they will be dated within the last 60 days of the reexamination interview date.

EIV quarterly wages will not be used to project annual income at an annual or interim reexamination.

### **Projecting Income**

In HUD's EIV webcast of January 2008, HUD made clear that PHAs are not to use EIV quarterly wages to project annual income.

## **6-I.D. EARNED INCOME**

### **Types of Earned Income Included in Annual Income**

#### ***Wages and Related Compensation***

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].

#### PHA Policy

For persons who regularly receive bonuses or commissions, the PHA will verify and then average amounts received for the two years preceding admission or reexamination. If only a one-year history is available, the PHA will use the prior year amounts. In either case the family may provide, and the PHA will consider, a credible justification for not using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the PHA will count only the amount estimated by the employer. The file will be documented appropriately.

#### ***Some Types of Military Pay***

All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

### **Types of Earned Income Not Counted in Annual Income**

#### ***Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]***

This type of income (including gifts) is not included in annual income. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than 180 days [Notice PIH 2009-19].

#### PHA Policy

Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed.

#### ***Children's Earnings***

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income [24 CFR 5.609(c)(1)]. (See Eligibility chapter for a definition of *foster children*.)

### ***Certain Earned Income of Full-Time Students***

Earnings in excess of \$480 for each full-time student 18 years old or older (except for the head, spouse, or cohead) are not counted [24 CFR 5.609(c)(11)]. To be considered “full-time,” a student must be considered “full-time” by an educational institution with a degree or certificate program [HCV GB, p. 5-29].

### ***Income of a Live-in Aide***

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

### ***Income Earned under Certain Federal Programs***

Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b))
- Awards under the federal work-study program (20 U.S.C. 1087 uu)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

### ***Resident Service Stipend***

Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed \$200 per individual per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA’s governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].

### ***State and Local Employment Training Programs***

Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

#### **PHA Policy**

The PHA defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual’s ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The PHA defines *incremental earnings and benefits* as the difference between: (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program, and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

In calculating the incremental difference, the PHA will use as the pre-enrollment income the total annualized amount of the family member’s welfare assistance and earnings reported on the family’s most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the PHA's interim reporting requirements.

## ***HUD-Funded Training Programs***

Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

### PHA Policy

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

## ***Earned Income Tax Credit***

Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

## ***Earned Income Disallowance***

The earned income disallowance for persons with disabilities is discussed in section 6-I.E below.

### **6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617]**

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. The full text of 24 CFR 5.617 is included as Exhibit 6-4 at the end of this chapter. Eligibility criteria and limitations on the disallowance are summarized below.

#### **Eligibility**

This disallowance applies only to individuals in families already participating in the HCV program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.
- Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the

economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].

- New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.

### **Calculation of the Disallowance**

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income."

#### PHA Policy

The PHA defines *prior income*, or *prequalifying income*, as the family member's last certified income prior to qualifying for the EID.

The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.

#### ***Initial 12-Month Exclusion***

During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.

#### PHA Policy

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

#### ***Second 12-Month Exclusion and Phase-In***

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

#### ***Lifetime Limitation***

The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from

another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

#### PHA Policy

During the 48-month eligibility period, the PHA will schedule and conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

### **6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]**

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].

#### **Business Expenses**

Net income is “gross income less business expense” [HCV GB, p. 5-19].

#### PHA Policy

To determine business expenses that may be deducted from gross income, the PHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

#### **Business Expansion**

HUD regulations do not permit the PHA to deduct from gross income expenses for business expansion.

#### PHA Policy

*Business expansion* is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

## **Capital Indebtedness**

HUD regulations do not permit the PHA to deduct from gross income the amortization of capital indebtedness.

### PHA Policy

*Capital indebtedness* is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means the PHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

## **Negative Business Income**

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.

## **Withdrawal of Cash or Assets from a Business**

HUD regulations require the PHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

### PHA Policy

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, the PHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid.

Investments do not include the value of labor contributed to the business without compensation.

## **Co-owned Businesses**

### PHA Policy

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family's share of the income is lower than its share of ownership, the family must document the reasons for the difference.

## **6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]**

### **Overview**

There is no asset limitation for participation in the HCV program. However, HUD requires that the PHA include in annual income the “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the PHA must determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined
- How income from the asset will be calculated

Exhibit 6-1 provides the regulatory requirements for calculating income from assets [24 CFR 5.609(b)(3)], and Exhibit 6-3 provides the regulatory definition of *net family assets*. This section begins with a discussion of general policies related to assets and then provides HUD rules and PHA policies related to each type of asset.

### **General Policies**

#### ***Income from Assets***

The PHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the PHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the PHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the PHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

#### **PHA Policy**

Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to the PHA to show why the asset income determination does not represent the family’s anticipated asset income.

## ***Valuing Assets***

The calculation of asset income sometimes requires the PHA to make a distinction between an asset's market value and its cash value.

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash.

### **PHA Policy**

Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions [HCV GB, p. 5-28].

## ***Lump-Sum Receipts***

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account) [RHIIP FAQs]. (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

## ***Imputing Income from Assets [24 CFR 5.609(b)(3)]***

When net family assets are \$5,000 or less, the PHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the PHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.

## ***Determining Actual Anticipated Income from Assets***

It may or may not be necessary for the PHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property's market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

### ***Withdrawal of Cash or Liquidation of Investments***

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

### ***Jointly Owned Assets***

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes “amounts derived (during the 12-month period) from assets to which any member of the family has access.”

#### **PHA Policy**

If an asset is owned by more than one person and any family member has unrestricted access to the asset, the PHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, the PHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, the PHA will prorate the asset evenly among all owners.

### ***Assets Disposed Of for Less than Fair Market Value [24 CFR 5.603(b)]***

HUD regulations require the PHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

### ***Minimum Threshold***

The *HVC Guidebook* permits the PHA to set a threshold below which assets disposed of for less than fair market value will not be counted [HCV GB, p. 5-27].

#### **PHA Policy**

The PHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than \$1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

### ***Separation or Divorce***

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

#### **PHA Policy**

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

### ***Foreclosure or Bankruptcy***

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.

### ***Family Declaration***

#### **PHA Policy**

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. The PHA may verify the value of the assets disposed of if other information available to the PHA does not appear to agree with the information reported by the family.

## **Types of Assets**

### ***Checking and Savings Accounts***

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

#### **PHA Policy**

In determining the value of a checking account, the PHA will use the average monthly balance for the last six months.

In determining the value of a savings account, the PHA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, the PHA will multiply the value of the account by the current rate of interest paid on the account.

### ***Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds***

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

#### **PHA Policy**

In determining the market value of an investment account, the PHA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), the PHA will calculate asset income based on the earnings for the most recent reporting period.

### ***Equity in Real Property or Other Capital Investments***

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset [HCV GB, p. 5-25].

#### **PHA Policy**

In determining the equity, the PHA will determine market value by examining recent sales of at least three properties in the surrounding or similar neighborhood that possess comparable factors that affect market value.

The PHA will first use the payoff amount for the loan (mortgage) as the unpaid balance to calculate equity. If the payoff amount is not available, the PHA will use the basic loan balance information to deduct from the market value in the equity calculation.

Equity in real property and other capital investments is considered in the calculation of asset income **except** for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR5.603(b)]

- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first 10 years after the purchase date of the home [24 CFR 5.603(b), Notice PIH 2012-3]
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives [HCV GB, p. 5-25]
- Equity in real property when a family member's main occupation is real estate [HCV GB, p. 5-25]. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F.
- Interests in Indian Trust lands [24 CFR 5.603(b)]
- Real property and capital assets that are part of an active business or farming operation [HCV GB, p. 5-25]

The PHA must also deduct from the equity the reasonable costs for converting the asset to cash. Using the formula for calculating equity specified above, the net cash value of real property is the market value of the loan (mortgage) minus the expenses to convert to cash [Notice PIH 2012-3].

#### PHA Policy

For the purposes of calculating expenses to convert to cash for real property, the PHA will use ten percent of the market value of the home.

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

#### PHA Policy

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the PHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

### ***Trusts***

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

### *Revocable Trusts*

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset [HCV GB, p. 5-25]. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

### *Nonrevocable Trusts*

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

### ***Retirement Accounts***

#### *Company Retirement/Pension Accounts*

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the PHA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

#### *IRA, Keogh, and Similar Retirement Savings Accounts*

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

### ***Personal Property***

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset [HCV GB, p. 5-25].

#### PHA Policy

In determining the value of personal property held as an investment, the PHA will use the family's estimate of the value. The PHA may obtain an appraisal to confirm the value of

the asset if there is reason to believe that the family's estimated value is off by \$50 or more. The family must cooperate with the appraiser, but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

### PHA Policy

Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

### *Life Insurance*

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy, is included in the calculation of the value of the family's assets [HCV GB 5-25]. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

## **6-I.H. PERIODIC PAYMENTS**

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

### **Periodic Payments Included in Annual Income**

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14].

### **Lump-Sum Payments for the Delayed Start of a Periodic Payment**

Most lump-sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)]. Additionally, any deferred disability benefits that are

received in a lump-sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [FR Notice 11/24/08].

#### PHA Policy

When a delayed-start payment is received and reported during the period in which the PHA is processing an annual reexamination, the PHA will adjust the family share and PHA subsidy retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with the PHA.

### **Treatment of Overpayment Deductions from Social Security Benefits**

The PHA must make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, the PHA must use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount [Notice PIH 2012-10].

### **Periodic Payments Excluded from Annual Income**

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]. Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income [Notice PIH 2012-1].

#### PHA Policy

The PHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency [HCV GB, p. 5-18].

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)].
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)].
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)].
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)].  
*Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.

- Lump-sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.J.) [24 CFR 5.609(b)(4)].
- Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA) [FR Notice 11/24/08].

### **6-I.I. PAYMENTS IN LIEU OF EARNINGS**

Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

### **6-I.J. WELFARE ASSISTANCE**

#### **Overview**

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].

#### **Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]**

The PHA must make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. The full text of the regulation at 24 CFR 5.615 is provided as Exhibit 6-5. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

#### ***Covered Families***

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance” [24 CFR 5.615(b)]

#### ***Imputed Income***

When a welfare agency imposes a sanction that reduces a family's welfare income because the family commits fraud or fails to comply with the agency's economic self-sufficiency program or work activities requirement, the PHA must include in annual income “imputed” welfare income. The PHA must request that the welfare agency inform the PHA when the benefits of an HCV

participant family are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

### *Offsets*

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

## **6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]**

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

### **Alimony and Child Support**

The PHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

#### PHA Policy

The PHA will count court-awarded amounts for alimony and child support unless the PHA verifies that: (1) the payments are not being made, **and** (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47].

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

### **Regular Contributions or Gifts**

The PHA must count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

## PHA Policy

Examples of regular contributions include: (1) regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) "in-kind" contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by the PHA. For contributions that may vary from month to month (e.g., utility payments), the PHA will include an average amount based upon past history.

### **6-I.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]**

In 2005, Congress passed a law (for section 8 programs only) requiring that certain student financial assistance be included in annual income. Prior to that, the full amount of student financial assistance was excluded. For some students, the full exclusion still applies.

#### **Student Financial Assistance Included in Annual Income [24 CFR 5.609(b)(9) and FR 4/10/06]**

The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based certificate program, the project-based voucher program, or the moderate rehabilitation program.
- They are under 24 years of age **OR** they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition received: (1) under the 1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA, must be included in annual income.

To determine annual income in accordance with the above requirements, the PHA will use the definitions of *dependent child*, *institution of higher education*, and *parents* in section 3-II.E, along with the following definitions [FR 4/10/06, pp. 18148-18150]:

- *Assistance under the Higher Education Act of 1965* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
- *Assistance from private sources* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.

- *Tuition* will have the meaning given this term by the institution of higher education in which the student is enrolled.

### **Student Financial Assistance Excluded from Annual Income [24 CFR 5.609(c)(6)]**

Any student financial assistance not subject to inclusion under 24 CFR 5.609(b)(9) is fully excluded from annual income under 24 CFR 5.609(c)(6), whether it is paid directly to the student or to the educational institution the student is attending. This includes any financial assistance received by:

- Students residing with parents who are seeking or receiving Section 8 assistance
- Students who are enrolled in an educational institution that does **not** meet the 1965 HEA definition of *institution of higher education*
- Students who are over 23 **AND** have at least one dependent child, as defined in section 3-II.E
- Students who are receiving financial assistance through a governmental program not authorized under the 1965 HEA.

### **6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME**

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the following:

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17)]. HUD publishes an updated list of these exclusions periodically. It includes:
  - (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))

- (b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c))
- (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
- (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
- (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)) (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931).)
- (g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
- (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)
- (i) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- (j) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent-product liability litigation*, M.D.L. No. 381 (E.D.N.Y.)
- (k) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- (l) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- (m) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j))
- (n) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)

- (o) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- (p) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805)
- (q) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- (r) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

## **PART II: ADJUSTED INCOME**

### **6-II.A. INTRODUCTION**

#### **Overview**

HUD regulations require PHAs to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family's adjusted income. Mandatory deductions are found in 24 CFR 5.611.

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity [PHA] must deduct the following amounts from annual income:

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
  - (i) Unreimbursed medical expenses of any elderly family or disabled family;
  - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.

## Anticipating Expenses

### PHA Policy

Generally, the PHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and nonschool periods and cyclical medical expenses), the PHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, the PHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. The PHA may require the family to provide documentation of payments made in the preceding year.

### **6-II.B. DEPENDENT DEDUCTION**

A deduction of \$480 is taken for each dependent [ 24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

### **6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION**

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

### **6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]**

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted [VG, p. 28].

### **Definition of *Medical Expenses***

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance.”

PHA Policy

The most current IRS Publication 502, *Medical and Dental Expenses*, will be used to determine the costs that qualify as medical expenses.

<b>Summary of Allowable Medical Expenses from IRS Publication 502</b>	
Services of medical professionals	Substance abuse treatment programs
Surgery and medical procedures that are necessary, legal, noncosmetic	Psychiatric treatment
Services of medical facilities	Ambulance services and some costs of transportation related to medical expenses
Hospitalization, long-term care, and in-home nursing services	The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)
Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor	Cost and continuing care of necessary service animals
Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails)	Medical insurance premiums or the cost of a health maintenance organization (HMO)
<b>Note:</b> This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.	

**Families That Qualify for Both Medical and Disability Assistance Expenses**

PHA Policy

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the PHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

**6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]**

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

## **Earned Income Limit on the Disability Assistance Expense Deduction**

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

### PHA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the PHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the PHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members’ incomes.

## **Eligible Disability Expenses**

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: “Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work” [HCV GB, p. 5-30].

HUD advises PHAs to further define and describe auxiliary apparatus [VG, p. 30].

### ***Eligible Auxiliary Apparatus***

#### PHA Policy

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

## *Eligible Attendant Care*

The family determines the type of attendant care that is appropriate for the person with disabilities.

### PHA Policy

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the PHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

## *Payments to Family Members*

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

## **Necessary and Reasonable Expenses**

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

### PHA Policy

The PHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, the PHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and the PHA will consider, the family's justification for costs that exceed typical costs in the area.

## **Families That Qualify for Both Medical and Disability Assistance Expenses**

### PHA Policy

This policy applies only to families in which the head or spouse is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the PHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

## **6-II.F. CHILD CARE EXPENSE DEDUCTION**

HUD defines *child care expenses* at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”

### **Clarifying the Meaning of *Child* for This Deduction**

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family’s household [VG, p. 26]. However, child care expenses for foster children that are living in the assisted family’s household, are included when determining the family’s child care expenses [HCV GB, p. 5-29].

### **Qualifying for the Deduction**

#### ***Determining Who Is Enabled to Pursue an Eligible Activity***

### PHA Policy

The family must identify the family member(s) enabled to pursue an eligible activity. The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family’s request, the PHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

## ***Seeking Work***

### PHA Policy

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member's efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member's job search efforts are not commensurate with the child care expense being allowed by the PHA.

## ***Furthering Education***

### PHA Policy

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

## ***Being Gainfully Employed***

### PHA Policy

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member's employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

## **Earned Income Limit on Child Care Expense Deduction**

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above \$480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person's earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes \$15,000 but because of the EID only \$5,000 is included in annual income, child care expenses are limited to \$5,000.

The PHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working [HCV GB, p. 5-30].

#### PHA Policy

When the child care expense being claimed is to enable a family member to work, only one family member's income will be considered for a given period of time. When more than one family member works during a given period, the PHA generally will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

#### **Eligible Child Care Expenses**

The type of care to be provided is determined by the assisted family. The PHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

#### ***Allowable Child Care Activities***

##### PHA Policy

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family's unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the PHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

#### ***Necessary and Reasonable Costs***

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

## PHA Policy

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, the PHA will use the schedule of child care costs from the local welfare agency. Families may present, and the PHA will consider, justification for costs that exceed typical costs in the area.

## **PART III: CALCULATING FAMILY SHARE AND PHA SUBSIDY**

### **6-III.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS**

#### **TTP Formula [24 CFR 5.628]**

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between \$0 and \$50 that is established by the PHA

The PHA has authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family's TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

#### ***Welfare Rent [24 CFR 5.628]***

##### PHA Policy

Welfare rent does not apply in this locality.

#### ***Minimum Rent [24 CFR 5.630]***

##### PHA Policy

The minimum rent for this locality is \$50.00.

### **Family Share [24 CFR 982.305(a)(5)]**

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds the PHA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy the PHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. The income used for this determination must have been verified no earlier than 60 days before the family's voucher was issued. (For a discussion of the application of payment standards, see section 6-III.C.)

### **PHA Subsidy [24 CFR 982.505(b)]**

The PHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)

### **Utility Reimbursement [24 CFR 982.514(b)]**

When the PHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. HUD permits the PHA to pay the reimbursement to the family or directly to the utility provider.

#### PHA Policy

The PHA will make any utility reimbursements directly to the utility provider.

### **6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]**

#### PHA Policy

The financial hardship rules described below apply in this jurisdiction because the PHA has established a minimum rent of \$50.00.

#### **Overview**

If the PHA establishes a minimum rent greater than zero, the PHA must grant an exemption from the minimum rent if a family is unable to pay the minimum rent because of financial hardship.

The financial hardship exemption applies only to families required to pay the minimum rent. If a family's TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If the PHA determines that a hardship exists, the family share is the highest of the remaining components of the family's calculated TTP.

## **HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

### PHA Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent.

### PHA Policy

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.
- (4) A death has occurred in the family.

### PHA Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

- (5) The family has experienced other circumstances determined by the PHA.

### PHA Policy

The PHA has not established any additional hardship criteria.

## Implementation of Hardship Exemption

### *Determination of Hardship*

When a family requests a financial hardship exemption, the PHA must suspend the minimum rent requirement beginning the first of the month following the family's request.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

#### PHA Policy

The PHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

<b>Example: Impact of Minimum Rent Exemption</b>	
Assume the PHA has established a minimum rent of \$35.	
<b>Family Share – No Hardship</b>	<b>Family Share – With Hardship</b>
\$0 30% of monthly adjusted income	\$0 30% of monthly adjusted income
\$15 10% of monthly gross income	\$15 10% of monthly gross income
N/A Welfare rent	N/A Welfare rent
\$35 Minimum rent	\$35 Minimum rent
Minimum rent applies. TTP = \$35	Hardship exemption granted. TTP = \$15

#### PHA Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay the minimum rent.

The PHA will make the determination of hardship within 30 calendar days.

### ***No Financial Hardship***

If the PHA determines there is no financial hardship, the PHA will reinstate the minimum rent and require the family to repay the amounts suspended.

#### PHA Policy

The PHA will require the family to repay the suspended amount within 30 calendar days of the PHA's notice that a hardship exemption has not been granted.

### ***Temporary Hardship***

If the PHA determines that a qualifying financial hardship is temporary, the PHA must suspend the minimum rent for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of the minimum rent and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

#### PHA Policy

The PHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan.

### ***Long-Term Hardship***

If the PHA determines that the financial hardship is long-term, the PHA must exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

#### PHA Policy

The hardship period ends when any of the following circumstances apply:

- (1) At an interim or annual reexamination, the family's calculated TTP is greater than the minimum rent.
- (2) For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost. For example, if a hardship is approved because a family no longer receives a \$60/month child support payment, the hardship will continue to exist until

the family receives at least \$60/month in income from another source or once again begins to receive the child support.

- (3) For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

### **6-III.C. APPLYING PAYMENT STANDARDS [24 CFR 982.505]**

#### **Overview**

The PHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of the PHA's payment standards. The establishment and revision of the PHA's payment standard schedule are covered in Chapter 16.

*Payment standard* is defined as "the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)" [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under the PHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If the PHA has established an exception payment standard for a designated part of an FMR area and a family's unit is located in the exception area, the PHA must use the appropriate payment standard for the exception area.

The PHA is required to pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

If during the term of the HAP contract for a family's unit, the owner lowers the rent, the PHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit [HCV GB, p. 7-8].

#### **Changes in Payment Standards**

When the PHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations.

#### ***Decreases***

If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard generally will be used beginning at the effective date of the

family's second regular reexamination following the effective date of the decrease in the payment standard. The PHA will determine the payment standard for the family as follows:

**Step 1:** At the first regular reexamination following the decrease in the payment standard, the PHA will determine the payment standard for the family using the lower of the payment standard for the family unit size or the size of the dwelling unit rented by the family.

**Step 2:** The PHA will compare the payment standard from step 1 to the payment standard last used to calculate the monthly housing assistance payment for the family. The payment standard used by the PHA at the first regular reexamination following the decrease in the payment standard will be the higher of these two payment standards. The PHA will advise the family that the application of the lower payment standard will be deferred until the second regular reexamination following the effective date of the decrease in the payment standard.

**Step 3:** At the second regular reexamination following the decrease in the payment standard, the lower payment standard will be used to calculate the monthly housing assistance payment for the family unless the PHA has subsequently increased the payment standard, in which case the payment standard will be determined in accordance with procedures for increases in payment standards described below.

### ***Increases***

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family's first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination [HCV GB, p. 7-8].

### ***Changes in Family Unit Size***

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

### **Reasonable Accommodation**

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the PHA is allowed to establish a higher payment standard for the family within the basic range.

## **6-III.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]**

### **Overview**

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. The PHA must use the appropriate utility allowance for the size of dwelling unit actually leased by a family rather than the voucher unit size for which the family qualifies using PHA subsidy standards. See Chapter 5 for information on the PHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

### **Reasonable Accommodation**

HCV program regulations require a PHA to approve a utility allowance amount higher than shown on the PHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed.

The family must request the higher allowance and provide the PHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB, p. 18-8].

### **Utility Allowance Revisions**

At reexamination, the PHA must use the PHA current utility allowance schedule [24 CFR 982.517(d)(2)].

#### PHA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted.

## **6-III.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]**

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The PHA must prorate the assistance provided to a mixed family. The PHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if the PHA subsidy for a family is calculated at \$500 and two of four family members are ineligible, the PHA subsidy would be reduced to \$250.

## EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS

### 24 CFR 5.609

*(a) Annual income means all amounts, monetary or not, which:*

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

*(b) Annual income includes, but is not limited to:*

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;

(3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments:

(A) Qualify as assistance under the TANF program definition at 45 CFR 260.31<sup>1</sup>; and

(B) Are not otherwise excluded under paragraph (c) of this section.

(ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section)

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

<p style="text-align: center;"><b>HHS DEFINITION OF "ASSISTANCE"</b></p>
--

**45 CFR: GENERAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**

**260.31 What does the term "assistance" mean?**

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

---

<sup>1</sup> Text of 45 CFR 260.31 follows.  
178

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

(b) [The definition of “assistance”] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

## EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS<sup>2</sup>

### 24 CFR 5.609

*(c) Annual income does not include the following:*

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in Sec. 5.403;
- (6) Subject to paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;
- (ii) Amounts received by a person with a disability that are disregarded for a limited

time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;

<sup>2</sup> FR Notice 11/24/08 makes note of pending revisions to this regulation, namely the exclusion of any deferred disability benefits received in lump-sum or prospective monthly amounts from the Department of Veterans Affairs (VA). At the time of publication, 24 CFR 5.609 had yet to be updated.

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

Sources of Income Excluded by Federal Statute from Consideration as Income for Purposes of Determining Eligibility or Benefits
--

a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));

b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);

c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));

d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);

e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the

corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931);

g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub.L- 94-540, 90 Stat. 2503-04);

h) The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);

i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);

j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));

k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent-product liability litigation, M.D.L. No. 381 (E.D.N.Y.);

l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);

m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);

n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));

o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

p) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);

r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and

s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

## EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

### 24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor.

In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

**EXHIBIT 6-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES**

**24 CFR 5.617 Self-sufficiency incentives for persons with disabilities—Disallowance of increase in annual income.**

*(a) Applicable programs.* The disallowance of increase in annual income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).

*(b) Definitions.* The following definitions apply for purposes of this section.

*Disallowance.* Exclusion from annual income.

*Previously unemployed* includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

*Qualified family.* A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.

(1) Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;

(2) Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or

(3) Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance-- provided that the total amount over a six-month period is at least \$500.

*(c) Disallowance of increase in annual income—*

(1) Initial twelve month exclusion. During the cumulative twelve month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.

(2) Second twelve month exclusion and phase-in. During the second cumulative twelve month period after the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income of a qualified family fifty percent of any increase in income of such family member as a result of employment over income of that family member prior to the beginning of such employment.

(3) Maximum four year disallowance. The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) is limited to a lifetime 48 month period. The disallowance only applies for a maximum of twelve months for disallowance under paragraph (c)(1) and a maximum of twelve months for disallowance under paragraph (c)(2), during the 48 month period starting from the initial exclusion under paragraph (c)(1) of this section.

*(d) Inapplicability to admission.* The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

<b>EXHIBIT 6-5: THE EFFECT OF WELFARE BENEFIT REDUCTION</b>
---

**24 CFR 5.615**

**Public housing program and Section 8 tenant-based assistance program: How welfare benefit reduction affects family income.**

*(a) Applicability.* This section applies to covered families who reside in public housing (part 960 of this title) or receive Section 8 tenant-based assistance (part 982 of this title).

*(b) Definitions.* The following definitions apply for purposes of this section:

*Covered families.* Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

*Economic self-sufficiency program.* See definition at Sec. 5.603.

*Imputed welfare income.* The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

*Specified welfare benefit reduction.*

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

*(c) Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the PHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the PHA, the welfare agency will inform the PHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the PHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The PHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the PHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the PHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The PHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

*(d) Review of PHA decision.*

(1) Public housing. If a public housing tenant claims that the PHA has not correctly calculated the amount of imputed welfare income in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the tenant written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. The PHA notice shall also state that if the tenant does not agree with the PHA determination, the tenant may request a grievance hearing in accordance with part 966, subpart B of this title to review the PHA determination. The tenant is not required to pay an escrow deposit pursuant to Sec. 966.55(e) for the portion of tenant rent attributable to the imputed welfare income in order to obtain a grievance hearing on the PHA determination.

(2) Section 8 participant. A participant in the Section 8 tenant-based assistance program may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the PHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the PHA denies the family's request to modify such amount, the PHA shall give the family written notice of such denial, with a brief explanation of the basis for the PHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the PHA determination, the family may request an informal hearing on the determination under the PHA hearing procedure.

*(e) PHA relation with welfare agency.*

(1) The PHA must ask welfare agencies to inform the PHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the PHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The PHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the PHA. However, the PHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The PHA shall be entitled to rely on the welfare agency notice to the PHA of the welfare agency's determination of a specified welfare benefits reduction.

## **Chapter 7**

### **VERIFICATION**

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, Notice PIH 2010-19]

#### **INTRODUCTION**

The PHA must verify all information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The PHA must not pass on the cost of verification to the family.

The PHA will follow the verification guidance provided by HUD in Notice PIH 2010-19 and any subsequent guidance issued by HUD. This chapter summarizes those requirements and provides supplementary PHA policies.

Part I describes the general verification process. More detailed requirements related to individual factors are provided in subsequent parts including family information (Part II), income and assets (Part III), and mandatory deductions (Part IV).

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of the PHA.

#### **PART I: GENERAL VERIFICATION REQUIREMENTS**

##### **7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]**

The family must supply any information that the PHA or HUD determines is necessary to the administration of the program and must consent to PHA verification of that information [24 CFR 982.551].

##### **Consent Forms**

It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the PHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

## **Penalties for Failing to Consent [24 CFR 5.232]**

If any family member who is required to sign a consent form fails to do so, the PHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with PHA procedures.

## **7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS**

### **HUD's Verification Hierarchy [Notice PIH 2010-19]**

HUD authorizes the PHA to use six methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the PHA to use the most reliable form of verification that is available and to document the reasons when the PHA uses a lesser form of verification.

#### PHA Policy

In order of priority, the forms of verification that the PHA will use are:

Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) system

Up-front Income Verification (UIV) using a non-HUD system

Written Third-Party Verification (may be provided by applicant or participant)

Written Third-party Verification Form

Oral Third-party Verification

Self-Certification

Each of the verification methods is discussed in subsequent sections below.

### **Requirements for Acceptable Documents**

#### PHA Policy

Any documents used for verification must be the original (not photocopies) and generally must be dated within 60 days of the date they are provided to the PHA. The documents must not be damaged, altered or in any way illegible.

Print-outs from Web pages are considered original documents.

The PHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self-certifications must be made in a format acceptable to the PHA and must be signed in the presence of a PHA representative or PHA notary public.

## **File Documentation**

The PHA must document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family's file in sufficient detail to demonstrate that the PHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

### PHA Policy

The PHA will document, in the family file, the following:

Reported family annual income

Value of assets

Expenses related to deductions from annual income

Other factors influencing the adjusted income or income-based rent determination

When the PHA is unable to obtain 3rd party verification, the PHA will document in the family file the reason that third-party verification was not available [24 CFR 960.259(c)(1); Notice PIH 2010-19].

## **7-I.C. UP-FRONT INCOME VERIFICATION (UIV)**

Up-front income verification (UIV) refers to the PHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the PHA.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until the PHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the PHA.

See Chapter 6 for the PHA's policy on the use of UIV/EIV to project annual income.

## **Upfront Income Verification Using HUD's Enterprise Income Verification (EIV) System (Mandatory)**

HUD's EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families. HUD requires the PHA to use the EIV system in its entirety. The following policies apply to the use of HUD's EIV system.

### ***EIV Income Reports***

The data shown on income reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

#### PHA Policy

The PHA will obtain income reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

Income reports will be compared to family-provided information as part of the annual reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6-I.C. Income reports may also be used to meet the regulatory requirement for third party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6-I.C. and in this chapter.

Income reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income reports will be retained in participant files with the applicable annual or interim reexamination documents.

When the PHA determines through income reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

### ***EIV Discrepancy Reports***

The EIV discrepancy report is a tool for identifying families who may have concealed or under-reported income. Data in the discrepancy report represents income for past reporting periods and may be between 6 months and 30 months old at the time reports are generated.

Families who have not concealed or under-reported income may appear on the discrepancy report in some circumstances, such as loss of a job or addition of new family members.

Income discrepancies may be identified through use of the EIV “Income Discrepancy Report” or by review of the discrepancy tab for the individual family.

#### **PHA Policy**

The PHA will generate the Income Discrepancy Report at least once every 6 months.

When the PHA determines that a participant appearing on the Income Discrepancy Report has not concealed or under-reported income, the participant’s name will be placed on a list of “false positive” reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from discrepancy processing until a subsequent interim or annual reexamination has been completed.

The PHA will review the EIV discrepancy tab during processing of annual and interim reexaminations.

When it appears that a family may have concealed or under-reported income, the PHA will request written third-party verification of the income in question.

When the PHA determines through file review and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

### ***EIV Identity Verification***

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on social security number, name, and date of birth.

PHAs are required to use EIV’s *Identity Verification Report* on a monthly basis to improve the availability of income information in EIV [Notice PIH 2012-10].

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

### PHA Policy

The PHA will identify participants whose identity verification has failed by reviewing EIV's *Identity Verification Report* on a monthly basis.

The PHA will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the participant. When the PHA determines that discrepancies exist due to PHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

### **Upfront Income Verification Using Non-HUD Systems (Optional)**

In addition to mandatory use of the EIV system, HUD encourages PHAs to utilize other upfront verification sources.

### PHA Policy

The PHA will inform all applicants and participants of its use of the following UIV resources during the admission and reexamination process:

HUD's EIV system

### **7-I.D. THIRD-PARTY WRITTEN AND ORAL VERIFICATION**

HUD's current verification hierarchy defines two types of written third-party verification. The more preferable form, "written third-party verification," consists of an original document generated by a third-party source, which may be received directly from a third-party source or provided to the PHA by the family. If written third-party verification is not available, the PHA must attempt to obtain a "written third-party verification form." This is a standardized form used to collect information from a third party.

### **Written Third-Party Verification [Notice PIH 2010-19]**

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

The PHA is required to obtain, at minimum, two current and consecutive pay stubs for determining annual income from wages.

The PHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

### PHA Policy

Third-party documents provided by the family must be dated within 60 days of the PHA request date.

If the PHA determines that third-party documents provided by the family are not acceptable, the PHA will explain the reason to the family and request additional documentation.

As verification of earned income, the PHA will request pay stubs covering the 60-day period prior to the PHA's request.

### **Written Third-Party Verification Form**

When upfront verification is not available and the family is unable to provide written third-party documents, the PHA must request a written third-party verification form. HUD's position is that this traditional third-party verification method presents administrative burdens and risks which may be reduced through the use of family-provided third-party documents.

A written third-party verification form is mandatory when there is an unreported source of income or a substantial difference in reported income (\$2400 annually or more) and there is no UIV or tenant-provided documentation to support the income discrepancy.

PHAs may mail, fax, or e-mail third-party written verification form requests to third-party sources.

### PHA Policy

The PHA will send third-party verification forms directly to the third party.

Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by the PHA.

### **Oral Third-Party Verification [Notice PIH 2010-19]**

For third-party oral verification, PHAs contact sources, identified by UIV techniques or by the family, by telephone or in person.

Oral third-party verification is mandatory if neither form of written third-party verification is available.

Third-party oral verification may be used when requests for written third-party verification forms have not been returned within a reasonable time—e.g., 10 business days.

PHAs should document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

### PHA Policy

In collecting third-party oral verification, PHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the PHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

### **When Third-Party Verification is Not Required [Notice PIH 2010-19]**

Third-party verification may not be available in all situations. HUD has acknowledged that it may not be cost-effective or reasonable to obtain third-party verification of income, assets, or expenses when these items would have a minimal impact on the family's total tenant payment.

### PHA Policy

If the family cannot provide original documents, the PHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

The cost of postage and envelopes to obtain third-party verification of income, assets, and expenses is not an unreasonable cost [VG, p. 18].

### ***Primary Documents***

Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

### ***Imputed Assets***

HUD permits PHAs to accept a self-certification from a family as verification of assets disposed of for less than fair market value [HCV GB, p. 5-28].

### PHA Policy

The PHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

## **7-I.E. SELF-CERTIFICATION**

Self-certification, or “tenant declaration,” is used as a last resort when the PHA is unable to obtain third-party verification.

When the PHA relies on a tenant declaration for verification of income, assets, or expenses, the family’s file must be documented to explain why third-party verification was not available.

### PHA Policy

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the PHA.

The PHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-certification must be made in a format acceptable to the PHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of a PHA representative or PHA notary public.

**PART II: VERIFYING FAMILY INFORMATION**

**7-II.A. VERIFICATION OF LEGAL IDENTITY**

PHA Policy

The PHA will require families to furnish verification of legal identity for each household member.

<b>Verification of Legal Identity for Adults</b>	<b>Verification of Legal Identity for Children</b>
Certificate of birth, naturalization papers	Certificate of birth
Church issued baptismal certificate	Adoption papers
Current, valid driver's license or Department of Motor Vehicles identification card	Custody agreement Health and Human Services ID
U.S. military discharge (DD 214)	School records
U.S. passport	
Employer identification card	

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

If none of these documents can be provided and at the PHA's discretion, a third party who knows the person may attest to the person's identity. The certification must be provided in a format acceptable to the PHA and be signed in the presence of a PHA representative or PHA notary public.

Legal identity will be verified on an as needed basis.

## **7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2012-10]**

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed an SSN.

Note that an individual who previously declared to have eligible immigration status may not change his or her declaration for the purpose of avoiding compliance with the SSN disclosure and documentation requirements or penalties associated with noncompliance with these requirements. Nor may the head of household opt to remove a household member from the family composition for this purpose.

The PHA must accept the following documentation as acceptable evidence of the social security number:

An original SSN card issued by the Social Security Administration (SSA)

An original SSA-issued document, which contains the name and SSN of the individual

An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

The PHA may only reject documentation of an SSN provided by an applicant or participant if the document is not an original document, if the original document has been altered, mutilated, or is not legible, or if the document appears to be forged.

### PHA Policy

The PHA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the PHA within 60 days.

In the case of Moderate Rehabilitation Single Room Occupancy (SRO) individuals, the required documentation must be provided within 60 calendar days from the date of admission into the program. The PHA must grant one additional 30-day extension if it determines that the applicant's failure to comply was due to circumstances that were beyond the applicant's control and could not have been reasonably foreseen.

### PHA Policy

The PHA will grant one additional 30-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, the PHA will terminate the individual's assistance.

When the participant requests to add a new household member who is at least 6 years of age, or who is under the age of 6 and has an SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. The PHA may not add the new household member until such documentation is provided.

When a participant requests to add a new household member who is under the age of 6 and has not been assigned an SSN, the participant must provide the SSN assigned to each new child and the required documentation within 90 calendar days of the child being added to the household. A 90-day extension will be granted if the PHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant's control. During the period the PHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

#### PHA Policy

The PHA will grant one additional 30-day extension if needed for reasons beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.

Social security numbers must be verified only once during continuously-assisted occupancy.

#### PHA Policy

The PHA will verify each disclosed SSN by:

Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers

Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder

Once the individual's verification status is classified as "verified," the PHA may, at its discretion, remove and destroy copies of documentation accepted as evidence of social security numbers. The retention of the EIV Summary Report or Income Report is adequate documentation of an individual's SSN.

#### PHA Policy

Once an individual's status is classified as "verified" in HUD's EIV system, the PHA will remove and destroy copies of documentation accepted as evidence of social security numbers.

### **7-II.C. DOCUMENTATION OF AGE**

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

#### PHA Policy

If an official record of birth or evidence of social security retirement benefits cannot be provided, the PHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

### **7-II.D. FAMILY RELATIONSHIPS**

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

#### PHA Policy

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

### **Marriage**

#### PHA Policy

Certification by the head of household is normally sufficient verification. If the PHA has reasonable doubts about a marital relationship, the PHA will require the family to document the marriage.

A marriage certificate generally is required to verify that a couple is married.

In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (e.g., by telling the community they are married, calling each other husband and wife, using the same last name, filing joint income tax returns).

## **Separation or Divorce**

### PHA Policy

Certification by the head of household is normally sufficient verification. If the PHA has reasonable doubts about a separation or divorce, the PHA will require the family to document the divorce, or separation.

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

If no court document is available, documentation from a community-based agency will be accepted.

## **Absence of Adult Member**

### PHA Policy

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

## **Foster Children and Foster Adults**

### PHA Policy

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

## **7-II.E. VERIFICATION OF STUDENT STATUS**

### **General Requirements**

#### PHA Policy

The PHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

The family reports full-time student status for an adult other than the head, spouse, or cohead.

The family reports child care expenses to enable a family member to further his or her education.

The family includes a student enrolled in an *institution of higher education*.

### **Restrictions on Assistance to Students Enrolled in Institutions of Higher Education**

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

#### PHA Policy

In accordance with the verification hierarchy described in section 7-1.B, the PHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see section Exhibit 3-2).

The student is at least 24 years old.

The student is a veteran, as defined in section 3-II.E.

The student is married.

The student has at least one dependent child, as defined in section 3-II.E.

The student is a person with disabilities, as defined in section 3-II.E, and was receiving assistance prior to November 30, 2005.

If the PHA cannot verify at least one of these exemption criteria, the PHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, the PHA will then proceed to verify either the student's parents' income eligibility (see section 7-III.J) or the student's independence from his/her parents (see below).

### ***Independent Student***

#### **PHA Policy**

The PHA will verify a student's independence from his/her parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

Either reviewing and verifying previous address information to determine whether the student has established a household separate from his/her parents for at least one year or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see section 3-II.E)

Reviewing prior year income tax returns to verify whether a parent has claimed the student as a dependent

Requesting and obtaining written certification directly from the student's parents identifying the amount of support they will be providing to the student, even if the amount of support is \$0.

### **7-II.F. DOCUMENTATION OF DISABILITY**

The PHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The PHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. Under no circumstances will the PHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at [www.os.dhhs.gov](http://www.os.dhhs.gov).

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [VG, p. 24]:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or to persons with a particular type of disability

- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with disabilities or to persons with a particular type of disability
- Inquiring whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance

### **Family Members Receiving SSA Disability Benefits**

Verification of the receipt of disability benefits from the Social Security Administration (SSA) is sufficient verification of disability for the purpose of qualifying for waiting list preferences (if applicable) or certain income disallowances and deductions [VG, p. 23].

#### PHA Policy

For family members claiming disability who receive disability benefits from the SSA, the PHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD's EIV System is not available, the PHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the PHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from [www.ssa.gov](http://www.ssa.gov). Once the applicant or participant receives the benefit verification letter they will be required to provide it to the PHA.

### **Family Members Not Receiving SSA Disability Benefits**

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.403.

#### PHA Policy

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

## **7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]**

### **Overview**

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and PHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy. [24 CFR 5.508(g)(5)]

### **U.S. Citizens and Nationals**

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The PHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

#### PHA Policy

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the PHA receives information indicating that an individual's declaration may not be accurate.

## **Eligible Immigrants**

### ***Documents Required***

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-2 at the end of this chapter summarizes documents family members must provide.

### ***PHA Verification*** [HCV GB, pp. 5-3 and 5-7]

For family members age 62 or older who claim to be eligible immigrants, proof of age is required in the manner described in 7-II.C. of this plan. No further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, the PHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

The PHA will follow all USCIS protocols for verification of eligible immigration status.

## **7-II.H. VERIFICATION OF PREFERENCE STATUS**

The PHA must verify any preferences claimed by an applicant.

### **PHA Policy**

The PHA will offer a preference to any family that has been terminated from its HCV program due to insufficient program funding. The PHA will verify this preference using the PHA's termination records.

## **PART III: VERIFYING INCOME AND ASSETS**

Chapter 6, Part I of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides PHA policies that supplement the general verification procedures specified in Part I of this chapter.

### **7-III.A. EARNED INCOME**

#### **Tips**

##### PHA Policy

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received for the prior year and tips anticipated to be received in the coming year.

### **7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME**

##### PHA Policy

Business owners and self-employed persons will be required to provide:

An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

All schedules completed for filing federal and local taxes in the preceding year.

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

The PHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the PHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, the PHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three

(3) to twelve (12) months the PHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

### **7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS**

#### **Social Security/SSI Benefits**

##### PHA Policy

To verify the SS/SSI benefits of applicants, the PHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the PHA will help the applicant request a benefit verification letter from SSA's Web site at [www.socialsecurity.gov](http://www.socialsecurity.gov) or ask the family to request one by calling SSA at 1-800-772-1213. Once the applicant has received the benefit verification letter they will be required to provide it to the PHA.

To verify the SS/SSI benefits of participants, the PHA will obtain information about social security/SSI benefits through the HUD EIV System, and confirm with the participant(s) that the current listed benefit amount is correct. If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the PHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) the PHA will help the participant request a benefit verification letter from SSA's Web site at [www.socialsecurity.gov](http://www.socialsecurity.gov) or ask the family to request one by calling SSA at 1-800-772-1213. Once the participant has received the benefit verification letter they will be required to provide it to the PHA.

## 7-III.D. ALIMONY OR CHILD SUPPORT

### PHA Policy

The way the PHA will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments.

If the family declares that it *receives regular payments*, verification will be sought in the following order.

Copy of the receipts and/or payment stubs for the 60 days prior to PHA request

Third-party verification form from the state or local child support enforcement agency

Third-party verification form from the person paying the support

Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it *receives irregular or no payments*, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts

If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

**Note:** Families are not required to undertake independent enforcement action.

### **7-III.E. ASSETS AND INCOME FROM ASSETS**

#### **Assets Disposed of for Less than Fair Market Value**

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The PHA needs to verify only those certifications that warrant documentation [HCV GB, p. 5-28].

##### PHA Policy

The PHA will verify the value of assets disposed of only if:

The PHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last annual reexamination and the PHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The PHA has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.

Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the PHA will verify the value of this asset.

### **7-III.F. NET INCOME FROM RENTAL PROPERTY**

##### PHA Policy

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant

A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the PHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

## **7-III.G. RETIREMENT ACCOUNTS**

### PHA Policy

The PHA will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

The type of original document that will be accepted depends upon the family member's retirement status.

*Before* retirement, the PHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

*Upon* retirement, the PHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

*After* retirement, the PHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

## **7-III.H. INCOME FROM EXCLUDED SOURCES**

A detailed discussion of excluded income is provided in Chapter 6, Part I.

The PHA must obtain verification for income exclusions only if, without verification, the PHA would not be able to determine whether the income is to be excluded. For example: If a family's 16 year old has a job at a fast food restaurant, the PHA will confirm that PHA records verify the child's age but will not require third-party verification of the amount earned. However, if a family claims the earned income disallowance for a source of income, both the source and the income must be verified.

### PHA Policy

The PHA will reconcile differences in amounts reported by the third party and the family only when the excluded amount is used to calculate the family share (as is the case with the earned income disallowance). In all other cases, the PHA will report the amount to be excluded as indicated on documents provided by the family.

### **7-III.I. ZERO ANNUAL INCOME STATUS**

#### PHA Policy

The PHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SSI, etc., are not being received by families claiming to have zero annual income.

### **7-III.J. STUDENT FINANCIAL ASSISTANCE**

Any financial assistance, in excess of amounts received for tuition, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609(b)(9) and FR 4/10/06].

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, the PHA would not be able to determine whether or to what extent the income is to be excluded (see section 7-III.H).

#### PHA Policy

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the PHA will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, the PHA will request written verification of the student's tuition amount.

If the PHA is unable to obtain third-party written verification of the requested information, the PHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.

### **7-III.K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS**

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents in accordance with PHA policy [24 CFR 5.612 and FR 4/10/06, p. 18146].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

#### PHA Policy

If the PHA is required to determine the income eligibility of a student's parents, the PHA will request an income declaration and certification of income from the appropriate parent(s) (as determined in section 3-II.E). The PHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to the PHA. The required information must be submitted (postmarked) within 10 business days of the date of the PHA's request or within any extended timeframe approved by the PHA.

The PHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

## **PART IV: VERIFYING MANDATORY DEDUCTIONS**

### **7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS**

The dependent and elderly/disabled family deductions require only that the PHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

#### **Dependent Deduction**

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The PHA must verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

#### **Elderly/Disabled Family Deduction**

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The PHA must verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

## **7-IV.B. MEDICAL EXPENSE DEDUCTION**

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

### **Amount of Expense**

#### PHA Policy

Medical expenses will be verified through:

Written third-party documents provided by the family, such as pharmacy printouts or receipts.

The PHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The PHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

Written third-party verification forms, if the family is unable to provide acceptable documentation.

If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

In addition, the PHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

## **Eligible Household**

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. The PHA must verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

## **Qualified Expenses**

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the PHA's policy on what counts as a medical expense.

## **Unreimbursed Expenses**

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

### PHA Policy

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

## **Expenses Incurred in Past Years**

### PHA Policy

When anticipated costs are related to on-going payment of medical bills incurred in past years, the PHA will verify:

The anticipated repayment schedule

The amounts paid in the past, and

Whether the amounts to be repaid have been deducted from the family's annual income in past years

## **7-IV.C. DISABILITY ASSISTANCE EXPENSES**

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

### **Amount of Expense**

#### *Attendant Care*

##### PHA Policy

The PHA will accept written third-party documents provided by the family.

If family-provided documents are not available, the PHA will provide a third-party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Written third-party documents provided by the family, such as receipts or cancelled checks.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months.

#### *Auxiliary Apparatus*

##### PHA Policy

Expenses for auxiliary apparatus will be verified through:

Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.

Third-party verification form signed by the provider, if family-provided documents are not available.

If third-party verification is not possible, written family certification of estimated apparatus costs for the upcoming 12 months.

In addition, the PHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

### **Family Member is a Person with Disabilities**

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The PHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

### **Family Member(s) Permitted to Work**

The PHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

#### PHA Policy

The PHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.

If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

### **Unreimbursed Expenses**

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

#### PHA Policy

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

#### **7-IV.D. CHILD CARE EXPENSES**

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the PHA must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable.

#### **Eligible Child**

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The PHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

#### **Unreimbursed Expense**

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

##### PHA Policy

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.

#### **Pursuing an Eligible Activity**

The PHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

##### PHA Policy

##### *Information to be Gathered*

The PHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

### *Seeking Work*

Whenever possible the PHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the PHA will request family-provided verification from the agency of the member's job seeking efforts to date, and require the family to submit to the PHA any reports provided to the other agency.

In the event third-party verification is not available, the PHA will provide the family with a form on which the family member must record job search efforts. The PHA will review this information at each subsequent reexamination for which this deduction is claimed.

### *Furthering Education*

The PHA will request third-party documentation to verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

### *Gainful Employment*

The PHA will seek third-party verification of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

## **Allowable Type of Child Care**

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

### PHA Policy

The PHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The PHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The PHA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

## **Reasonableness of Expenses**

Only reasonable child care costs can be deducted.

### PHA Policy

The actual costs the family incurs will be compared with the PHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the PHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

**EXHIBIT 7-1: SUMMARY OF DOCUMENTATION REQUIREMENTS  
FOR NONCITIZENS [HCV GB, pp. 5-9 and 5-10]**

- All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA.
- Except for persons 62 or older, all noncitizens must sign a verification consent form
- Additional documents are required based upon the person's status.

**Elderly Noncitizens**

- A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.

**All other Noncitizens**

- Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.

<ul style="list-style-type: none"> <li>• Form I-551 Alien Registration Receipt Card (for permanent resident aliens)</li> <li>• Form I-94 Arrival-Departure Record annotated with one of the following:             <ul style="list-style-type: none"> <li>• “Admitted as a Refugee Pursuant to Section 207”</li> <li>• “Section 208” or “Asylum”</li> <li>• “Section 243(h)” or “Deportation stayed by Attorney General”</li> <li>• “Paroled Pursuant to Section 221 (d)(5) of the USCIS”</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Form I-94 Arrival-Departure Record with no annotation accompanied by:             <ul style="list-style-type: none"> <li>• A final court decision granting asylum (but only if no appeal is taken);</li> <li>• A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);</li> <li>• A court decision granting withholding of deportation; or</li> <li>• A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).</li> </ul> </li> </ul>
--	--

<ul style="list-style-type: none"> <li>• Form I-688 Temporary Resident Card annotated “Section 245A” or Section 210”.</li> </ul>	Form I-688B Employment Authorization Card annotated “Provision of Law 274a. 12(11)” or “Provision of Law 274a.12”.
--	--

- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*

## Chapter 8

### HOUSING QUALITY STANDARDS AND RENT REASONABLENESS DETERMINATIONS

[24 CFR 982 Subpart I and 24 CFR 982.507]

#### INTRODUCTION

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) assistance meet HUD's Housing Quality Standards (HQS) and permits the PHA to establish additional requirements. The use of the term "HQS" in this plan refers to the combination of both HUD and PHA-established requirements. HQS inspections are required before the Housing Assistance Payments (HAP) Contract is signed and at least annually during the term of the contract.

HUD also requires PHAs to determine that units rented by families assisted under the HCV program have rents that are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and PHA requirements related to housing quality and rent reasonableness as follows:

Part I. Physical Standards. This part discusses the physical standards required of units occupied by HCV-assisted families and identifies decisions about the acceptability of the unit that may be made by the family based upon the family's preference. It also identifies life-threatening conditions that must be addressed on an expedited basis.

Part II. The Inspection Process. This part describes the types of inspections the PHA will make and the steps that will be taken when units do not meet HQS.

Part III. Rent Reasonableness Determinations. This part discusses the policies the PHA will use to make rent reasonableness determinations.

Special HQS requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction.

## **PART I: PHYSICAL STANDARDS**

### **8-I.A. GENERAL HUD REQUIREMENTS**

#### **HUD Performance and Acceptability Standards**

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and Security
- Thermal Environment
- Illumination and electricity
- Structure and materials
- Interior Air Quality
- Water Supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition
- Smoke Detectors

A summary of HUD performance criteria is provided in Exhibit 8-1. Additional guidance on these requirements is found in the following HUD resources:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)
- HUD Notice 2003-31, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

#### **Tenant Preference Items**

HUD requires the PHA to enforce minimum HQS but also requires that certain judgments about acceptability be left to the family. For example, the PHA must ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic condition of the facilities is acceptable. Exhibit 8-2 summarizes those items that are considered tenant preferences.

## **Modifications to Provide Accessibility**

Under the Fair Housing Act of 1988 an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained.[24 CFR 100.203; Notice 2003-31].

Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31] See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

### PHA Policy

Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to the PHA for review.

## **8-I.B. ADDITIONAL LOCAL REQUIREMENTS**

The PHA may impose additional quality standards as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choice. HUD approval is required if more stringent standards are imposed. HUD approval is not required if the PHA additions are clarifications of HUD's acceptability criteria or performance standards [24 CFR 982.401(a)(4)].

### **Thermal Environment [HCV GB p.10-7]**

The PHA must define a “healthy living environment” for the local climate. This may be done by establishing a temperature that the heating system must be capable of maintaining, that is appropriate for the local climate.

### PHA Policy

The heating system must be capable of maintaining an interior temperature of 65 degrees Fahrenheit between October 1 and May 1.

## **Clarifications of HUD Requirements**

### PHA Policy

As permitted by HUD, the PHA has adopted the following specific requirements that elaborate on HUD standards.

#### ***Walls***

In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.

#### ***Windows***

Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced.

Windows must be weather-stripped as needed to ensure a weather-tight seal.

Window screens must be in good condition (applies only if screens are present).

#### ***Doors***

All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold.

All interior doors must have no holes, have all trim intact, and be openable without the use of a key.

#### ***Floors***

All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be resecured and made level. If they cannot be leveled, they must be replaced.

All floors must be in a finished state. Raw wood or unsealed concrete is not permitted.

All floors should have some type of baseshoe, trim, or sealing for a "finished look." Vinyl baseshoe is permitted.

#### ***Sinks***

All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.

All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.

All sinks must have functioning stoppers.

#### ***Security***

If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

### **8-I.C. LIFE THREATENING CONDITIONS [24 CFR 982.404(a)]**

HUD requires the PHA to define life threatening conditions and to notify the owner or the family (whichever is responsible) of the corrections required. The responsible party must correct life threatening conditions within 24 hours of PHA notification.

#### PHA Policy

The following are considered life threatening conditions:

Any condition that jeopardizes the security of the unit

Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

Natural, Propane or LPgas or fuel oil leaks

Any electrical problem or condition that could result in shock or fire

Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit.

Utilities not in service, including no running hot water

Conditions that present the imminent possibility of injury

Obstacles that prevent safe entrance or exit from the unit

Absence of a functioning toilet in the unit

Inoperable smoke detectors

If an owner fails to correct life threatening conditions as required by the PHA, the housing assistance payment will be abated and the HAP contract will be terminated. See 8-II-G.

If a family fails to correct a family caused life threatening condition as required by the PHA, the PHA may terminate the family's assistance. See 8-II.H.

The owner will be required to repair an inoperable smoke detector unless the PHA determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to repair the smoke detector within 24 hours.

## **8-I.D. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]**

### **Family Responsibilities**

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service
- Failure to provide or maintain family-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

### **Owner Responsibilities**

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family.

### **8-I.E. SPECIAL REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL [24 CFR 35.1225]**

If a PHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood lead level, the PHA must complete a risk assessment of the dwelling unit. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within 30 days after receiving the risk assessment report from the PHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of HQS and the PHA will take action in accordance with Section 8-II.G.

PHA reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in Chapter 16.

### **8-I.F. VIOLATION OF HQS SPACE STANDARDS [24 CFR 982.403]**

If the PHA determines that a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms.

## **PART II: THE INSPECTION PROCESS**

### **8-II.A. OVERVIEW [24 CFR 982.405]**

#### **Types of Inspections**

The PHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- *Initial Inspections.* The PHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. The unit must pass the HQS inspection before the effective date of the HAP Contract.
- *Annual Inspections.* HUD requires the PHA to inspect each unit under lease at least annually to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.
- *Special Inspections.* A special inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between annual inspections.
- *Quality Control Inspections.* HUD requires that a sample of units be reinspected by a supervisor or other qualified individual to ensure that HQS are being enforced correctly and uniformly by all inspectors.

#### **Inspection of PHA-owned Units [24 CFR 982.352(b)]**

The PHA must obtain the services of an independent entity to perform all HQS inspections in cases where an HCV family is receiving assistance in a PHA-owned unit. A PHA-owned unit is defined as a unit that is owned by the PHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by the PHA). The independent agency must communicate the results of each inspection to the family and the PHA. The independent agency must be approved by HUD, and may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government).

#### **Inspection Costs**

The PHA may not charge the family or owner for unit inspections [24 CFR 982.405(e)]. In the case of inspections of PHA-owned units, the PHA may compensate the independent agency from ongoing administrative fee for inspections performed. The PHA and the independent agency may not charge the family any fee or charge for the inspection [24 CFR.982.352(b)].

## **Notice and Scheduling**

The family must allow the PHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

### PHA Policy

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:00 a.m. and 5:00 p.m. Generally inspections will be conducted on business days only. In the case of a life threatening emergency, the PHA will give as much notice as possible, given the nature of the emergency.

## **Owner and Family Inspection Attendance**

HUD permits the PHA to set policy regarding family and owner presence at the time of inspection [HCV GB p. 10-27].

### PHA Policy

When a family occupies the unit at the time of inspection an adult family member must be present for the inspection. The presence of the owner or the owner's representative is encouraged but is not required.

At initial inspection of a vacant unit, the PHA will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted, but is not required.

## **8-II.B. INITIAL HQS INSPECTION [24 CFR 982.401(a)]**

### **Timing of Initial Inspections**

HUD requires the unit to pass HQS before the effective date of the lease and HAP Contract. HUD requires PHAs with fewer than 1,250 budgeted units to complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA). For PHAs with 1,250 or more budgeted units, to the extent practicable such inspection and determination must be completed within 15 days. The 15-day period is suspended for any period during which the unit is not available for inspection [982.305(b)(2)].

#### PHA Policy

The PHA will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 15 days of submission of the Request for Tenancy Approval (RTA).

### **Inspection Results and Reinspections**

#### PHA Policy

If any HQS violations are identified, the owner will be notified of the deficiencies and be given a time frame to correct them. If requested by the owner, the time frame for correcting the deficiencies may be extended by the PHA for good cause. The PHA will reinspect the unit within 5 business days of the date the owner notifies the PHA that the required corrections have been made.

If the time period for correcting the deficiencies (or any PHA-approved extension) has elapsed, or the unit fails HQS at the time of the reinspection, the PHA will notify the owner and the family that the unit has been rejected and that the family must search for another unit. The PHA may agree to conduct a second reinspection, for good cause, at the request of the family and owner.

Following a failed reinspection, the family may submit a new Request for Tenancy Approval for the unit if the family has not found another unit by the time the owner completes all repairs and the family continues to wish to live in the unit.

## **Utilities**

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

### PHA Policy

If utility service is not available for testing at the time of the initial inspection, the PHA will allow the utilities to be placed in service after the unit has met all other HQS requirements. The PHA will reinspect the unit to confirm that utilities are operational before the HAP contract is executed by the PHA.

## **Appliances**

### PHA Policy

If the family is responsible for supplying the stove and/or refrigerator, the PHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is executed by the PHA. The PHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

## **8-II.C. ANNUAL HQS INSPECTIONS [24 CFR 982.405(a)]**

### **Scheduling the Inspection**

Each unit under HAP contract must have an annual inspection no more than 12 months after the most recent inspection.

#### PHA Policy

If an adult family member cannot be present on the scheduled date, the family should request that the PHA reschedule the inspection. The PHA and family will agree on a new inspection date that generally should take place within 5 business days of the originally-scheduled date. The PHA may schedule an inspection more than 5 business days after the original date for good cause.

If the family misses the first scheduled appointment without requesting a new inspection date, the PHA will automatically schedule a second inspection. If the family misses two scheduled inspections without PHA approval, the PHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

## **8-II.D. SPECIAL INSPECTIONS [HCV GB, p. 10-30]**

The PHA will conduct a special inspection if the owner, family, or another source reports HQS violations in the unit.

#### PHA Policy

During a special inspection, the PHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the annual inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled the PHA may elect to conduct a full annual inspection.

## **8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b); HCV GB, p. 10-32]**

HUD requires a PHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS.

The unit sample must include only units that have been inspected within the preceding 3 months. The selected sample will include (1) each type of inspection (initial, annual, and special), (2) inspections completed by each inspector, and (3) units from a cross-section of neighborhoods.

## **8-II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT**

### **Notification of Corrective Actions**

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies HQS failures, the PHA will determine (1) whether or not the failure is a life threatening condition and (2) whether the family or owner is responsible.

#### PHA Policy

When life threatening conditions are identified, the PHA will immediately notify both parties by telephone, facsimile, or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of the PHA's notice.

When failures that are not life threatening are identified, the PHA will send the owner and the family a written notification of the inspection results within 5 business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally not more than 30 days will be allowed for the correction.

The notice of inspection results will inform the owner that if life threatening conditions are not corrected within 24 hours, and non-life threatening conditions are not corrected within the specified time frame (or any PHA-approved extension), the owner's HAP will be abated in accordance with PHA policy (see 8-II.G.). Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any PHA-approved extension, if applicable) the family's assistance will be terminated in accordance with PHA policy (see Chapter 12).

## **Extensions**

For conditions that are life-threatening, the PHA cannot grant an extension to the 24 hour corrective action period. For conditions that are not life-threatening, the PHA may grant an exception to the required time frames for correcting the violation, if the PHA determines that an extension is appropriate [24 CFR 982.404].

### PHA Policy

Extensions will be granted in cases where the PHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

A repair cannot be completed because required parts or services are not available.

A repair cannot be completed because of weather conditions.

A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case by case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days, once the weather conditions have subsided.

## **Reinspections**

### PHA Policy

The PHA will conduct a reinspection immediately following the end of the corrective period, or any PHA approved extension.

The family and owner will be given reasonable notice of the reinspection appointment. If the deficiencies have not been corrected by the time of the reinspection, the PHA will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with PHA policies. If the PHA is unable to gain entry to the unit in order to conduct the scheduled reinspection, the PHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family's assistance in accordance with Chapter 12.

## **8-II.G. ENFORCING OWNER COMPLIANCE**

If the owner fails to maintain the dwelling unit in accordance with HQS, the PHA must take prompt and vigorous action to enforce the owner obligations.

### **HAP Abatement**

If an owner fails to correct HQS deficiencies by the time specified by the PHA, HUD requires the PHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the family's responsibility.

#### PHA Policy

The PHA will make all HAP abatements effective the first of the month following the expiration of the PHA specified correction period (including any extension).

The PHA will inspect abated units within 5 business days of the owner's notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

### **HAP Contract Termination**

The PHA must decide how long any abatement period will continue before the HAP contract will be terminated. The PHA should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time [HCV GB p. 10-29] and must give the owner reasonable notice of the termination. The PHA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

#### PHA Policy

The maximum length of time that a HAP may be abated is 90 days. However, if the owner completes corrections and notifies the PHA before the termination date of the HAP contract, the PHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

Reasonable notice of HAP contract termination by the PHA is 30 days.

## **8-II.H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(b)]**

Families are responsible for correcting any HQS violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by the PHA (and any extensions), the PHA will terminate the family's assistance, according to the policies described in Chapter 12.

If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

## **PART III: RENT REASONABLENESS [24 CFR 982.507]**

### **8-III.A. OVERVIEW**

No HAP contract can be approved until the PHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

#### **PHA-owned Units [24 CFR 982.352(b)]**

In cases where an HCV family is receiving assistance in a PHA-owned unit, the PHA must obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements, and to assist the family in negotiating the contract rent when the family requests assistance. A PHA-owned unit is defined as a unit that is owned by the PHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by the PHA). The independent agency must communicate the results of the rent reasonableness determination to the family and the PHA. The independent agency must be approved by HUD, and may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government).

## **8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED**

### **Owner-initiated Rent Determinations**

The PHA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.

The owner and family first negotiate the rent for a unit. The PHA (or independent agency in the case of PHA-owned units) will assist the family with the negotiations upon request. At initial occupancy the PHA must determine whether the proposed rent is reasonable before a HAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

#### PHA Policy

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up, the PHA may request owners to provide information about the rents charged for other units on the premises, if the premises include more than 4 units. In evaluating the proposed rents in comparison to other units on the premises the PHA will consider unit size and length of tenancy in the other units.

The PHA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

All rents adjustments will be effective the first of the month following 60 days after the PHA's receipt of the owner's request or on the date specified by the owner, whichever is later.

### **PHA- and HUD-Initiated Rent Reasonableness Determinations**

HUD requires the PHA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 5 percent decrease in the Fair Market Rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct the PHA to make a determination at any other time. The PHA may decide that a new determination of rent reasonableness is needed at any time.

#### PHA Policy

In addition to the instances described above, the PHA will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) the PHA determines that the initial rent reasonableness determination was in error or (2) the PHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

## **8-III.C. HOW COMPARABILITY IS ESTABLISHED**

### **Factors to Consider**

HUD requires PHAs to take into consideration the factors listed below when determining rent comparability. The PHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made
- Amenities, services, and utilities included in the rent

### **Units that Must Not be Used as Comparables**

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance.

*Note:* Notice PIH 2011-46, issued August 17, 2011, provides further guidance on the issue of what constitutes an assisted unit.

### **Rents Charged for Other Units on the Premises**

The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

By accepting the PHA payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give the PHA information regarding rents charged for other units on the premises.

## **8-III.D. PHA RENT REASONABLENESS METHODOLOGY**

### **How Market Data is Collected**

#### PHA Policy

The PHA will collect and maintain data on market rents in the PHA's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated on an ongoing basis and rent information that is more than 12 months old will be eliminated from the database.

### **How Rents are Determined**

#### PHA Policy

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. The PHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, the PHA may make adjustments to the range of prices to account for these differences.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference—not its construction costs (e.g., it might cost \$20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rental units are presumed to have functioning roofs).

When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of \$500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows:  $\$500 \times 11 \text{ months} = 5500/12 \text{ months} = \text{actual monthly rent of } \$488$ .

The PHA will notify the owner of the rent the PHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. The PHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within 5 business days of the PHA's request for information or the owner's request to submit information.

## **EXHIBIT 8-1: OVERVIEW OF HUD HOUSING QUALITY STANDARDS**

Note: This document provides an overview of HQS. For more detailed information see the following documents:

- 24 CFR 982.401, Housing Quality Standards (HQS)
- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

### **Sanitary Facilities**

The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be usable in privacy and must be in proper operating condition and adequate for personal cleanliness and disposal of human waste.

### **Food Preparation and Refuse Disposal**

The dwelling unit must have space and equipment suitable for the family to store, prepare, and serve food in a sanitary manner.

### **Space and Security**

The dwelling unit must provide adequate space and security for the family. This includes having at least one bedroom or living/sleeping room for each two persons.

### **Thermal Environment**

The unit must have a safe system for heating the dwelling unit. Air conditioning is not required but if provided must be in proper operating condition. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat for units located in climatic areas where permanent heat systems are required.

### **Illumination and Electricity**

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. Minimum standards are set for different types of rooms. Once the minimum standards are met, the number, type and location of electrical sources are a matter of tenant preference.

### **Structure and Materials**

The dwelling unit must be structurally sound. Handrails are required when four or more steps (risers) are present, and protective railings are required when porches, balconies, and stoops are thirty inches or more off the ground. The elevator servicing the unit must be working [if there is one]. Manufactured homes must have proper tie-down devices capable of surviving wind loads common to the area.

### **Interior Air Quality**

The dwelling unit must be free of air pollutant levels that threaten the occupants' health. There must be adequate air circulation in the dwelling unit. Bathroom areas must have one openable window or other adequate ventilation. Any sleeping room must have at least one window. If a window was designed to be opened, it must be in proper working order.

### **Water Supply**

The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination. Plumbing fixtures and pipes must be free of leaks and threats to health and safety.

### **Lead-Based Paint**

Lead-based paint requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children under six years of age, excluding zero bedroom dwellings. Owners must:

- Disclose known lead-based paint hazards to prospective tenants before the lease is signed,
- provide all prospective families with "Protect Your Family from Lead in Your Home",
- Stabilize deteriorated painted surfaces and conduct hazard reduction activities when identified by the PHA
- Notify tenants each time such an activity is performed
- Conduct all work in accordance with HUD safe practices
- As part of ongoing maintenance ask each family to report deteriorated paint.

For units occupied by environmental intervention blood lead level (lead poisoned) children under six years of age, a risk assessment must be conducted (paid for by the PHA). If lead hazards are identified during the risk assessment, the owner must complete hazard reduction activities.

See HCV GB p. 10-15 for a detailed description of these requirements. For additional information on lead-based paint requirements see 24 CFR 35, Subparts A, B, M, and R.

### **Access**

Use and maintenance of the unit must be possible without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire.

### **Site and Neighborhood**

The site and neighborhood must be reasonably free from disturbing noises and reverberations, excessive trash or vermin, or other dangers to the health, safety, and general welfare of the occupants.

**Sanitary Condition**

The dwelling unit and its equipment must be in sanitary condition and free of vermin and rodent infestation. The unit must have adequate barriers to prevent infestation.

**Smoke Detectors**

Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any person with a hearing impairment, smoke detectors must have an appropriate alarm system as specified in NFPA 74 (or successor standards).

**Hazards and Health/Safety**

The unit, interior and exterior common areas accessible to the family, the site, and the surrounding neighborhood must be free of hazards to the family's health and safety.

<p style="text-align: center;"><b>EXHIBIT 8-2: SUMMARY OF TENANT PREFERENCE AREAS RELATED TO HOUSING QUALITY</b></p>
--

Note: This document provides an overview of unit and site characteristics and conditions for which the family determines acceptability. For more detailed information see the following documents:

- Housing Choice Voucher Guidebook, Chapter 10.
- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

Provided the minimum housing quality standards have been met, HUD permits the family to determine whether the unit is acceptable with regard to the following characteristics.

- *Sanitary Facilities.* The family may determine the adequacy of the cosmetic condition and quality of the sanitary facilities, including the size of the lavatory, tub, or shower; the location of the sanitary facilities within the unit; and the adequacy of the water heater.
- *Food Preparation and Refuse Disposal.* The family selects size and type of equipment it finds acceptable. When the family is responsible for supplying cooking appliances, the family may choose to use a microwave oven in place of a conventional oven, stove, or range. When the owner is responsible for providing cooking appliances, the owner may offer a microwave oven in place of an oven, stove, or range only if other subsidized and unsubsidized units on the premises are furnished with microwave ovens only. The adequacy of the amount and type of storage space, the cosmetic conditions of all equipment, and the size and location of the kitchen are all determined by the family.
- *Space and Security.* The family may determine the adequacy of room sizes and room locations. The family is also responsible for deciding the acceptability of the type of door and window locks.
- *Energy conservation items.* The family may determine whether the amount of insulation, presence of absence of storm doors and windows and other energy conservation items are acceptable.
- *Illumination and Electricity.* The family may determine whether the location and the number of outlets and fixtures (over and above those required to meet HQS standards) are acceptable or if the amount of electrical service is adequate for the use of appliances, computers, or stereo equipment.

- (6) *Structure and Materials*. Families may determine whether minor defects, such as lack of paint, or worn flooring or carpeting will affect the livability of the unit.
- (7) *Indoor Air*. Families may determine whether window and door screens, filters, fans, or other devices for proper ventilation are adequate to meet the family's needs. However, if screens are present they must be in good condition.
- (8) *Sanitary Conditions*. The family determines whether the sanitary conditions in the unit, including minor infestations, are acceptable.
- (9) *Neighborhood conditions*. Families may determine whether neighborhood conditions such as the presence of drug activity, commercial enterprises, and convenience to shopping will affect the livability of the unit.

Families have no discretion with respect to lead-based paint standards and smoke detectors.

## Chapter 9

### GENERAL LEASING POLICIES

#### INTRODUCTION

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the HAP contract.

In order for the PHA to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, the PHA must determine that all the following program requirements are met:

- The unit itself must qualify as an eligible unit [24 CFR 982.305(a)]
- The unit must be inspected by the PHA and meet the Housing Quality Standards (HQS) [24 CFR 982.305(a)]
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)]
- The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)]
- The owner must be an eligible owner, approvable by the PHA, with no conflicts of interest [24 CFR 982.306]
- For families initially leasing a unit only: Where the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family cannot exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]

## **9-I.A. TENANT SCREENING**

The PHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

The PHA may elect to screen applicants for family behavior or suitability for tenancy. See Chapter 3 for a discussion of the PHA's policies with regard to screening applicant families for program eligibility [24 CFR 982.307(a)(1)].

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before PHA approval of the tenancy, the PHA must inform the owner that screening and selection for tenancy is the responsibility of the owner [24 CFR 982.307(a)(2)]. The PHA must also inform the owner or manager of his/her rights and obligations under the Violence against Women Act of 2005 (VAWA) [24 CFR 5.2005(a)(2)].

The PHA must provide the owner with the family's current and prior address (as shown in the PHA records) and the name and address (if known to the PHA) of the landlord at the family's current and prior address [24 CFR 982.307(b)(1)].

The PHA is permitted, but not required, to offer the owner other information in the PHA's possession about the family's tenancy [24 CFR 982.307(b)(2)].

The PHA's policy on providing information to the owner must be included in the family's briefing packet [24 CFR 982.307(b)(3)].

The PHA may not disclose to the owner any confidential information provided in response to a PHA request for documentation of domestic violence, dating violence, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(b)(4)].

### PHA Policy

The PHA will not screen applicants for family behavior or suitability for tenancy.

The PHA will not provide additional screening information to the owner.

### **9-I.B. REQUESTING TENANCY APPROVAL [Form HUD-52517]**

After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must request the PHA to approve the assisted tenancy in the selected unit.

The owner and the family must submit two documents to the PHA:

- Completed Request for Tenancy Approval (RTA) – Form HUD-52517
- Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A

The RTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for the PHA to determine whether to approve the assisted tenancy in this unit.

Owners must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

Both the RTA and the proposed lease must be submitted no later than the expiration date stated on the voucher. [HCV GB p.8-15].

### PHA Policy

The RTA must be signed by both the family and the owner.

The owner may submit the RTA on behalf of the family.

Completed RTA (including the proposed dwelling lease) must be submitted as hard copies, in-person, by mail, or by fax.

The family may not submit, and the PHA will not process, more than one (1) RTA at a time.

When the family submits the RTA the PHA will review the RTA for completeness.

If the RTA is incomplete (including lack of signature by family, owner, or both), or if the dwelling lease is not submitted with the RTA, the PHA will notify the family and the owner of the deficiencies.

Missing information and/or missing documents will only be accepted as hard copies, in-person, by mail, or by fax. The PHA will not accept missing information over the phone.

When the family submits the RTA and proposed lease, the PHA will also review the terms of the RTA for consistency with the terms of the proposed lease.

If the terms of the RTA are not consistent with the terms of the proposed lease, the PHA will notify the family and the owner of the discrepancies.

Corrections to the terms of the RTA and/or the proposed lease will only be accepted as hard copies, in-person, by mail or by fax. The PHA will not accept corrections by phone.

Because of the time sensitive nature of the tenancy approval process, the PHA will attempt to communicate with the owner and family by phone, fax, or email. The PHA will use mail when the parties can't be reached by phone, fax, or email.

## **9-I.C. OWNER PARTICIPATION**

The PHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the PHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)]

See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

## **9-I.D. ELIGIBLE UNITS**

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in the PHA's jurisdiction. This includes the dwelling unit they are currently occupying.

### **Ineligible Units [24 CFR 982.352(a)]**

The PHA may not assist a unit under the voucher program if the unit is a public housing or Indian housing unit; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

### **PHA-Owned Units [24 CFR 982.352(b)]**

Otherwise eligible units that are owned or substantially controlled by the PHA issuing the voucher may also be leased in the voucher program. In order for a PHA-owned unit to be leased under the voucher program, the unit must not be ineligible housing and the PHA must inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a PHA-owned unit without any pressure or steering by the PHA.

#### PHA Policy

The PHA does not have any eligible PHA-owned units available for leasing under the voucher program.

### **Special Housing Types [24 CFR 982 Subpart M]**

HUD regulations permit, but do not generally require, the PHA to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing and

homeownership option. See Chapter 15 for specific information and policies on any of these housing types that the PHA has chosen to allow.

The regulations do require the PHA to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

### **Duplicative Assistance [24 CFR 982.352(c)]**

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;
- Other Section 8 assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;
- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or State rent subsidy;
- Section 202 supportive housing for the elderly;
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

### **Housing Quality Standards (HQS) [24 CFR 982.305 and 24 CFR 982.401]**

In order to be eligible, the dwelling unit must be in decent, safe and sanitary condition. This determination is made using HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD. See Chapter 8 for a full discussion of the HQS standards, as well as the process for HQS inspection at initial lease-up.

## **Unit Size**

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A family must be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable HQS space requirements [24 CFR 982.402(d)]. The family must be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards.

## **Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507]**

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness and the rent reasonableness determination process.

## **Rent Burden [24 CFR 982.508]**

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the dwelling unit rent must be at a level where the family's share of rent does not exceed 40 percent of the family's monthly adjusted income. See Chapter 6 for a discussion of calculation of gross rent, the use of payment standards, and calculation of family income, family share of rent and HAP.

## **9-I.E. LEASE AND TENANCY ADDENDUM**

The family and the owner must execute and enter into a written dwelling lease for the assisted unit. This written lease is a contract between the tenant family and the owner; the PHA is not a party to this contract.

The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 982.308(a)]

### **Lease Form and Tenancy Addendum [24 CFR 982.308]**

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease is in such standard form.

All provisions in the HUD-required Tenancy Addendum must also be added word-for-word to the owner's standard lease form, for use with the assisted family. The Tenancy Addendum includes the tenancy requirements for the program and the composition of the household as approved by the PHA. As a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner and the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

#### PHA Policy

The PHA does not provide a model or standard dwelling lease for owners to use in the HCV program.

### **Lease Information [24 CFR 982.308(d)]**

The assisted dwelling lease must contain all of the required information as listed below:

- The names of the owner and the tenant:
- The unit rented (address, apartment number, and any other information needed to identify the contract unit)
- The term of the lease (initial term and any provisions for renewal)
- The amount of the monthly rent to owner
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family

## **Term of Assisted Tenancy**

The initial term of the assisted dwelling lease must be for at least one year [24 CFR 982.309]. The initial lease term is also stated in the HAP contract.

The HUD program regulations permit the PHA to approve a shorter initial lease term if certain conditions are met.

### PHA Policy

The PHA will not approve an initial lease term of less than one (1) year.

During the initial term of the lease, the owner may not raise the rent to owner [24 CFR 982.309].

Any provisions for renewal of the dwelling lease will be stated in the dwelling lease [HCV Guidebook, pg. 8-22]. There are no HUD requirements regarding any renewal extension terms, except that they must be in the dwelling lease if they exist.

The PHA may execute the HAP contract even if there is less than one year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the consolidated ACC. [24 CFR 982.309(b)].

## **Security Deposit [24 CFR 982.313 (a) and (b)]**

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. However, if the PHA chooses to do so, language to this effect must be added to Part A of the HAP contract [Form HUD-52641].

### PHA Policy

The PHA will allow the owner to collect any security deposit amount the owner determines is appropriate. Therefore, no modifications to the HAP contract will be necessary.

## **Separate Non-Lease Agreements between Owner and Tenant**

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner minus the PHA's housing assistance payments to the owner [24 CFR 982.451(b)(4)].

The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)].

### PHA Policy

The PHA permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families, or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

## **PHA Review of Lease**

The PHA will review the dwelling lease for compliance with all applicable requirements.

### PHA Policy

If the dwelling lease is incomplete or incorrect, the PHA will notify the family and the owner of the deficiencies. Missing and corrected lease information will only be accepted as hard copies, in-person, by mail, or by fax. The PHA will not accept missing and corrected information over the phone

Because the initial leasing process is time-sensitive, the PHA will attempt to communicate with the owner and family by phone, fax, or email. The PHA will use mail when the parties can't be reached by phone, fax, or email.

The PHA is permitted, but is not required, to review the lease to determine if the lease complies with State and local law and is permitted to decline to approve the tenancy if the PHA determines that the lease does not comply with State or local law [24 CFR 982.308(c)]

### PHA Policy

The PHA will not review the owner's lease for compliance with state/local law.

## **9-I.F. TENANCY APPROVAL [24 CFR 982.305]**

After receiving the family's Request for Tenancy Approval, with proposed dwelling lease, the PHA must promptly notify the family and owner whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a HAP contract, the PHA must ensure that all required actions and determinations, discussed in Part I of this chapter have been completed.

These actions include ensuring that the unit is eligible; the unit has been inspected by the PHA and meets the Housing Quality Standards (HQS); the lease offered by the owner is approvable and includes the required Tenancy Addendum; the rent to be charged by the owner for the unit must be reasonable; where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]; the owner is an eligible owner, not disapproved by the PHA, with no conflicts of interest [24 CFR 982.306]; the family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information [24 CFR 982.305(b)].

### PHA Policy

The PHA will complete its determination within 10 business days of receiving all required information.

If the terms of the RTA/proposed lease are changed for any reason, including but not limited to negotiation with the PHA, the PHA will obtain corrected copies of the RTA and proposed lease, signed by the family and the owner.

Corrections to the RTA/proposed lease will only be accepted as hard copies, in-person, by mail, or by fax. The PHA will not accept corrections over the phone.

If the PHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified in writing and given the opportunity to address any reasons for disapproval. The PHA will instruct the owner and family of the steps that are necessary to approve the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability (including rent burden and rent reasonableness), the PHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

## **9-I.G. HAP CONTRACT EXECUTION [24 CFR 982.305]**

The HAP contract is a written agreement between the PHA and the owner of the dwelling unit occupied by a housing choice voucher assisted family. Under the HAP contract, the PHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit and obliges the owner to comply with all program requirements.

The HAP contract format is prescribed by HUD.

If the PHA has given approval for the family of the assisted tenancy, the owner and the PHA execute the HAP contract.

The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].

The PHA is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

The PHA must make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract must be executed no later than 60 calendar days from the beginning of the lease term.

The PHA may not pay any housing assistance payment to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of 60 calendar days from the beginning of the lease term, the PHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

Any HAP contract executed after the 60 day period is void, and the PHA may not pay any housing assistance payment to the owner.

### PHA Policy

Owners who have not previously participated in the HCV program must attend a meeting with the PHA in which the terms of the Tenancy Addendum and the HAP contract will be explained. The PHA may waive this requirement on a case-by-case basis, if it determines that the owner is sufficiently familiar with the requirements and responsibilities under the HCV program.

The owner and the assisted family will execute the dwelling lease and the owner must provide a copy to the PHA. The PHA will ensure that both the owner and the assisted family receive copies of the dwelling lease.

The owner and the PHA will execute the HAP contract. The PHA will not execute the HAP contract until the owner has submitted IRS form W-9. The PHA will ensure that the owner receives a copy of the executed HAP contract.

See Chapter 13 for a discussion of the HAP contract and contract provisions.

### **9-I.H. CHANGES IN LEASE OR RENT [24 CFR 982.308]**

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give the PHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, PHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, voucher assistance in the unit shall not be continued unless the PHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances
- Changes in lease provisions governing the term of the lease
- The family moves to a new unit, even if the unit is in the same building or complex

In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the altered terms. A new tenancy must then be approved in accordance with this chapter.

Where the owner is changing the amount of rent, the owner must notify the PHA of any changes in the amount of the rent to owner at least 60 days before any such changes go into effect [24 CFR 982.308(g)(4)]. The PHA will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or give the family notice in accordance with the terms of the lease.

No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

#### PHA Policy

Where the owner is requesting a rent increase, the PHA will determine whether the requested increase is reasonable within 10 business days of receiving the request from the owner. The owner will be notified of the determination in writing.

Rent increases will go into effect on the first of the month following the 60 day period after the owner notifies the PHA of the rent change or on the date specified by the owner, whichever is later.

## Chapter 10

### MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

#### INTRODUCTION

Freedom of choice is a hallmark of the housing choice voucher (HCV) program. In general, therefore, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and PHA policies governing moves within or outside the PHA's jurisdiction in two parts:

Part I: Moving with Continued Assistance. This part covers the general rules that apply to all moves by a family assisted under the PHA's HCV program, whether the family moves to another unit within the PHA's jurisdiction or to a unit outside the PHA's jurisdiction under portability.

Part II: Portability. This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into the PHA's jurisdiction. This part also covers the special responsibilities that the PHA has under portability regulations and procedures.

#### PART I: MOVING WITH CONTINUED ASSISTANCE

##### 10-I.A. ALLOWABLE MOVES

HUD lists six regulatory conditions under which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.314(b)(3)]. If the family terminates the lease on notice to the owner, the family must give the PHA a copy of the notice at the same time [24 CFR 982.314(d)(1)].
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.314(b)(1)(ii)].

##### PHA Policy

If the family and the owner mutually agree to terminate the lease for the family's unit, the family must give the PHA a copy of the termination agreement.

- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.314(b)(2)]. The family must give the PHA a copy of any owner eviction notice [24 CFR 982.551(g)].
- The family or a member of the family is or has been the victim of domestic violence, dating violence, or stalking and the move is needed to protect the health or safety of the family or family member [24 CFR 982.314(b)(4)]. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to the PHA, if the family or family member who is the victim reasonably believed that he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.314(b)(4), 24 CFR 982.353(b)].

#### PHA Policy

If a family requests permission to move with continued assistance based on a claim that the move is necessary to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, or stalking, the PHA will request documentation in accordance with section 16-IX.D of this plan.

The PHA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the family or family member will suffice. In such cases the PHA will document the waiver in the family's file.

- The PHA has terminated the assisted lease for the family's unit for the owner's breach [24 CFR 982.314(b)(1)(i)].
- The PHA determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition. In such cases, the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, the PHA must terminate the HAP contract for the family's old unit in accordance with the HAP contract terms and must notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which the PHA gives notice to the owner. [24 CFR 982.403(a) and (c)]

## **10-I.B. RESTRICTIONS ON MOVES**

A family's right to move is generally contingent upon the family's compliance with program requirements [24 CFR 982.1(b)(2)]. HUD specifies two conditions under which a PHA may deny a family permission to move and two ways in which a PHA may restrict moves by a family.

### **Denial of Moves**

HUD regulations permit the PHA to deny a family permission to move under the following conditions:

#### ***Insufficient Funding***

The PHA may deny a family permission to move either within or outside the PHA's jurisdiction if the PHA does not have sufficient funding for continued assistance [24 CFR 982.314(e)(1)]. However, Notice PIH 2011-3 significantly restricts the ability of PHAs to deny permission to move due to insufficient funding and places further requirements on PHAs regarding moves denied due to lack of funding. The requirements found in this notice are mandatory.

#### **PHA Policy**

The PHA will deny a family permission to move on grounds that the PHA does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or the PHA; (b) the PHA can demonstrate that the move will, in fact, result in higher subsidy costs; and (c) the PHA can demonstrate, in accordance with the policies in Part VIII of Chapter 16, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs.

The PHA will create a list of families whose moves have been denied due to insufficient funding. When funds become available, the families on this list will take precedence over families on the waiting list. The PHA will use the same procedures for notifying families with open requests to move when funds become available as it uses for notifying families on the waiting list (see section 4-III.D).

The PHA will inform the family of its policy regarding moves denied due to insufficient funding in a letter to the family at the time the move is denied.

#### ***Grounds for Denial or Termination of Assistance***

The PHA may deny a family permission to move if it has grounds for denying or terminating the family's assistance [24 CFR 982.314(e)(2)].

#### **PHA Policy**

If the PHA has grounds for denying or terminating a family's assistance, the PHA will act on those grounds in accordance with the regulations and policies set forth in Chapters 3

and 12, respectively. In general, it will not deny a family permission to move for this reason; however, it retains the discretion to do so under special circumstances.

### **Restrictions on Elective Moves [24 CFR 982.314(c)]**

HUD regulations permit the PHA to prohibit any elective move by a participant family during the family's initial lease term. They also permit the PHA to prohibit more than one elective move by a participant family during any 12-month period. However, such prohibitions, if adopted, do not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, or stalking and the move is needed to protect the health or safety of the family or family member. (For the policy on documentation of abuse, see section 10-I.A.)

#### PHA Policy

The PHA will deny a family permission to make an elective move during the family's initial lease term. This policy applies to moves within the PHA's jurisdiction or outside it under portability.

The PHA will also deny a family permission to make more than one elective move during any 12-month period. This policy applies to all assisted families residing in the PHA's jurisdiction.

The PHA will consider exceptions to these policies for the following reasons: to protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, witness protection programs), to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area), or to address an emergency situation over which a family has no control.

In addition, the PHA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities (see Chapter 2).

## **10-I.C. MOVING PROCESS**

### **Notification**

If a family wishes to move to a new unit, the family must notify the PHA and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.314(d)(2)]. If the family wishes to move to a unit outside the PHA's jurisdiction under portability, the notice to the PHA must specify the area where the family wishes to move [24 CFR 982.314(d)(2), Notice PIH 2011-3]. The notices must be in writing [24 CFR 982.5].

## **Approval**

### PHA Policy

Upon receipt of a family's notification that it wishes to move, the PHA will determine whether the move is approvable in accordance with the regulations and policies set forth in sections 10-I.A and 10-I.B. The PHA will notify the family in writing of its determination within 10 business days following receipt of the family's notification.

## **Reexamination of Family Income and Composition**

### PHA Policy

For families approved to move to a new unit within the PHA's jurisdiction, the PHA will perform a new annual reexamination in accordance with the policies set forth in Chapter 11 of this plan.

For families moving into or families approved to move out of the PHA's jurisdiction under portability, the PHA will follow the policies set forth in Part II of this chapter.

## **Voucher Issuance and Briefing**

### PHA Policy

For families approved to move to a new unit within the PHA's jurisdiction, the PHA will issue a new voucher within 10 business days of the PHA's written approval to move. No briefing is required for these families. The PHA will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and the PHA approves. Otherwise, the family will lose its assistance.

For families moving into or families approved to move out of the PHA's jurisdiction under portability, the PHA will follow the policies set forth in Part II of this chapter.

## **Housing Assistance Payments [24 CFR 982.311(d)]**

When a family moves out of an assisted unit, the PHA may not make any housing assistance payment to the owner for any month **after** the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy.

## PART II: PORTABILITY

### 10-II.A. OVERVIEW

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a PHA administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as portability. The first PHA is called the **initial PHA**. The second is called the **receiving PHA**.

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the receiving PHA pays for the family's assistance out of its own program funds, and the initial PHA has no further relationship with the family.

The same PHA commonly acts as the initial PHA for some families and as the receiving PHA for others. Each role involves different responsibilities. The PHA will follow the rules and policies in section 10-II.B when it is acting as the initial PHA for a family. It will follow the rules and policies in section 10-II.C when it is acting as the receiving PHA for a family.

### 10-II.B. INITIAL PHA ROLE

#### **Allowable Moves under Portability**

A family may move with voucher assistance only to an area where there is at least one PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one PHA in the area, the initial PHA may choose the receiving PHA [24 CFR 982.355(b)].

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside the PHA's jurisdiction under portability. The initial PHA, in accordance with HUD regulations and PHA policy, determines whether a family qualifies.

#### ***Applicant Families***

Under HUD regulations, most applicant families qualify to lease a unit outside the PHA's jurisdiction under portability. However, HUD gives the PHA discretion to deny a portability move by an applicant family for the same two reasons that it may deny any move by a participant family: insufficient funding and grounds for denial or termination of assistance.

#### PHA Policy

In determining whether or not to deny an applicant family permission to move under portability because the PHA lacks sufficient funding or has grounds for denying

assistance to the family, the initial PHA will follow the policies established in section 10-I.B of this chapter.

In addition, the PHA may establish a policy denying the right to portability to nonresident applicants during the first 12 months after they are admitted to the program [24 CFR 982.353(c)].

#### PHA Policy

If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in the PHA's jurisdiction at the time the family's application for assistance was submitted, the family must live in the PHA's jurisdiction with voucher assistance for at least 12 months before requesting portability.

The PHA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2) or reasons related to domestic violence, dating violence, or stalking. However, any exception to this policy is subject to the approval of the receiving PHA [24 CFR 982.353(c)(3)].

#### ***Participant Families***

The initial PHA must not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease [24 CFR 982.353(b)]. The Violence against Women Act of 2005 (VAWA) creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of a family member who is or has been a victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.353(b)].

#### PHA Policy

The PHA will determine whether a participant family may move out of the PHA's jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in sections 10-I.A and 10-I.B of this chapter. The PHA will notify the family of its determination in accordance with the approval policy set forth in section 10-I.C of this chapter.

#### **Determining Income Eligibility**

##### ***Applicant Families***

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d)(3)]. The family must specify the area to which the family wishes to move [Notice 2011-3].

The initial PHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move [24 CFR 982.355(c)(1)]. If the applicant family is not

income eligible in that area, the PHA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2011-3].

### ***Participant Families***

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2), 24 CFR 982.355(c)(1)].

### **Reexamination of Family Income and Composition**

No new reexamination of family income and composition is required for an applicant family.

#### PHA Policy

For a participant family approved to move out of its jurisdiction under portability, the PHA generally will conduct a reexamination of family income and composition only if the family's annual reexamination must be completed on or before the initial billing deadline specified on form HUD-52665, Family Portability Information.

The PHA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

### **Briefing**

The regulations and policies on briefings set forth in Chapter 5 of this plan require the PHA to provide information on portability to all applicant families that qualify to lease a unit outside the PHA's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

#### PHA Policy

No formal briefing will be required for a participant family wishing to move outside the PHA's jurisdiction under portability. However, the PHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5). The PHA will provide the name, address, and phone of the contact for the PHA in the jurisdiction to which they wish to move. The PHA will advise the family that they will be under the RHA's policies and procedures, including subsidy standards and voucher extension policies.

### **Voucher Issuance and Term**

An applicant family has no right to portability until after the family has been issued a voucher [24 CFR 982.353(b)]. In issuing vouchers to applicant families, the PHA will follow the regulations and procedures set forth in Chapter 5. A new voucher is not required for portability purposes.

### PHA Policy

For families approved to move under portability, the PHA will issue a new voucher within 10 business days of the PHA's written approval to move.

The initial term of the voucher will be 60 days.

## **Voucher Extensions and Expiration**

### PHA Policy

The PHA will approve **no** extensions to a voucher issued to an applicant or participant family porting out of the PHA's jurisdiction except under the following circumstances: (a) the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA, (b) the family decides to return to the initial PHA's jurisdiction and search for a unit there, or (c) the family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term.

To receive or continue receiving assistance under the initial PHA's voucher program, a family that moves to another PHA's jurisdiction under portability must be under HAP contract in the receiving PHA's jurisdiction within 60 days following the expiration date of the initial PHA's voucher term (including any extensions). (See below under "Initial Billing Deadline" for one exception to this policy.)

## **Preapproval Contact with the Receiving PHA**

Prior to approving a family's request to move under portability, the initial PHA must contact the receiving PHA via e-mail or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the family's voucher. Based on the receiving PHA's response, the initial PHA must determine whether it will approve or deny the move [Notice PIH 2011-3].

### PHA Policy

The PHA will use e-mail, when possible, to contact the receiving PHA regarding whether the receiving PHA will administer or absorb the family's voucher.

## **Initial Notification to the Receiving PHA**

After approving a family's request to move under portability, the initial PHA must promptly notify the receiving PHA to expect the family [24 CFR 982.355(c)(2)]. This means that the initial PHA must contact the receiving PHA directly on the family's behalf [Notice PIH 2011-3]. The initial PHA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(c)(2)].

## PHA Policy

Because the portability process is time-sensitive, the PHA will notify the receiving PHA by phone, fax, or e-mail to expect the family. The initial PHA will also ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, email and telephone number of the staff person responsible for business with incoming portable families and procedures related to appointments for voucher issuance. The PHA will pass this information along to the family. The PHA will also ask for the name, address, telephone number, fax and email of the person responsible for processing the billing information.

### **Sending Documentation to the Receiving PHA**

The initial PHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2011-3]
- A copy of the family's voucher [Notice PIH 2011-3]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(4), Notice PIH 2011-3]
- Copies of the income verifications backing up the form HUD-50058, including a copy of the family's current EIV data [24 CFR 982.355(c)(4), Notice PIH 2011-3]

## PHA Policy

In addition to these documents, the PHA will provide the following information, if available, to the receiving PHA:

Social security numbers (SSNs)

Documentation of SSNs for all nonexempt household members whose SSNs have not been verified through the EIV system

Documentation of legal identity

Documentation of citizenship or eligible immigration status

Documentation of participation in the earned income disallowance (EID) benefit

Documentation of participation in a family self-sufficiency (FSS) program

The PHA will notify the family in writing regarding any information provided to the receiving PHA [HCV GB, p. 13-3].

### **Initial Billing Deadline [Notice PIH 2011-3]**

When the initial PHA sends form HUD-52665 to the receiving PHA, it specifies in Part I the deadline by which it must receive the initial billing notice from the receiving PHA. This deadline is 60 days following the expiration date of the voucher issued to the family by the initial PHA. If the initial PHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must contact the receiving PHA to determine the status of the family. If the receiving PHA reports that the family is not yet under HAP contract, the initial PHA may refuse to accept a late billing submission. If the receiving PHA reports that the family is under HAP contract and the receiving PHA cannot absorb the family, the initial PHA must accept a late billing submission; however, it may report to HUD the receiving PHA's failure to comply with the deadline.

#### PHA Policy

If the PHA has not received an initial billing notice from the receiving PHA by the deadline specified on form HUD-52665, it will contact the receiving PHA by phone, fax, or e-mail on the next business day. If the PHA reports that the family is not yet under HAP contract, the PHA will inform the receiving PHA that it will not honor a late billing submission and will return any subsequent billings that it receives on behalf of the family. The PHA will send the receiving PHA a written confirmation of its decision by mail.

The PHA will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

### **Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2011-3]**

If the receiving PHA is administering the family's voucher, the initial PHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

The initial PHA may not terminate or delay making payments under existing portability billing arrangements as a result of overleasing or funding shortfalls. The PHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs as well as for families that remain within its jurisdiction.

#### PHA Policy

The initial PHA will utilize direct deposit to ensure that the payment is received by the deadline unless the receiving PHA notifies the initial PHA that direct deposit is not acceptable to them.

## **Annual Updates of Form HUD-50058**

If the initial PHA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 each year from the receiving PHA. If the initial PHA fails to receive an updated 50058 by the family's annual reexamination date, the initial PHA should contact the receiving PHA to verify the status of the family.

## **Denial or Termination of Assistance [24 CFR 982.355(c)(9)]**

If the initial PHA has grounds for denying or terminating assistance for a portable family that has not been absorbed by the receiving PHA, the initial PHA may act on those grounds at any time. (For PHA policies on denial and termination, see Chapters 3 and 12, respectively.)

## **10-II.C. RECEIVING PHA ROLE**

If a family has a right to lease a unit in the receiving PHA's jurisdiction under portability, the receiving PHA must provide assistance for the family [24 CFR 982.355(10)].

The receiving PHA's procedures and preferences for selection among eligible applicants do not apply, and the receiving PHA's waiting list is not used [24 CFR 982.355(10)]. However, the family's unit, or voucher, size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(7)], and the amount of the family's housing assistance payment is determined in the same manner as for other families in the receiving PHA's voucher program [24 CFR 982.355(e)(2)].

## **Responding to Initial PHA's Request**

The receiving PHA must respond via e-mail or other confirmed delivery method to the initial PHA's inquiry to determine whether the family's voucher will be billed or absorbed. If the receiving PHA informs the initial PHA that it will be absorbing the voucher, the receiving PHA cannot reverse its decision at a later date [Notice PIH 2011-3].

### PHA Policy

The PHA will use e-mail, when possible, to notify the initial PHA whether it will administer or absorb the family's voucher.

## **Initial Contact with Family**

When a family moves into the PHA's jurisdiction under portability, the family is responsible for promptly contacting the PHA and complying with the PHA's procedures for incoming portable families [24 CFR 982.355(c)(3)].

If the voucher issued to the family by the initial PHA has expired, the receiving PHA does not process the family's paperwork but instead refers the family back to the initial PHA [Notice PIH 2011-3].

If for any reason the receiving PHA refuses to process or provide assistance to a family under the portability procedures, the family must be given the opportunity for an informal review or hearing [Notice PIH 2011-3]. (For more on this topic, see later under “Denial or Termination of Assistance.”)

## **Briefing**

HUD allows the receiving PHA to require a briefing for an incoming portable family as long as the requirement does not unduly delay the family’s search [Notice PIH 2011-3].

### PHA Policy

The PHA will not require the family to attend a briefing. The PHA will provide the family with a briefing packet (as described in Chapter 5) and, in an individual briefing, will orally inform the family about the PHA’s payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process. The PHA will suggest that the family attend a full briefing at a later date.

## **Income Eligibility and Reexamination**

HUD allows the receiving PHA to conduct its own income reexamination of a portable family [24 CFR 982.355(c)(4)]. However, the receiving PHA may not delay voucher issuance or unit approval until the reexamination process is complete unless the reexamination is necessary to determine that an applicant family is income eligible for admission to the program in the area where the family wishes to lease a unit [Notice PIH 2011-3, 24 CFR 982.201(b)(4)]. The receiving PHA does not redetermine income eligibility for a portable family that was already receiving assistance in the initial PHA’s voucher program [24 CFR 982.355(c)(1)].

### PHA Policy

For any family moving into its jurisdiction under portability, the PHA will conduct a new reexamination of family income and composition. However, the PHA will not delay issuing the family a voucher for this reason. Nor will the PHA delay approving a unit for the family until the reexamination process is complete unless the family is an applicant and the PHA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

In conducting its own reexamination, the PHA will rely upon any verifications provided by the initial PHA to the extent that they (a) accurately reflect the family’s current circumstances and (b) were obtained within the last 120 days. Any new information may be verified by documents provided by the family and adjusted, if necessary, when third party verification is received.

## **Voucher Issuance**

When a family moves into its jurisdiction under portability, the receiving PHA is required to issue the family a voucher [24 CFR 982.355(b)(6)]. The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA's voucher [24 CFR 982.355(c)(6)].

### ***Timing of Voucher Issuance***

HUD expects the receiving PHA to issue the voucher within two weeks after receiving the family's paperwork from the initial PHA if the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures [Notice PIH 2011-3].

#### PHA Policy

When a family ports into its jurisdiction, the PHA will issue the family a voucher based on the paperwork provided by the initial PHA unless the family's paperwork from the initial PHA is incomplete, the family's voucher from the initial PHA has expired or the family does not comply with the PHA's procedures. The PHA will update the family's information when verification has been completed.

### ***Voucher Term***

The term of the receiving PHA's voucher may not expire before the term of the initial PHA's voucher [24 CFR 982.355(c)(6)].

#### PHA Policy

The receiving PHA's voucher will expire on the same date as the initial PHA's voucher.

### ***Voucher Extensions [24 CFR 982.355(c)(6), Notice 2011-3]***

The receiving PHA may provide additional search time to the family beyond the expiration date of the initial PHA's voucher; however, if it does so, it must inform the initial PHA of the extension. It must also bear in mind the billing deadline provided by the initial PHA. Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to the initial PHA.

#### PHA Policy

The PHA generally will not extend the term of the voucher that it issues to an incoming portable family unless the PHA plans to absorb the family into its own program, in which case it will follow the policies on voucher extension set forth in section 5-II.E.

The PHA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

### **Notifying the Initial PHA**

The receiving PHA must promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the receiving PHA's voucher [24 CFR 982.355(c)(8)]. The receiving PHA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose [24 CFR 982.355(e)(5), Notice PIH 2011-3]. (For more on this topic and the deadline for notification, see below under "Administering a Portable Family's Voucher.")

If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by the receiving PHA's voucher is only valid for the family's search in the receiving PHA's jurisdiction [Notice PIH 2011-3].

### **Administering a Portable Family's Voucher**

#### ***Initial Billing Deadline***

If a portable family's search for a unit is successful and the receiving PHA intends to administer the family's voucher, the receiving PHA must submit its initial billing notice (Part II of form HUD-52665) (a) no later than 10 business days following the date the receiving PHA **executes** a HAP contract on behalf of the family **and** (b) in time that the notice will be **received** no later than 60 days following the expiration date of the family's voucher issued by the initial PHA [Notice PIH 2011-3]. A copy of the family's form HUD-50058, Family Report, completed by the receiving PHA must be attached to the initial billing notice. The receiving PHA may send these documents by mail, fax, or e-mail.

#### **PHA Policy**

The PHA will send its initial billing notice by fax or e-mail, if necessary, to meet the billing deadline but will also send the notice by regular mail.

If the receiving PHA fails to send the initial billing within 10 business days following the date the HAP contract is executed, it is required to absorb the family into its own program unless (a) the initial PHA is willing to accept the late submission or (b) HUD requires the initial PHA to honor the late submission (e.g., because the receiving PHA is overleased) [Notice PIH 2011-3].

### ***Ongoing Notification Responsibilities [Notice PIH 2011-3, HUD-52665]***

**Annual Reexamination.** The receiving PHA must send the initial PHA a copy of a portable family's updated form HUD-50058 after each annual reexamination for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

#### PHA Policy

The PHA will send a copy of the updated HUD-50058 by regular mail at the same time the PHA and owner are notified of the reexamination results.

**Change in Billing Amount.** The receiving PHA is required to notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)
- An abatement or subsequent resumption of the HAP payments
- Termination of the HAP contract
- Payment of a damage/vacancy loss claim for the family
- Termination of the family from the program

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount. If the receiving PHA fails to send Form HUD-52665 within 10 days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification.

### ***Late Payments [Notice PIH 2011-3]***

If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, the receiving PHA must promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late). The receiving PHA must send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA. If the initial PHA fails to correct the problem by the second month following the notification, the receiving PHA may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the unit in question. A copy of the initial notification and any subsequent correspondence between the PHAs on the matter must be attached. The receiving PHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the receiving PHA.

### ***Overpayments [Notice PIH 2011-3]***

In all cases where the receiving PHA has received billing payments for billing arrangements no longer in effect, the receiving PHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

In the event that HUD determines billing payments have continued for at least three months because the receiving PHA failed to notify the initial PHA that the billing arrangement was terminated, the receiving PHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over the receiving PHA of the date and the amount of reimbursement to the initial PHA.

At HUD's discretion, the receiving PHA will be subject to the sanctions spelled out in Notice PIH 2011-3.

### ***Denial or Termination of Assistance***

At any time, the receiving PHA may make a determination to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(9), 24 CFR 982.355(c)(10)].

In the case of a termination, the PHA should provide adequate notice of the effective date to the initial PHA to avoid having to return a payment. In no event should the receiving PHA fail to notify the initial PHA later than 10 business days following the effective date of the termination of the billing arrangement [Notice PIH 2011-3].

#### **PHA Policy**

If the PHA elects to deny or terminate assistance for a portable family, the PHA will notify the initial PHA within 10 business days after the informal review or hearing if the denial or termination is upheld. The PHA will base its denial or termination decision on the policies set forth in Chapter 3 or Chapter 12, respectively. The informal review or hearing will be held in accordance with the policies in Chapter 16. The receiving PHA will furnish the initial PHA with a copy of the review or hearing decision.

## **Absorbing a Portable Family**

The receiving PHA may absorb an incoming portable family into its own program when the PHA executes a HAP contract on behalf of the family or at any time thereafter providing that (a) the PHA has funding available under its annual contributions contract (ACC) and (b) absorbing the family will not result in overleasing [24 CFR 982.355(d)(1), Notice PIH 2011-3].

If the receiving PHA absorbs a family from the point of admission, the admission will be counted against the income targeting obligation of the receiving PHA [24 CFR 982.201(b)(2)(vii)].

If the receiving PHA absorbs a family after providing assistance for the family under a billing arrangement with the initial PHA, HUD encourages the receiving PHA to provide adequate advance notice to the initial PHA to avoid having to return an overpayment. The receiving PHA must specify the effective date of the absorption of the family [Notice PIH 2011-3].

### PHA Policy

If the PHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, the PHA will notify the initial PHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.

If the PHA decides to absorb a family after that, it will provide the initial PHA with 30 days' advance notice.

Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for the receiving PHA's voucher program [24 CFR 982.355(d)], and the receiving PHA becomes the initial PHA in any subsequent moves by the family under portability.

## Chapter 11

### REEXAMINATIONS

#### INTRODUCTION

The PHA is required to reexamine each family's income and composition at least annually, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and PHA policies concerning reexaminations are presented in three parts:

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.

Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.

Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

#### **PART I: ANNUAL REEXAMINATIONS [24 CFR 982.516]**

##### **11-I.A. OVERVIEW**

The PHA must conduct a reexamination of family income and composition at least annually. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

## **11-I.B. SCHEDULING ANNUAL REEXAMINATIONS**

The PHA must establish a policy to ensure that the annual reexamination for each family is completed *within* a 12-month period, and may require reexaminations more frequently [HCV GB p. 12-1].

### PHA Policy

The PHA will begin the annual reexamination process 120 days in advance of its scheduled effective date. Generally, the PHA will schedule annual reexamination effective dates to coincide with the family's anniversary date.

*Anniversary date* is defined as 12 months from the effective date of the family's last annual reexamination or, during a family's first year in the program, from the effective date of the family's initial examination (admission).

If the family moves to a new unit, the PHA will perform a new annual reexamination.

The PHA also may schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

## **Notification of and Participation in the Annual Reexamination Process**

The PHA is required to obtain the information needed to conduct annual reexaminations. How that information will be collected is left to the discretion of the PHA. However, PHAs should give tenants who were not provided the opportunity the option to complete Form HUD-92006 at this time [Notice PIH 2009-36].

### PHA Policy

Families generally are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or cohead. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the PHA to request a reasonable accommodation (see Chapter 2).

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the PHA in advance of the interview to schedule a new appointment. If a family does not attend the scheduled interview, the PHA will send a second notification with a new interview appointment time.

If a family fails to attend two scheduled interviews without PHA approval, or if the notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family's address of record, and to any alternate address provided in the family's file.

An advocate, interpreter, or other assistant may assist the family in the interview process. The family and the PHA must execute a certification attesting to the role and assistance of any such third party.

## **11-I.C. CONDUCTING ANNUAL REEXAMINATIONS**

As part of the annual reexamination process, families are required to provide updated information to the PHA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

### PHA Policy

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include a PHA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within 10 business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be sent a notice of termination (See Chapter 12).

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

If adding a new family member to the unit causes overcrowding according to the Housing Quality Standards (HQS) (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

#### **11-I.D. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(b)(5)]**

Section 327 of Public Law 109-115 established new restrictions on the ongoing eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student's eligibility must be reexamined along with the income eligibility of the student's parents on an annual basis. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from his or her parents in accordance with PHA policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

##### PHA Policy

During the annual reexamination process, the PHA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from his/her parents based on the policies in Sections 3-II.E and 7-II.E, the parents' income will not be reviewed.

If the student is no longer income eligible based on his/her own income or the income of his/her parents, the student's assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on his/her own income and the income of his/her parents (if applicable), the PHA will process a reexamination in accordance with the policies in this chapter.

## 11-I.E. EFFECTIVE DATES

The PHA must establish policies concerning the effective date of changes that result from an annual reexamination [24 CFR 982.516].

### PHA Policy

In general, an *increase* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no 30-day notice is required.

If the PHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the PHA, but will always allow for the 30-day notice period.

If the family causes a delay in processing the annual reexamination, *increases* in the family share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a *decrease* in the family share of the rent that results from an annual reexamination will take effect on the family's anniversary date.

If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.

If the PHA chooses to schedule an annual reexamination for completion prior to the family's anniversary date for administrative purposes, the effective date will be determined by the PHA.

If the family causes a delay in processing the annual reexamination, *decreases* in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the PHA by the date specified, and this delay prevents the PHA from completing the reexamination as scheduled.

## **PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]**

### **11-II.A. OVERVIEW**

Family circumstances may change throughout the period between annual reexaminations. HUD and PHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the PHA must process interim reexaminations to reflect those changes. HUD regulations also permit the PHA to conduct interim reexaminations of income or family composition at any time. When an interim reexamination is conducted, only those factors that have changed are verified and adjusted [HCV GB, p. 12-10].

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition changes. The PHA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and PHA policies describing what changes families are required to report, what changes families may choose to report, and how the PHA will process both PHA- and family-initiated interim reexaminations.

### **11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION**

The PHA must adopt policies prescribing when and under what conditions the family must report changes in family composition. However, due to family obligations under the program, the PHA has limited discretion in this area.

#### PHA Policy

The PHA will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

#### **New Family Members Not Requiring Approval**

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require PHA approval. However, the family is required to promptly notify the PHA of the addition [24 CFR 982.551(h)(2)].

#### PHA Policy

The family must inform the PHA of the birth, adoption, or court-awarded custody of a child within 10 business days.

## **New Family and Household Members Requiring Approval**

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request PHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

When any new family member is added, the PHA must conduct a reexamination to determine any new income or deductions associated with the additional family member and to make appropriate adjustments in the family share of the rent and the HAP payment [24 CFR 982.516(e)].

If a change in family size causes a violation of Housing Quality Standards (HQS) space standards (see Chapter 8), the PHA must issue the family a new voucher, and the family and PHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the PHA must terminate the family's HAP contract in accordance with its terms [24 CFR 982.403].

### PHA Policy

Families must request PHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 30 consecutive days or 90 cumulative days within a 12-month period and therefore no longer qualifies as a "guest." Requests must be made in writing and approved by the PHA prior to the individual moving into the unit.

The PHA will not approve the addition of a new family or household member unless the individual meets the PHA's eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II).

The PHA will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

If the PHA determines an individual meets the PHA's eligibility criteria and documentation requirements, the PHA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued a voucher and will be required to move.

If the PHA determines that an individual does not meet the PHA's eligibility criteria or documentation requirements, the PHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The PHA will make its determination within 10 business days of receiving all information required to verify the individual's eligibility.

## **Departure of a Family or Household Member**

Families must promptly notify the PHA if any family member no longer lives in the unit

[24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the PHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

### PHA Policy

If a household member ceases to reside in the unit, the family must inform the PHA within 10 business days. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the PHA within 10 business days.

## **11-II.C. CHANGES AFFECTING INCOME OR EXPENSES**

Interim reexaminations can be scheduled either because the PHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the PHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

### **PHA-Initiated Interim Reexaminations**

PHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the PHA. They are not scheduled because of changes reported by the family.

### PHA Policy

The PHA will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), the PHA will conduct an interim reexamination at the start and conclusion of the second 12 month exclusion period (50 percent phase-in period).

If the family has reported zero income, the PHA will conduct an interim reexamination every 3 months as long as the family continues to report that they have no income.

If at the time of the annual reexamination, it is not feasible to anticipate a level of income for the next 12 months (e.g. seasonal or cyclic income), the PHA will schedule an interim reexamination to coincide with the end of the period for which it is feasible to project income.

If at the time of the annual reexamination, tenant-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the PHA will conduct an interim reexamination.

The PHA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

### **Family-Initiated Interim Reexaminations**

The PHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 982.516(c)]. In addition, HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)].

#### ***Required Reporting***

HUD regulations give the PHA the freedom to determine the circumstances under which families will be required to report changes affecting income.

##### PHA Policy

Families are required to report all increases in income within 10 business days of the change occurring. The PHA will conduct interim reexaminations to recalculate the new family share of rent and new subsidy amount.

#### ***Optional Reporting***

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)]. The PHA must process the request if the family reports a change that will result in a reduced family income [HCV GB, p. 12-9].

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

##### PHA Policy

If a family reports a change that it was not required to report and that would result in an increase in the family share of the rent, the PHA will note the information in the tenant file, but will not conduct an interim reexamination.

If a family reports a change that it was not required to report and that would result in a decrease in the family share of rent, the PHA will conduct an interim reexamination. See Section 11-II.D. for effective dates.

Families may report changes in income or expenses at any time.

## **11-II.D. PROCESSING THE INTERIM REEXAMINATION**

### **Method of Reporting**

#### PHA Policy

The family may notify the PHA of changes either orally or in writing. If the family provides oral notice, the PHA may also require the family to submit the changes in writing.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the PHA determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the PHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 10 business days of receiving a request from the PHA. This time frame may be extended for good cause with PHA approval. The PHA will accept required documentation by mail, by fax, or in person.

### **Effective Dates**

The PHA must establish the time frames in which any changes that result from an interim reexamination will take effect [24 CFR 982.516(d)]. The changes may be applied either retroactively or prospectively, depending on whether there is to be an increase or a decrease in the family share of the rent, and whether the family reported any required information within the required time frames [HCV GB, p. 12-10].

#### PHA Policy

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family.

If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the family share of the rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported and all required documentation was submitted.

In cases where the change cannot be verified until after the date the change would have become effective, the change will be made retroactively.

## **PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT**

### **11-III.A. OVERVIEW**

After gathering and verifying required information for an annual or interim reexamination, the PHA must recalculate the family share of the rent and the subsidy amount, and notify the family and owner of the changes [24 CFR 982.516(d)(2), HCV 12-6 and 12-10]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

### **11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES**

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in the PHA's calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

#### **Payment Standards [24 CFR 982.505]**

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB, p. 12-5]. See Chapter 6 for information on how to select the appropriate payment standard.

When the PHA changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

- If the PHA's payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:
  - If the payment standard amount has *increased*, the increased payment standard will be applied at the *first annual* reexamination following the effective date of the increase in the payment standard.
  - If the payment standard amount has *decreased*, the decreased payment standard will be applied at the *second annual* reexamination following the effective date of the decrease in the payment standard.
- If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

### **Subsidy Standards [24 CFR 982.505(c)(4)]**

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the PHA's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's *first annual* reexamination following the change in family unit size.

### **Utility Allowances [24 CFR 982.517(d)]**

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in the PHA's utility allowance schedule [HCV GB, p. 12-5]. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, the PHA must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, the PHA must use the PHA current utility allowance schedule [24 CFR 982.517(d)(2)].

#### PHA Policy

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

### **11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT**

The PHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB, p. 12-6]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner

The family must be given an opportunity for an informal hearing regarding the PHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

#### PHA Policy

The notice to the family will include the annual and adjusted income amounts that were used to calculate the family share of the rent and the housing assistance payment. The notice also will state the procedures for requesting an informal hearing.

### **11-III.D. DISCREPANCIES**

During an annual or interim reexamination, the PHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the PHA may discover errors made by the PHA. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 13.

## Chapter 12

### TERMINATION OF ASSISTANCE AND TENANCY

HUD regulations specify the reasons for which a PHA can terminate a family's assistance, and the ways in which such terminations must take place. They also dictate the circumstances under which an owner may terminate the tenancy of an assisted family. This chapter presents the policies that govern voluntary and involuntary terminations of assistance, and termination of tenancy by the owner. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part discusses various reasons that a family's assistance may be terminated, including voluntary termination by the family, termination because the family no longer qualifies to receive subsidy, and termination by the PHA based on the family's behavior.

Part II: Approach to Termination of Assistance. This part describes the policies that govern how an involuntary termination takes place. It specifies the alternatives that the PHA may consider in lieu of termination, the criteria the PHA must use when deciding what action to take, and the steps the PHA must take when terminating a family's assistance.

Part III: Termination of Tenancy by the Owner. This part presents the policies that govern the owner's right to terminate an assisted tenancy.

#### PART I: GROUNDS FOR TERMINATION OF ASSISTANCE

##### 12-I.A. OVERVIEW

HUD requires the PHA to terminate assistance for certain offenses and when the family no longer requires assistance. HUD permits the PHA to terminate assistance for certain other actions family members take or fail to take. In addition, a family may decide to stop receiving HCV assistance at any time by notifying the PHA.

##### 12-I.B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]

As a family's income increases, the amount of PHA subsidy goes down. If the amount of HCV assistance provided by the PHA drops to zero and remains at zero for 180 consecutive calendar days the family's assistance terminates automatically.

##### PHA Policy

If a participating family receiving zero assistance experiences a change in circumstances that would cause the HAP payment to rise above zero, the family must notify the PHA of the changed circumstances and request an interim reexamination before the expiration of the 180-day period.

## **12-I.C. FAMILY CHOOSES TO TERMINATE ASSISTANCE**

The family may request that the PHA terminate the family's assistance at any time.

### PHA Policy

The request to terminate assistance should be made in writing and signed by the head of household, spouse, or cohead.

## **12-I.D. MANDATORY TERMINATION OF ASSISTANCE**

HUD requires the PHA to terminate assistance in the following circumstances.

### **Eviction [24 CFR 982.552(b)(2), 24 CFR 5.2005(c)(1)]**

The PHA must terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. As discussed further in section 12-II.E, incidents of actual or threatened domestic violence, dating violence, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

### PHA Policy

A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. In such cases the PHA will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures described in section 12-II.C. In making its decision, the PHA will consider the factors described in sections 12-II.D and 12-II.E. Upon consideration of such factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

*Serious and repeated lease violations* will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests.

### **Failure to Provide Consent [24 CFR 982.552(b)(3)]**

The PHA must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a reexamination. See Chapter 7 for a complete discussion of consent requirements.

### **Failure to Document Citizenship [24 CFR 982.552(b)(4) and [24 CFR 5.514(c)]**

The PHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or (3) a family member, as determined by the PHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

For (3) above, such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

### **Failure to Disclose and Document Social Security Numbers [24 CFR 5.218(c), Notice PIH 2012-10]**

The PHA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

However, if the family is otherwise eligible for continued program assistance, and the PHA determines that the family's failure to meet the SSN disclosure and documentation requirements was due to circumstances that could not have been foreseen and were outside of the family's control, the PHA may defer the family's termination and provide the opportunity to comply with the requirement within a period not to exceed 90 calendar days from the date the PHA determined the family to be noncompliant.

#### PHA Policy

The PHA will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the participant's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose an SSN by the deadline.

### **Methamphetamine Manufacture or Production [24 CFR 982.553(b)(1)(ii)]**

The PHA must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

### **Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5) and FR 4/10/06]**

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have dependent children, is not residing with his/her parents in an HCV

assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the PHA must terminate the student's assistance if, at the time of reexamination, either the student's income or the income of the student's parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but must be issued a voucher to move with continued assistance in accordance with program regulations and PHA policies, or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

### **Death of the Sole Family Member [24 CFR 982.311(d) and Notice PIH 2010-9]**

The PHA must immediately terminate program assistance for deceased single member households.

## **12-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS**

### **Mandatory Policies [24 CFR 982.553(b) and 982.551(l)]**

HUD requires the PHA to establish policies that permit the PHA to terminate assistance if the PHA determines that:

Any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents

Any household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents

Any household member has violated the family's obligation not to engage in any drug-related criminal activity

Any household member has violated the family's obligation not to engage in violent criminal activity

### ***Use of Illegal Drugs and Alcohol Abuse***

#### **PHA Policy**

The PHA will terminate a family's assistance if any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The PHA will terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

*Currently engaged in* is defined as any use of illegal drugs during the previous six months.

The PHA will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

### ***Drug-Related and Violent Criminal Activity [24 CFR 5.100]***

*Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

*Drug-related criminal activity* is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

*Violent criminal activity* means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

### **PHA Policy**

The PHA will terminate a family's assistance if any household member has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

The PHA will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E. Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

## **Other Authorized Reasons for Termination of Assistance** **[24 CFR 982.552(c), 24 CFR 5.2005(c)]**

HUD permits the PHA to terminate assistance under a number of other circumstances. It is left to the discretion of the PHA whether such circumstances in general warrant consideration for the termination of assistance. As discussed further in section 12-II.E, the Violence against Women Act of 2005 explicitly prohibits PHAs from considering incidents of, or criminal activity directly related to, domestic violence, dating violence, or stalking as reasons for terminating the assistance of a victim of such abuse.

### PHA Policy

The PHA **will not** terminate a family's assistance because of the family's failure to meet its obligations under the Family Self-Sufficiency program.

The PHA **will** terminate a family's assistance if:

The family has failed to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related PHA policies.

Any family member has been evicted from federally-assisted housing in the last five years.

Any PHA has ever terminated assistance under the program for any member of the family.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family currently owes rent or other amounts to any PHA in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs.

The family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

The family has breached the terms of a repayment agreement entered into with the PHA.

A family member has engaged in or threatened violent or abusive behavior toward PHA personnel.

*Abusive or violent behavior towards PHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

*Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate assistance, the PHA will consider alternatives as described in Section 12-II.C and other factors described in Sections 12-II.D and 12-II.E.

Upon consideration of such alternatives and factors, the PHA may, on a case-by-case basis, choose not to terminate assistance.

***Family Absence from the Unit [24 CFR 982.312]***

The family may be absent from the unit for brief periods. The PHA must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason. Absence in this context means that no member of the family is residing in the unit.

PHA Policy

If the family is absent from the unit for more than 180 consecutive calendar days, the family's assistance will be terminated. Notice of termination will be sent in accordance with Section 12-II.F.

***Insufficient Funding [24 CFR 982.454]***

The PHA may terminate HAP contracts if the PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

PHA Policy

The PHA will determine whether there is sufficient funding to pay for currently assisted families according to the policies in Part VIII of Chapter 16. If the PHA determines there is a shortage of funding, prior to terminating any HAP contracts, the PHA will determine if any other actions can be taken to reduce program costs.

In the event that the PHA decides to stop issuing vouchers as a result of a funding shortfall, and the PHA is not assisting the required number of special purpose vouchers (NED families, HUD-Veterans Affairs Supportive Housing (VASH) families, and family unification program (FUP) families), when the PHA resumes issuing vouchers, the PHA will issue vouchers first to the special purpose voucher families on its waiting list until it has reached the required number of special purpose vouchers, when applicable.

If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, the PHA will terminate HAP contracts as a last resort.

Prior to terminating any HAP contracts, the PHA will inform the local HUD field office. The PHA will terminate the minimum number needed in order to reduce HAP costs to a level within the PHA's annual budget authority.

If the PHA must terminate HAP contracts due to insufficient funding, the PHA will do so in accordance with the following criteria and instructions:

Families comprising the required number of special purpose vouchers, including nonelderly disabled (NED), HUD-Veteran's Affairs Supportive Housing (HUD-VASH), and family unification program (FUP) will be the last to be terminated.

The PHA will terminate the most recent HAP contract according to date.

Thirty day written notices will be sent to owner and tenant notifying them of the insufficient funding.

## **PART II: APPROACH TO TERMINATION OF ASSISTANCE**

### **12-II.A. OVERVIEW**

The PHA is required by regulation to terminate a family's assistance if certain program rules are violated. For other types of offenses, the regulations give the PHA the discretion to either terminate the family's assistance or to take another action. This part discusses the various actions the PHA may choose to take when it has discretion, and outlines the criteria the PHA will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notice that must be provided before terminating assistance.

### **12-II.B. METHOD OF TERMINATION [24 CFR 982.552(a)(3)]**

The way in which the PHA terminates assistance depends upon individual circumstances. HUD permits the PHA to terminate assistance by:

- Terminating housing assistance payments under a current HAP contract,
- Refusing to approve a request for tenancy or to enter into a new HAP contract, or
- Refusing to process a request for or to provide assistance under portability procedures.

### **12-II.C. ALTERNATIVES TO TERMINATION OF ASSISTANCE**

#### **Change in Household Composition**

As a condition of continued assistance, the PHA may require that any household member who participated in or was responsible for an offense no longer resides in the unit [24 CFR 982.552(c)(2)(ii)].

#### PHA Policy

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member's current address upon PHA request.

## Repayment of Family Debts

### PHA Policy

If a family owes amounts to the PHA, as a condition of continued assistance, the PHA will require the family to repay the full amount or to enter into a repayment agreement, within 30 days of receiving notice from the PHA of the amount owed. See Chapter 16 for policies on repayment agreements.

## 12-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE

### Evidence

For criminal activity, HUD permits the PHA to terminate assistance if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted [24 CFR 982.553(c)].

### PHA Policy

The PHA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not.

Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

### Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]

The PHA is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

### PHA Policy

The PHA will consider the following factors when making its decision to terminate assistance:

The seriousness of the case, especially with respect to how it would affect other residents

The effects that termination of assistance may have on other members of the family who were not involved in the action or failure

The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in section 12-II.E) a victim of domestic violence, dating violence, or stalking

The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

The PHA will require the participant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family

### **Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]**

If the family includes a person with disabilities, the PHA's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

#### PHA Policy

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, the PHA will determine whether the behavior is related to the disability. If so, upon the family's request, the PHA will determine whether alternative measures are appropriate as a reasonable accommodation. The PHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation.

## **12-II.E. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, OR STALKING**

This section addresses the protections against termination of assistance that the Violence against Women Act of 2005 (VAWA) provides for victims of domestic violence, dating violence, and stalking. For general VAWA requirements and PHA policies pertaining to notification, documentation, and confidentiality, see section 16-IX of this plan, where definitions of key VAWA terms are also located.

### **VAWA Protections against Termination**

VAWA provides four specific protections against termination of HCV assistance for victims of domestic violence, dating violence, or stalking. (*Note:* The second, third, and fourth protections also apply to terminations of tenancy or occupancy by owners participating in the HCV program. So do the limitations discussed under the next heading.)

First, VAWA provides that a PHA may not terminate assistance to a family that moves out of an assisted unit in violation of the lease, with or without prior notification to the PHA, if the move occurred to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.314(b)(4)].

Second, it provides that an incident or incidents of actual or threatened domestic violence, dating violence, or stalking may not be construed either as a serious or repeated lease violation by the victim or as good cause to terminate the assistance of the victim [24 CFR 5.2005(c)(1)].

Third, it provides that criminal activity directly related to domestic violence, dating violence, or stalking may not be construed as cause for terminating the assistance of a tenant if a member of the tenant's household, a guest, or another person under the tenant's control is the one engaging in the criminal activity and the tenant or an immediate family member of the tenant is the actual or threatened victim of the domestic violence, dating violence, or stalking [24 CFR 5.2005(c)(2)].

Fourth, it gives PHAs the authority to terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against family members or others without terminating assistance to, or otherwise penalizing, the victim of the violence [24 CFR 5.2009(a)].

## **Limitations on VAWA Protections [24 CFR 5.2005(d) and (e)]**

VAWA does not limit the authority of a PHA to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, or stalking so long as the PHA does not subject the victim to a more demanding standard than it applies to other program participants [24 CFR 5.2005(d)(1)].

Likewise, VAWA does not limit the authority of a PHA to terminate the assistance of a victim of domestic violence, dating violence, or stalking if the PHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the assisted property if the victim is not terminated from assistance [24 CFR 5.2005(d)(2)].

HUD regulations define *actual and imminent threat* to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

The duration of the risk

The nature and severity of the potential harm

The likelihood that the potential harm will occur

The length of time before the potential harm would occur [24 CFR 5.2005(e)]

Even when a victim poses an actual and imminent threat, however, HUD regulations authorize a PHA to terminate the victim's assistance "only when there are no other actions that could be taken to reduce or eliminate the threat" [24 CFR 5.2005(d)(3)].

### PHA Policy

In determining whether a program participant who is a victim of domestic violence, dating violence, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, the PHA will consider the following, and any other relevant, factors:

Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, or stalking

Whether the threat is a physical danger beyond a speculative threat

Whether the threat is likely to happen within a short period of time

Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location or seeking a legal remedy to prevent the perpetrator from acting on the threat

If the participant wishes to contest the PHA's determination that he or she is an actual and imminent threat to other tenants or employees, the participant may do so as part of the informal hearing.

## **Documentation of Abuse [24 CFR 5.2007]**

### PHA Policy

When an individual facing termination of assistance for reasons related to domestic violence, dating violence, or stalking claims protection under VAWA, the PHA will request that the individual provide documentation supporting the claim in accordance with the policies in section 16-IX.D of this plan.

The PHA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice. In such cases the PHA will document the waiver in the individual's file.

## **Terminating the Assistance of a Domestic Violence Perpetrator**

Although VAWA provides protection against termination of assistance for victims of domestic violence, it does not provide such protection for perpetrators. VAWA gives the PHA the explicit authority to "terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others" without terminating assistance to "or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant" [24 CFR 5.2009(a)]. This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual family member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if the PHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance. This means that the PHA must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire family [3/16/07 *Federal Register* notice on the applicability of VAWA to HUD programs].

### PHA Policy

The PHA will terminate assistance to a family member if the PHA determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the assistance of the remaining, nonculpable family members.

In making its decision, the PHA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-50066) or other documentation of abuse submitted to the PHA by the victim in accordance with this section and section 16-IX.D. The PHA will also consider the factors in section 12-II.D. Upon such consideration, the PHA may, on a case-by-case basis, choose not to terminate the assistance of the culpable family member.

If the PHA does terminate the assistance of the culpable family member, it will do so in accordance with applicable law, HUD regulations, and the policies in this plan.

## **12-II.F. TERMINATION NOTICE**

HUD regulations require PHAs to provide written notice of termination of assistance to a family only when the family is entitled to an informal hearing. However, since the family's HAP contract and lease will also terminate when the family's assistance terminates [form HUD-52641], it is a good business practice to provide written notification to both owner and family anytime assistance will be terminated, whether voluntarily or involuntarily.

### PHA Policy

Whenever a family's assistance will be terminated, the PHA will send a written notice of termination to the family and to the owner of the family's unit. The notice will state the date on which the termination will become effective. This date generally will be at least 30 calendar days following the date of the termination notice, but exceptions will be made whenever HUD rules, other PHA policies, or the circumstances surrounding the termination require.

When the PHA notifies an owner that a family's assistance will be terminated, the PHA will, if appropriate, advise the owner of his/her right to offer the family a separate, unassisted lease.

If a family whose assistance is being terminated is entitled to an informal hearing, the notice of termination that the PHA sends to the family must meet the additional HUD and PHA notice requirements discussed in section 16-III.C of this plan. Although HUD does not require PHAs to include information about the protections against termination of assistance provided by the Violence against Women Act of 2005 (VAWA) to victims of domestic violence, dating violence, or stalking, PHAs have the discretion to include such information.

### PHA Policy

Whenever the PHA decides to terminate a family's assistance because of the family's action or failure to act, the PHA will include in its termination notice the VAWA information described in section 16-IX.C of this plan and will request that a family member wishing to claim protection under VAWA notify the PHA within 10 business days.

Still other notice requirements apply in two situations:

If a criminal record is the basis of a family's termination, a copy of the record must accompany (or precede) the termination notice, and a copy of the record must also be provided to the subject of the record [24 CFR 982.553(d)].

If immigration status is the basis of a family's termination, as discussed in section 12-I.D, the special notice requirements in section 16-III.D must be followed.

## **PART III: TERMINATION OF TENANCY BY THE OWNER**

### **12-III.A. OVERVIEW**

Termination of an assisted tenancy is a matter between the owner and the family; the PHA is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy, and the reasons for which a tenancy is terminated dictate whether assistance also will be terminated.

### **12-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310, 24 CFR 5.2005(c), and Form HUD-52641-A, Tenancy Addendum]**

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

#### **Serious or Repeated Lease Violations**

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, or stalking and the victim is protected from eviction by the Violence against Women Act of 2005 (see section 12-II.E). A serious lease violation includes failure to pay rent or other amounts due under the lease. However, the PHA's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

#### **Violation of Federal, State, or Local Law**

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

#### **Criminal Activity or Alcohol Abuse**

The owner may terminate tenancy during the term of the lease if any *covered person*—meaning any member of the household, a guest, or another person under the tenant's control—commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises)

Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises

Any violent criminal activity on or near the premises

Any drug-related criminal activity on or near the premises

However, in the case of criminal activity directly related to domestic violence, dating violence, or stalking, if the tenant or an immediate member of the tenant's family is the victim, the criminal activity may not be construed as cause for terminating the victim's tenancy (see section 12-II.E).

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

### ***Evidence of Criminal Activity***

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines the covered person has engaged in the criminal activity, regardless of whether the covered person has been arrested or convicted for such activity and without satisfying the standard of proof used for a criminal conviction.

### **Other Good Cause**

During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, "other good cause" for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent)

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

Note that "other good cause" does **not** include vacating a property that has been foreclosed upon during the lease term prior to the sale of that property. However, the new owner of the property may terminate the tenancy effective on the date of transfer of the unit if the owner will occupy

the unit as a primary residence and has provided the tenant a notice to vacate at least 90 days before the effective date of such notice [Notice PIH 2010-49]. Further information on the protections afforded to tenants in the event of foreclosure can be found in Section 13-II.G.

### **12-III.C. EVICTION [24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum]**

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give the PHA a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give the PHA a copy of any eviction notice (see Chapter 5).

#### PHA Policy

If the eviction action is finalized in court, the owner must provide the PHA with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 5 business days following the court-ordered eviction.

### **12-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(h), 24 CFR 982.310(h)(4)]**

An owner who has grounds to terminate a tenancy is not required to do so, and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action
- The seriousness of the offending action;
- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on household members not involved in the offending activity;
- The demand for assisted housing by families who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action;

- The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, or stalking is limited by the Violence against Women Act of 2005 (VAWA) and the conforming regulations in 24 CFR Part 5, Subpart L. (See section 12-II.E.)

### **12-III.E. EFFECT OF TENANCY TERMINATION ON THE FAMILY'S ASSISTANCE**

If a termination is not due to a serious or repeated violation of the lease, and if the PHA has no other grounds for termination of assistance, the PHA may issue a new voucher so that the family can move with continued assistance (see Chapter 10).

## EXHIBIT 12-1: STATEMENT OF FAMILY OBLIGATIONS

Following is a listing of a participant family's obligations under the HCV program:

- The family must supply any information that the PHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the PHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

### PHA Policy

Damages beyond normal wear and tear will be considered to be damages which could be assessed against the security deposit.

- The family must allow the PHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family must not commit any serious or repeated violation of the lease.

### PHA Policy

The PHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction or an owner's notice to evict.

*Serious and repeated lease violations* will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

- The family must notify the PHA and the owner before moving out of the unit or terminating the lease.

### PHA Policy

The family must comply with lease requirements regarding written notice to the owner. The family must provide written notice to the PHA at the same time the owner is notified.

- The family must promptly give the PHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the PHA. The family must promptly notify the PHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request PHA approval to add any other family member as an occupant of the unit.

### PHA Policy

The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. The PHA will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify the PHA in writing if any family member no longer lives in the unit.
- If the PHA has given approval, a foster child or a live-in aide may reside in the unit. The PHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when PHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).
- The family must not sublease the unit, assign the lease, or transfer the unit.

### PHA Policy

Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.

- The family must supply any information requested by the PHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the PHA when the family is absent from the unit.

### PHA Policy

Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to the PHA at the start of the extended absence.

- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and PHA policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and PHA policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

## Chapter 13

### OWNERS

#### INTRODUCTION

Owners play a central role in the HCV program by supplying decent, safe, and sanitary housing for participating families.

The term “owner” refers to any person or entity with the legal right to lease or sublease a unit to a participant in the HCV program [24 CFR 982.4(b)]. The term “owner” includes a principal or other interested party [24 CFR 982.453; 24 CFR 982.306(f)], such as a designated agent of the owner.

Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations. However, this chapter is not meant to be an overview of all aspects of owner participation in the HCV program.

The chapter is organized in two parts:

Part I: Owners in the HCV Program. This part discusses the role of an owner in the PHA’s HCV program and highlights key owner rights and responsibilities.

Part II: HAP Contracts. This part explains provisions of the HAP contract and the relationship between the PHA and the owner as expressed in the HAP contract.

For detailed information about HCV program responsibilities and processes, including PHA policies in key areas, owners will need to refer to several other chapters in this plan. Where appropriate, Chapter 13 will reference the other chapters.

## **PART I. OWNERS IN THE HCV PROGRAM**

### **13-I.A. OWNER RECRUITMENT AND RETENTION [HCV GB, pp. 2-4 to 2-6]**

#### **Recruitment**

PHAs are responsible for ensuring that very low income families have access to all types and ranges of affordable housing in the PHA's jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the PHA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the PHA's jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, PHAs must identify and recruit new owners to participate in the program.

#### PHA Policy

The PHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. The PHA will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:

- Distributing printed material about the program to property owners and managers
- Contacting property owners and managers by phone or in-person
- Holding owner recruitment/information meetings at least once a year
- Participating in community based organizations comprised of private property and apartment owners and managers
- Developing working relationships with owners and real estate brokers associations

Outreach strategies will be monitored for effectiveness, and adapted accordingly.

## **Retention**

In addition to recruiting owners to participate in the HCV program, the PHA must also provide the kind of customer service that will encourage participating owners to remain active in the program.

### PHA Policy

All PHA activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

The PHA will provide owners with a handbook that explains the program, including HUD and PHA policies and procedures, in easy-to-understand language.

The PHA will give special attention to helping new owners succeed through activities such as:

- Providing the owner with a designated PHA contact person.

- Coordinating inspection and leasing activities between the PHA, the owner, and the family.

- Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.

- Providing other written information about how the program operates, including answers to frequently asked questions.

Additional services may be undertaken on an as-needed basis, and as resources permit.

## **13-I.B. BASIC HCV PROGRAM REQUIREMENTS**

HUD requires the PHA to aid families in their housing search by providing the family with a list of landlords or other parties known to the PHA who may be willing to lease a unit to the family, or to help the family find a unit. Although the PHA cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to the PHA their willingness to lease a unit to an eligible HCV family, or to help the HCV family find a unit [24 CFR 982.301(b)(11)].

### PHA Policy

Owners that wish to indicate their willingness to lease a unit to an eligible HCV family or to help the HCV family find a unit must notify the PHA. The PHA will maintain a listing of such owners and provide this listing to the HCV family as part of the informational briefing packet.

When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any

potential tenant. The PHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy. See chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RFTA, Form HUD 52517), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to the PHA, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit. Also submitted with the RFTA is a copy of the owner's proposed dwelling lease, including the HUD-required Tenancy Addendum (Form HUD-52641-A). See Chapter 9 for more detail on request for tenancy approval policies and process.

HUD regulations stipulate that an assisted tenancy can be approved only under certain conditions.

The owner must be qualified to participate in the program [24 CFR 982.306]. Some owners are precluded from participating in the program, or from renting to a particular family, either because of their past history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

The selected unit must be of a type that is eligible for the program [24 CFR 982.305(a)]. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. In addition, the owner must document legal ownership of the specified unit. See chapter 9 for more detail on unit eligibility policies and process.

The selected unit must meet HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. The PHA will inspect the owner's dwelling unit at various stages of HCV program participation, to ensure that the unit continues to meet HQS requirements. See chapter 8 for a discussion of the HQS standards, as well as the process for HQS inspections at initial lease-up and throughout the family's tenancy.

The PHA must determine that the cost of the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See chapter 8 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, the PHA must determine that the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]. See chapter 6 for a discussion of the calculation of family income, family share of rent and HAP.

The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. However, the HCV program requires that the Tenancy Addendum, which helps standardize the tenancy requirements

for all assisted families, be added word-for-word to that lease. See chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions. The PHA and the owner enter into a formal contractual relationship by executing the Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See chapter 9 for a discussion of the HAP contract execution process. Specific HAP contract provisions and responsibilities are discussed in Part II of Chapter 13.

### **13-I.C. OWNER RESPONSIBILITIES [24 CFR 982.452]**

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Performing all of the owner's obligations under the housing assistance payments (HAP) contract and the lease
- Performing all management and rental functions for the assisted unit, including selecting a voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit
- Maintaining the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Preparing and furnishing to the PHA information required under the HAP contract
- Collecting from the family any security deposit, the tenant's contribution to rent (that part of rent to owner not covered by the housing assistance payment from the PHA), and any charges for unit damage by the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services (unless paid by the family under the lease)
- Making modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]
- Complying with the Violence against Women Reauthorization Act of 2005 (VAWA) when screening prospective HCV tenants or terminating the tenancy of an HCV family (see 24 CFR Part 5, Subpart L; 24 CFR 982.310(h)(4); and 24 CFR 982.452(b)(1))

### **13-I.D. OWNER QUALIFICATIONS**

The PHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the PHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

#### **Owners Barred from Participation [24 CFR 982.306(a) and (b)]**

The PHA must not approve the assisted tenancy if the PHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct the PHA not to approve a tenancy request if a court or administrative agency

has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

### **Leasing to Relatives [24 CFR 982.306(d), HCV GB p. 11-2]**

The PHA must not approve an RFTA if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. The PHA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.

### **Conflict of Interest [24 CFR 982.161; HCV GB p. 8-19]**

The PHA must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of the PHA (except a participant commissioner)
- Any employee of the PHA, or any contractor, subcontractor or agent of the PHA, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. The PHA must submit a waiver request to the appropriate HUD Field Office for determination.

Any waiver request submitted by the PHA must include [HCV Guidebook pp.11-2 and 11-3]:

- Complete statement of the facts of the case;
- Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived;
- Analysis of and statement of consistency with state and local laws. The local HUD office, the PHA, or both parties may conduct this analysis. Where appropriate, an opinion by the state's attorney general should be obtained;
- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted;
- Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied;
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives;

- If the case involves a public official or member of the governing body, explanation of his/her duties under state or local law, including reference to any responsibilities involving the HCV program;
- If the case involves employment of a family member by the PHA or assistance under the HCV program for an eligible PHA employee, explanation of the responsibilities and duties of the position, including any related to the HCV program;
- If the case involves an investment on the part of a member, officer, or employee of the PHA, description of the nature of the investment, including disclosure/divestiture plans.

Where the PHA has requested a conflict of interest waiver, the PHA may not execute the HAP contract until HUD has made a decision on the waiver request.

### PHA Policy

In considering whether to request a conflict of interest waiver from HUD, the PHA will consider factors the reasons for waiving the requirement; consistency with state and local laws; the existence of alternative housing available to families; the individual circumstances of a particular family; the specific duties of individuals whose positions present a possible conflict of interest; the nature of any financial investment in the property and plans for disclosure/divestiture; and the possible appearance of impropriety.

### **Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]**

HUD regulations permit the PHA, at the PHA's discretion, to refuse to approve a request for tenancy if the owner has committed any of a number of different actions.

If the PHA disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner's properties unless the owner has violated the HAP contract for those units [HCV GB p. 11-4].

### PHA Policy

The PHA will refuse to approve a request for tenancy if the PHA becomes aware that any of the following are true:

The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);

The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The owner has engaged in any drug-related criminal activity or any violent criminal activity;

The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;

The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other residents; (ii) Threatens the health or safety of other residents, of employees of the PHA, or of owner employees or other persons engaged in management of the housing; (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity;

The owner has a history or practice of renting units that fail to meet state or local housing codes; or

The owner has not paid state or local real estate taxes, fines, or assessment.

In considering whether to disapprove owners for any of the discretionary reasons listed above, the PHA will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others. Upon consideration of such circumstances, the PHA may, on a case-by-case basis, choose to approve an owner.

### **Legal Ownership of Unit**

The following represents PHA policy on legal ownership of a dwelling unit to be assisted under the HCV program.

#### PHA Policy

The PHA will only enter into a contractual relationship with the legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership (e.g., deed of trust, proof of taxes for most recent year).

### **13-I.E. NON-DISCRIMINATION [HAP Contract – Form HUD-52641]**

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with the PHA.

The owner must cooperate with the PHA and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with the PHA.

See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

## PART II. HAP CONTRACTS

### 13-II.A. OVERVIEW

The HAP contract represents a written agreement between the PHA and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as the PHA's obligations. Under the HAP contract, the PHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit.

The HAP contract is used for all HCV program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and lease the space. See chapter 15 for a discussion of any special housing types included in the PHA's HCV program.

If the PHA has given approval for the family of the assisted tenancy, the owner and the PHA execute the HAP contract. See chapter 9 for a discussion of the leasing process, including provisions for execution of the HAP contract.

### 13-II.B. HAP CONTRACT CONTENTS

The HAP contract format is required by HUD, specifically Housing Assistance Payment (HAP) Contract, Form HUD-52641.

The HAP contract contains three parts.

Part A of the contract includes basic **contract information** about the name of the tenant family, address of the contract unit, names of all household members, first and last dates of initial lease term, amount of initial monthly rent to owner, amount of initial housing assistance payment, utilities and appliances to be supplied by owner and tenant, signatures of PHA and owner [HCV Guidebook, pp 11-10 and 11-11].

In general, the HAP contract cannot be modified. However, PHAs do have the discretion to add language to Part A of the HAP contract which prohibits the owner from collecting a security deposit in excess of private market practices or in excess of amounts charged to unassisted tenants. PHA policy on the amount of security deposit an owner may collect is found in chapter 9.

In addition, PHAs have the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by the PHA is deemed received by the owner (e.g., upon mailing by the PHA or actual receipt by the owner).

## PHA Policy

The PHA has not adopted a policy that defines when the housing assistance payment by the PHA is deemed received by the owner. Therefore, no modifications to the HAP contract will be necessary.

Part B is the body of the contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit
- Maintenance, Utilities, and Other Services
- Term of HAP Contract
- Provision and Payment of Utilities and Appliances
- Rent to Owner: Reasonable Rent
- PHA Payment to Owner
- Prohibition of Discrimination
- Owner's Breach of HAP Contract
- PHA and HUD Access to Premises and Owner's Records
- Exclusion of Third Party Rights
- Conflict of Interest
- Assignment of the HAP Contract
- Written Notices
- Entire Agreement Interpretation

Part C of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by the PHA. The owner must sign the HUD Tenancy Addendum with the prospective tenant, and the tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

## **13-II.C. HAP CONTRACT PAYMENTS**

### **General**

During the term of the HAP contract, and subject to the provisions of the HAP contract, the PHA must make monthly HAP payments to the owner on behalf of the family, at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6, and is subject to change during the term of the HAP contract. The PHA must notify the owner and the family in writing of any changes in the HAP payment.

HAP payments can be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by the PHA is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant, plus the PHA HAP payment, should be equal to the rent specified in the lease (the rent to owner).

The family is not responsible for payment of the HAP payment, and the PHA is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the total rent to the owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)]. See chapter 9 for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from the PHA, the excess amount must be returned immediately. If the PHA determines that the owner is not entitled to all or a portion of the HAP, the PHA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See Chapter 16 for additional detail on owner reimbursement of HAP overpayments.

### **Owner Certification of Compliance**

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract [HAP Contract – Form HUD-52641].

By endorsing the monthly check from the PHA, the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and

premises in accordance with HQS; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

### **Late HAP Payments [24 CFR 982.451(a)(5)]**

The PHA is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term, the HAP contract provides for penalties if the PHA fails to make the HAP payment on time.

Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.

The PHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond the PHA's control. In addition, late payment penalties are not required if the PHA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract [HCV Guidebook p. 11-7].

### **Termination of HAP Payments [24 CFR 982.311(b)]**

The PHA must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, the PHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

#### PHA Policy

The owner must inform the PHA when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform the PHA when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide the PHA with a copy of such judgment or determination.

After the owner has obtained a court judgment or other process allowing the owner to evict the tenant, the PHA will continue to make HAP payments to the owner until the family actually moves from the unit or until the family is physically evicted from the unit, whichever is earlier. The owner must inform the PHA of the date when the family actually moves from the unit or the family is physically evicted from the unit.

### **13-II.D. BREACH OF HAP CONTRACT [24 CFR 982.453]**

Any of the following actions by the owner constitutes a breach of the HAP contract:

- If the owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with HQS
- If the owner has violated any obligation under any other HAP contract under Section 8
- If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program
- For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulations for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan
- If the owner has engaged in drug-related criminal activity
- If the owner has committed any violent criminal activity

If the PHA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

The PHA rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the housing assistance payment, termination of the payment or termination the HAP contract. The PHA may also obtain additional relief by judicial order or action.

The PHA must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. The PHA must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

#### PHA Policy

Before the PHA invokes a remedy against an owner, the PHA will evaluate all information and documents available to determine if the contract has been breached.

If relevant, the PHA will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, the PHA will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the

owner's record of compliance and the number and seriousness of any prior HAP contract violations.

### **13-II.E. HAP CONTRACT TERM AND TERMINATIONS**

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV Guidebook pp.11-4 and 11-5, pg. 15-3]:

- The owner or the family terminates the lease;
- The lease expires;
- The PHA terminates the HAP contract;
- The PHA terminates assistance for the family;
- The family moves from the assisted unit. In this situation, the owner is entitled to keep the housing assistance payment for the month when the family moves out of the unit.
- 180 calendar days have elapsed since the PHA made the last housing assistance payment to the owner;
- The family is absent from the unit for longer than the maximum period permitted by the PHA;
- The Annual Contributions Contract (ACC) between the PHA and HUD expires
- The PHA elects to terminate the HAP contract.

#### PHA Policy

The PHA may elect to terminate the HAP contract in each of the following situations:

Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];

The unit does not meet HQS size requirements due to change in family composition [24 CFR 982.403] – see chapter 8;

The unit does not meet HQS [24 CFR 982.404] – see chapter 8;

The family breaks up [HUD Form 52641] – see chapter 3;

The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.

If the PHA terminates the HAP contract, the PHA must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract [HCV Guidebook pg.15-4].

#### PHA Policy

In all cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which the PHA gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return to the PHA any housing assistance payment received after this period.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required [HCV GB, p. 11-17].

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy [HCV GB, p. 8-22].

### **13-ILF. CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT [HUD-52641]**

The HAP contract cannot be assigned to a new owner without the prior written consent of the PHA.

An owner under a HAP contract must notify the PHA in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by the PHA.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that the PHA finds acceptable. The new owner must provide the PHA with a copy of the executed agreement.

#### PHA Policy

Assignment of the HAP contract will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter.

The PHA must receive a signed, written request from the existing owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

Within 10 business days of receiving the owner's request, the PHA will inform the current owner in writing whether the assignment may take place.

The new owner must provide a written certification to the PHA that includes:

A copy of the escrow statement or other document showing the transfer of title and recorded deed;

A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner;

The effective date of the HAP contract assignment;

A written agreement to comply with the terms of the HAP contract; and

Confirmation that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, the PHA will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, the PHA will process the leasing in accordance with the policies in Chapter 9.

### **13-II.G. FORECLOSURE [HUD-52641 and Notice PIH 2010-49]**

Families receiving HCV assistance are entitled to certain protections set forth under the Protecting Tenants at Foreclosure Act (PTFA). Specifically, the HAP contract now contains language stating that in the case of any foreclosure, the immediate successor in interest in the property pursuant to the foreclosure will assume such interest subject to the lease between the prior owner and the tenant, and to the HAP contract between the prior owner and the PHA for the occupied unit. This provision of the HAP contract does not affect any state or local law that provides longer time periods or other additional protections for tenants.

If the PHA learns that a property is in foreclosure, it must take the following actions:

- Make all reasonable efforts to determine the status of the foreclosure and ownership of the property. (Further guidance on how to obtain this information can be found in Notice PIH 2010-49.)
- Continue to make payments to the original owner until ownership legally transfers in accordance with the HAP contract.
- Attempt to obtain a written acknowledgement of the assignment of the HAP contract from the successor in interest. The written agreement should include a request for owner information, such as a tax identification number, and payment instructions from the new owner. Even if the new owner does not acknowledge the assignment of the HAP contract in writing, the assignment is still effective by operation of law.

- Inform the tenant that they must continue to pay rent in accordance with the lease, and if the successor in interest refuses to accept payment or cannot be identified, the tenant should pay rent into escrow. Failure to pay rent may constitute an independent ground for eviction.
- Inform the tenant in the event that the PHA is unable to make HAP payments to the successor in interest due an action or inaction by the successor that prevents such payments (e.g., rejection of payments or failure to maintain the property according to HQS), or due to an inability to identify the successor. The PHA should also refer the tenant, as needed, to the local legal aid office in order to ensure adequate protection of the tenant's rights and enforcement of the successor in interest's performance under the HAP contract.
- Make reasonable inquiries to determine whether the unit, in addition to having a tenant receiving HCV assistance, will be or has been assisted under the Neighborhood Stabilization Program (NSP). (For further guidance on cases in where the units have been assisted under the NSP, see Notice PIH 2010-49.)

PHAs are also required to notify HCV applicants who have been issued a voucher, participant heads of household, and current and prospective owners of HCV-assisted housing of the protections afforded to tenants under the PTFA.

#### PHA Policy

The PHA will provide all HCV applicants that have been issued a voucher with information regarding the PTFA at admission (see Section 5-I.B) and to participant heads of household at annual reexamination.

The PHA will provide information regarding the PTFA to prospective owners when they begin their participation in the HCV program, and to current HCV owners one time with the monthly HAP.

Note that the foreclosure provision of the HAP contract and additional tenant protections under the Protecting Tenants at Foreclosure Act will sunset December 31, 2014.

See Section 12-III.B for a discussion of foreclosure as it pertains to owner termination of tenancy.

## Chapter 14

### PROGRAM INTEGRITY

#### INTRODUCTION

The PHA is committed to ensuring that subsidy funds made available to the PHA are spent in accordance with HUD requirements.

This chapter covers HUD and PHA policies designed to prevent, detect, investigate, and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents PHA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the PHA must and may take when errors or program abuses are found.

## **PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE**

### **14-I.A. PREVENTING ERRORS AND PROGRAM ABUSE**

HUD created the Enterprise Income Verification (EIV) system to provide PHAs with a powerful tool for preventing errors and program abuse. PHAs are required to use the EIV system in its entirety in accordance with HUD administrative guidance [24 CFR 5.233]. PHAs are further required to:

- Provide applicants and participants with form HUD-52675, “Debts Owed to PHAs and Terminations”
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

#### PHA Policy

The PHA anticipates that the vast majority of families, owners, and PHA employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the PHA’s HCV program is administered effectively and according to the highest ethical and legal standards, the PHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The PHA will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.

The PHA will provide each applicant and participant with a copy of “Is Fraud Worth It?” (form HUD-1141-OIG), which explains the types of actions a family must avoid and the penalties for program abuse.

The PHA will provide each applicant and participant with a copy of “What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2010-19. In addition, the PHA will require the head of each household to acknowledge receipt of the guide by signing a copy for retention in the family file.

The PHA will place a warning statement about the penalties for fraud (as described in 18 U.S.C. 1001 and 1010) on key PHA forms and form letters that request information from a family or owner.

PHA staff will be required to review and explain the contents of all HUD- and PHA-required forms prior to requesting family member signatures.

The PHA will require first-time owners (or their agents) to participate in a briefing session on HAP contract requirements.

The PHA will provide each PHA employee with the necessary training on program rules and the organization's standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

#### **14-I.B. DETECTING ERRORS AND PROGRAM ABUSE**

In addition to taking steps to prevent errors and program abuse, the PHA will use a variety of activities to detect errors and program abuse.

##### **Quality Control and Analysis of Data**

Under the Section 8 Management Assessment Program (SEMAP), HUD requires the PHA to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure HQS compliance [24 CFR, Part 985]. (See Chapter 16 for additional information about SEMAP requirements).

##### PHA Policy

In addition to the SEMAP quality control requirements, the PHA will employ a variety of methods to detect errors and program abuse.

The PHA routinely will use available sources of up-front income verification, including HUD's EIV system, to compare with family-provided information.

At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.

The PHA will compare family-reported income and expenditures to detect possible unreported income.

##### **Independent Audits and HUD Monitoring**

OMB Circular A-133 requires all PHAs that expend \$500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of PHA activities and notifies the PHA of errors and potential cases of program abuse.

### PHA Policy

The PHA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the PHA's error detection and abuse prevention efforts.

## **Individual Reporting of Possible Errors and Program Abuse**

### PHA Policy

The PHA will encourage staff, program participants, and the public to report possible program abuse.

## **14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE**

### **When the PHA Will Investigate**

#### PHA Policy

The PHA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the PHA to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The PHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

### **Consent to Release of Information [24 CFR 982.516]**

The PHA may investigate possible instances of error or abuse using all available PHA and public records. If necessary, the PHA will require HCV families to give consent to the release of additional information.

### **Analysis and Findings**

#### PHA Policy

The PHA will base its evaluation on a preponderance of the evidence collected during its investigation.

*Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence that as a whole shows that the fact sought to be proved is more probable than not. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence

For each investigation the PHA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the PHA, and (3) what corrective measures or penalties will be assessed.

### **Consideration of Remedies**

All errors and instances of program abuse must be corrected prospectively. Whether the PHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

#### PHA Policy

In the case of family-caused errors or program abuse, the PHA will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

In the case of owner-caused errors or program abuse, the PHA will take into consideration (1) the seriousness of the offense, (2) the length of time since the violation has occurred, and (3) the effects of a particular remedy on family members who were not involved in the offense.

### **Notice and Appeals**

#### PHA Policy

The PHA will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the PHA determined the error or program abuses, (3) the remedies to be employed, and (4) the family's right to appeal the results through the informal review or hearing process, if applicable (see Chapter 16).

## **PART II: CORRECTIVE MEASURES AND PENALTIES**

### **14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS**

A subsidy under- or overpayment includes (1) an incorrect housing assistance payment to the owner, (2) an incorrect family share established for the family, and (3) an incorrect utility reimbursement to a family.

#### **Corrections**

Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, the PHA must promptly correct the HAP, family share, and any utility reimbursement prospectively.

##### PHA Policy

Increases in the family share will be implemented only after the family has received 30 days notice.

Any decreases in family share will become effective the first of the month following the discovery of the error.

#### **Reimbursement**

Whether the family or owner is required to reimburse the PHA or the PHA is required to make retroactive subsidy payments to the owner or family depends upon which party is responsible for the incorrect subsidy payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

### **14-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE**

Family obligations and general administrative requirements for participating in the program are discussed throughout this plan. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the PHA to use incorrect information provided by a third party.

#### **Family Reimbursement to PHA [HCV GB pp. 22-12 to 22-13]**

##### PHA Policy

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received. The PHA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the

excess subsidy, the PHA will terminate the family's assistance in accordance with the policies in Chapter 12.

### **PHA Reimbursement to Family [HCV GB p. 22-12]**

#### PHA Policy

The PHA will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

### **Prohibited Actions**

An applicant or participant in the HCV program must not knowingly:

- Make a false statement to the PHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c)(iv)].

#### PHA Policy

Any of the following will be considered evidence of family program abuse:

Payment to the owner in excess of amounts authorized by the PHA for rent, security deposit, and additional services

Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives

Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to the PHA on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g. income, family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The PHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

## **Penalties for Program Abuse**

In the case of program abuse caused by a family the PHA may, at its discretion, impose any of the following remedies.

- The PHA may require the family to repay excess subsidy amounts paid by the PHA, as described earlier in this section.
- The PHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 12 (for participants).
- The PHA may deny or terminate the family's assistance following the policies set forth in Chapter 3 and Chapter 12 respectively.
- The PHA may refer the family for state or federal criminal prosecution as described in section 14-II.E.

### **14-II.C. OWNER-CAUSED ERROR OR PROGRAM ABUSE**

Owner requirements that are part of the regular process of offering, leasing, and maintaining a unit (e.g., HQS compliance, fair housing) are addressed in the appropriate chapters of this plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

#### **Owner Reimbursement to the PHA**

In all cases of overpayment of subsidy caused by the owner, the owner must repay to the PHA any excess subsidy received. The PHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, the PHA may allow the owner to pay in installments over a period of time [HCV GB p. 22-13].

##### PHA Policy

In cases where the owner has received excess subsidy, the PHA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

#### **Prohibited Owner Actions**

An owner participating in the HCV program must not:

- Make any false statement to the PHA [Title 18 U.S.C. Section 1001].

- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including:

PHA Policy

Any of the following will be considered evidence of owner program abuse:

Charging the family rent above or below the amount specified by the PHA

Charging a security deposit other than that specified in the family's lease

Charging the family for services that are provided to unassisted tenants at no extra charge

Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit

Knowingly accepting incorrect or excess housing assistance payments

Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA representatives

Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the PHA

Residing in the unit with an assisted family

**Remedies and Penalties**

When the PHA determines that the owner has committed program abuse, the PHA may take any of the following actions:

- Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 16.
- Terminate the HAP contract (See Chapter 13).
- Bar the owner from future participation in any PHA programs.
- Refer the case to state or federal officials for criminal prosecution as described in section 14-II.E.

## **14-II.D. PHA-CAUSED ERRORS OR PROGRAM ABUSE**

The responsibilities and expectations of PHA staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of a PHA staff member that are considered errors or program abuse related to the HCV program. Additional standards of conduct may be provided in the PHA personnel policy.

PHA-caused incorrect subsidy determinations include (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses, (2) assigning the incorrect voucher size to a family, and (3) errors in calculation.

### **Repayment to the PHA**

Neither a family nor an owner is required to repay an overpayment of subsidy if the error or program abuse is caused by PHA staff [HCV GB. 22-12].

### **PHA Reimbursement to Family or Owner**

The PHA must reimburse a family for any underpayment of subsidy, regardless of whether the underpayment was the result of staff-caused error or staff or owner program abuse. Funds for this reimbursement must come from the PHA's administrative fee reserves [HCV GB p. 22-12].

### **Prohibited Activities**

#### PHA Policy

Any of the following will be considered evidence of program abuse by PHA staff:

Failing to comply with any HCV program requirements for personal gain

Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, or owner

Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to the PHA

Disclosing confidential or proprietary information to outside parties

Gaining profit as a result of insider knowledge of PHA activities, policies, or practices

Misappropriating or misusing HCV funds

Destroying, concealing, removing, or inappropriately using any records related to the HCV program

Committing any other corrupt or criminal act in connection with any federal housing program

#### **14-II.E. CRIMINAL PROSECUTION**

##### PHA Policy

When the PHA determines that program abuse by an owner, family, or PHA staff member has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, the PHA will refer the matter to the appropriate entity for prosecution. When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

#### **14-II.F. FRAUD AND PROGRAM ABUSE RECOVERIES**

The PHA may retain a portion of program fraud losses that the PHA recovers from a family or owner through litigation, court order, or a repayment agreement [24 CFR 982.163].

The PHA must be the principal party initiating or sustaining the action to recover amounts due from tenants that are due as a result of fraud and abuse. 24 CFR 792.202 permits the PHA to retain the greater of:

- 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or
- Reasonable and necessary costs that the PHA incurs related to the collection including costs of investigation, legal fees, and agency collection fees.

The family must be afforded the opportunity for an informal hearing in accordance with requirements in 24 CFR 982.555.

If HUD incurs costs on behalf of the PHA related to the collection, these costs must be deducted from the amount retained by the PHA.

## Chapter 15

### SPECIAL HOUSING TYPES

[24 CFR 982 Subpart M]

#### INTRODUCTION

The PHA may permit a family to use any of the special housing types discussed in this chapter. However, the PHA is not required to permit families receiving assistance in its jurisdiction to use these housing types, except that PHAs must permit use of any special housing type if needed as a reasonable accommodation for a person with a disability. The PHA also may limit the number of families who receive HCV assistance in these housing types and cannot require families to use a particular housing type. No special funding is provided for special housing types.

#### PHA Policy

Families will not be permitted to use any special housing types, unless use is needed as a reasonable accommodation so that the program is readily accessible to a person with disabilities.

Special housing types include single room occupancy (SRO), congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601].

This chapter consists of the following seven parts. Each part contains a description of the housing type and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to special housing types.

#### Part I: Single Room Occupancy

#### Part II: Congregate Housing

#### Part III: Group Homes

#### Part IV: Shared Housing

#### Part V: Cooperative Housing

#### Part VI: Manufactured Homes (including manufactured home space rental)

#### Part VII: Homeownership

## **PART I: SINGLE ROOM OCCUPANCY**

[24 CFR 982.602 through 982.605]

### **15-I.A. OVERVIEW**

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances.

When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person, and the standard form of the HAP contract is used.

### **15-I.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION**

The payment standard for SRO housing is 75 percent of the 0-bedroom payment standard amount on the PHA's payment standard schedule.

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance.

The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

### **15-I.C. HOUSING QUALITY STANDARDS (HQS)**

HQS requirements described in Chapter 8 apply to SRO housing except as modified below.

- *Access:* Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
- *Fire Safety:* All SRO facilities must have a sprinkler system that protects major spaces. "Major spaces" are defined as hallways, common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.

Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards the requirements discussed below apply [24 CFR 982.605].

- *Sanitary Facilities:* At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway, and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
- *Space and Security:* An SRO unit must contain at least 110 square feet of floor space, and at least four square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

Because no children live in SRO housing, the housing quality standards applicable to lead-based paint do not apply.

## **PART II: CONGREGATE HOUSING**

[24 CFR 982.606 through 982.609]

### **15-II.A. OVERVIEW**

Congregate housing is intended for use by elderly persons or persons with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom and bathroom. Food service for residents must be provided.

If approved by the PHA, a family member or live-in aide may reside with the elderly person or person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

### **15-II.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION**

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), the PHA must use the payment standard for a 0-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), the PHA must use the 1-bedroom payment standard.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service should not be included in the rent for a congregate housing unit.

### **15-II.C. HOUSING QUALITY STANDARDS**

HQS requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below.

Congregate housing must have (1) a refrigerator of appropriate size in the private living area of each resident; (2) a central kitchen and dining facilities located within the premises and accessible to the residents, and (3) food service for the residents, that is not provided by the residents themselves.

The housing quality standards applicable to lead-based paint do not apply.

## **PART III: GROUP HOME**

[24 CFR 982.610 through 982.614 and HCV GB p. 7-4]

### **15-III.A. OVERVIEW**

A group home is a state-licensed facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly persons or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.

A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.

No more than 12 persons may reside in a group home including assisted and unassisted residents and any live-in aides.

If approved by the PHA, a live-in aide may live in the group home with a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family, and the standard form of the HAP contract is used.

### **15-III.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION**

Unless there is a live-in aide, the family unit size for an assisted occupant of a group home must be 0- or 1-bedroom, depending on the PHA's subsidy standard. If there is a live-in aide, the aide must be counted in determining the household's unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the prorata share of the payment standard for the group home size. The prorata share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

The utility allowance for an assisted occupant in a group home is the prorata share of the utility allowance for the group home.

The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the prorata

portion of the reasonable rent for the group home. In determining reasonable rent, the PHA should consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

### **15-III.C. HOUSING QUALITY STANDARDS**

HQS requirements described in Chapter 8 apply to group homes except for the requirements stated below.

- *Sanitary Facilities:* A group home must have at least one bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom.
- *Food Preparation and Service:* Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.
- *Space and Security:* Group homes must contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.
- *Structure and Material:* To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.
- *Site and Neighborhood:* Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:
  - Dangerous walks or steps
  - Instability
  - Flooding, poor drainage
  - Septic tank back-ups
  - Sewage hazards
  - Mud slides
  - Abnormal air pollution
  - Smoke or dust
  - Excessive noise
  - Vibrations or vehicular traffic
  - Excessive accumulations of trash

- Vermin or rodent infestation, and
- Fire hazards.

The housing quality standards applicable to lead-based paint do not apply.

## **PART IV: SHARED HOUSING**

[24 CFR 982.615 through 982.618]

### **15-IV.A. OVERVIEW**

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

### **15-IV.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION**

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size or the prorata share of the payment standard for the shared housing unit size.

The prorata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit.

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP. The utility allowance for an assisted family living in shared housing is the prorata share of the utility allowance for the shared housing unit.

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, the PHA should consider whether sanitary and food preparation areas are private or shared.

## **15-IV.C. HOUSING QUALITY STANDARDS**

The PHA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.

HQS requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

- *Facilities Available for the Family:* Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.
- *Space and Security:* The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A 0-bedroom or 1-bedroom unit may not be used for shared housing.

## **PART V: COOPERATIVE HOUSING**

[24 CFR 982.619]

### **15-V.A. OVERVIEW**

This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.

A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged “rent” a cooperative member is charged a “carrying charge.”

When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used.

### **15-V.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION**

The payment standard and utility allowance are determined according to regular HCV program requirements.

The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the monthly carrying charge for the unit, plus any utility allowance, minus the TTP. The monthly carrying charge includes the member’s share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

### **15-V.C. HOUSING QUALITY STANDARDS**

All standard HQS requirements apply to cooperative housing units. There are no additional HQS requirements.

## **PART VI: MANUFACTURED HOMES**

[24 CFR 982.620 through 982.624]

### **15-VI.A. OVERVIEW**

A manufactured home is a manufactured structure, transportable in one or more parts, that is built on a permanent chassis, and designed for use as a principal place of residence. HCV-assisted families may occupy manufactured homes in two different ways.

(1) A family can choose to rent a manufactured home already installed on a space and the PHA must permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there are special HQS requirements as provided in 15-VI.D below.

(2) HUD also permits an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space. PHAs may, but are not required to, provide assistance for such families.

### **15-VI.B. SPECIAL POLICIES FOR MANUFACTURED HOME OWNERS WHO LEASE A SPACE**

#### **Family Income**

In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

#### **Lease and HAP Contract**

There is a separate Tenancy Addendum (Form 52642-a) and separate HAP Contract (Form 52642) for this special housing type.

## **15-VI.C. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION**

### **Payment Standards**

The FMR for a manufactured home space is generally 40 percent of the published FMR for a 2-bedroom unit or, where approved by HUD, the 40th percentile of the rental distribution of manufactured home spaces for the FMR area. The PHA may establish a payment standard for manufactured home spaces that is between 90-110 percent of the FMR for manufactured home spaces.

### **Utility Allowance**

The PHA must establish utility allowances for manufactured home space rental. For the first 12 months of the initial lease term only, the allowance must include an amount for a utility hook-up charge if the family actually incurred a hook-up charge because of a move. This allowance will not be given to a family that leases in place. Utility allowances for manufactured home space must not include the costs of digging a well or installing a septic system.

### **Space Rent**

The space rent is the sum of the rent to the owner for the manufactured home space, any charges for maintenance and management provided by the owner, and the utility allowance for tenant-paid utilities.

### **Housing Assistance Payment**

The HAP for a manufactured home space under the housing choice voucher program is the lower of the payment standard minus the TTP or the (gross) manufactured home space rent minus the TTP.

### **Rent Reasonableness**

Initially, and annually thereafter the PHA must determine that the rent for the manufactured home space is reasonable based on rents for comparable manufactured home spaces. The PHA must consider the location and size of the space, and any services and maintenance to be provided by the owner. By accepting the monthly HAP check, the owner certifies that the rent does not exceed rents charged by the owner for comparable unassisted spaces in the manufactured home park or elsewhere.

## **15-VI.D. HOUSING QUALITY STANDARDS**

Under either type of occupancy described in 15-VI.A above, the manufactured home must meet all HQS performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirement applies:

### ***Manufactured Home Tie-Down***

A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

## **PART VII: HOMEOWNERSHIP**

[24 CFR 982.625 through 982.643]

### **15-VII.A. OVERVIEW [24 CFR 982.625]**

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. A family assisted under this option may be newly admitted or an existing participant in the HCV program. The PHA must have the capacity to operate a successful HCV homeownership program as defined by the regulations.

There are two forms of homeownership assistance a PHA may offer under this option: monthly homeownership assistance payments, or a single down payment assistance grant. PHAs may choose to offer either or both forms of homeownership assistance, or choose not to offer either. If a PHA offers both forms of assistance, a family must choose which form of assistance to receive.

The PHA must offer either form of homeownership assistance if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. It is the sole responsibility of the PHA to determine whether it is reasonable to implement a homeownership program as a reasonable accommodation. The PHA must determine what is reasonable based on the specific circumstances and individual needs of the person with a disability. The PHA may determine that it is not reasonable to offer homeownership assistance as a reasonable accommodation in cases where the PHA has otherwise opted not to implement a homeownership program.

The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

## **15-VII.B. FAMILY ELIGIBILITY [24 CFR 982.627]**

The family must meet all of the requirements listed below before the commencement of homeownership assistance. The PHA may also establish additional initial requirements as long as they are described in the PHA administrative plan.

- The family must have been admitted to the Housing Choice Voucher program.
- The family must qualify as a first-time homeowner, or may be a cooperative member.
- The family must meet the Federal minimum income requirement. The family must have a gross annual income equal to the Federal minimum wage multiplied by 2000, based on the income of adult family members who will own the home. The PHA may establish a higher income standard for families. However, a family that meets the federal minimum income requirement (but not the PHA's requirement) will be considered to meet the minimum income requirement if it can demonstrate that it has been pre-qualified or pre-approved for financing that is sufficient to purchase an eligible unit.
- For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.
- For elderly or disabled families, welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the minimum income requirement. It will not be included for other families.
- The family must satisfy the employment requirements by demonstrating that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (the term 'full-time employment' means not less than an average of 30 hours per week); and has been continuously so employed during the year before commencement of homeownership assistance for the family.
- The employment requirement does not apply to elderly and disabled families. In addition, if a family, other than an elderly or disabled family includes a person with disabilities, the PHA must grant an exemption from the employment requirement if the PHA determines that it is needed as a reasonable accommodation.
- The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option
- Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has a present ownership interest in a residence at the commencement of homeownership assistance for the purchase of any home.
- Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered a contract of sale in accordance with 24 CFR 982.631(c).

### **15-VII.C. SELECTION OF FAMILIES [24 CFR 982.626]**

Unless otherwise provided (under the homeownership option), the PHA may limit homeownership assistance to families or purposes defined by the PHA, and may prescribe additional requirements for commencement of homeownership assistance for a family. Any such limits or additional requirements must be described in the PHA administrative plan.

If the PHA limits the number of families that may participate in the homeownership option, the PHA must establish a system by which to select families to participate.

### **15-VII.D. ELIGIBLE UNITS [24 CFR 982.628]**

In order for a unit to be eligible, the PHA must determine that the unit satisfies all of the following requirements:

- The unit must meet HUD’s “eligible housing” requirements. The unit may not be any of the following:
  - A public housing or Indian housing unit;
  - A unit receiving Section 8 project-based assistance;
  - A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
  - A college or other school dormitory;
  - On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.
- The unit must be under construction or already exist at the time the family enters into the contract of sale.
- The unit must be a one-unit property or a single dwelling unit in a cooperative or condominium.
- The unit must have been inspected by the PHA and by an independent inspector designated by the family.
- The unit must meet Housing Quality Standards (see Chapter 8).
- For a unit where the family will not own fee title to the real property (such as a manufactured home), the home must have a permanent foundation and the family must have the right to occupy the site for at least 40 years.

- For PHA-owned units all of the following conditions must be satisfied:
  - The PHA informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a PHA-owned unit is freely selected by the family without PHA pressure or steering;
  - The unit is not ineligible housing;
  - The PHA obtains the services of an independent agency to inspect the unit for compliance with HQS, review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any PHA provided financing. All of these actions must be completed in accordance with program requirements.

The PHA must not approve the unit if the PHA has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

#### **15-VII.E. ADDITIONAL PHA REQUIREMENTS FOR SEARCH AND PURCHASE [24 CFR 982.629]**

It is the family's responsibility to find a home that meets the criteria for voucher homeownership assistance. The PHA may establish the maximum time that will be allowed for a family to locate and purchase a home, and may require the family to report on their progress in finding and purchasing a home. If the family is unable to purchase a home within the maximum time established by the PHA, the PHA may issue the family a voucher to lease a unit or place the family's name on the waiting list for a voucher.

## **15-VII.F. HOMEOWNERSHIP COUNSELING [24 CFR 982.630]**

Before commencement of homeownership assistance for a family, the family must attend and satisfactorily complete the pre-assistance homeownership and housing counseling program required by the PHA. HUD suggests the following topics for the PHA-required pre-assistance counseling:

- Home maintenance (including care of the grounds);
- Budgeting and money management;
- Credit counseling;
- How to negotiate the purchase price of a home;
- How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
- How to find a home, including information about homeownership opportunities, schools, and transportation in the PHA jurisdiction;
- Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas;
- Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and
- Information about the Real Estate Settlement Procedures Act (12 U.S.C. 2601 et seq.) (RESPA), state and Federal truth-in-lending laws, and how to identify and avoid loans with oppressive terms and conditions.

The PHA may adapt the subjects covered in pre-assistance counseling (as listed) to local circumstances and the needs of individual families.

The PHA may also offer additional counseling after commencement of homeownership assistance (ongoing counseling). If the PHA offers a program of ongoing counseling for participants in the homeownership option, the PHA shall have discretion to determine whether the family is required to participate in the ongoing counseling.

If the PHA does not use a HUD-approved housing counseling agency to provide the counseling, the PHA should ensure that its counseling program is consistent with the counseling provided under HUD's Housing Counseling program.

## **15-VII.G. HOME INSPECTIONS, CONTRACT OF SALE, AND PHA DISAPPROVAL OF SELLER [24 CFR 982.631]**

### **Home Inspections**

The PHA may not commence monthly homeownership assistance payments or provide down payment assistance grants for a family until the PHA has inspected the unit and has determined that the unit passes HQS.

An independent professional inspector selected by and paid for by the family must also inspect the unit. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components.

The PHA may not require the family to use an independent inspector selected by the PHA. The independent inspector may not be a PHA employee or contractor, or other person under control of the PHA. However, the PHA may establish standards for qualification of inspectors selected by families under the homeownership option.

The PHA may disapprove a unit for assistance based on information in the independent inspector's report, even if the unit was found to comply with HQS.

### **Contract of Sale**

Before commencement of monthly homeownership assistance payments or receipt of a down payment assistance grant, a member or members of the family must enter into a contract of sale with the seller of the unit to be acquired by the family. The family must give the PHA a copy of the contract of sale. The contract of sale must:

- Specify the price and other terms of sale by the seller to the purchaser;
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser;
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser;
- Provide that the purchaser is not obligated to pay for any necessary repairs; and
- Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under CFR part 24.

### **Disapproval of a Seller**

In its administrative discretion, the PHA may deny approval of a seller for the same reasons a PHA may disapprove an owner under the regular HCV program [see 24 CFR 982.306(c)].

#### **15-VII.H. FINANCING [24 CFR 982.632]**

The PHA may establish requirements for financing purchase of a home under the homeownership option. This may include requirements concerning qualification of lenders, terms of financing, restrictions concerning debt secured by the home, lender qualifications, loan terms, and affordability of the debt. The PHA must establish policies describing these requirements in the administrative plan.

A PHA may not require that families acquire financing from one or more specified lenders, thereby restricting the family's ability to secure favorable financing terms.

#### **15-VII.I. CONTINUED ASSISTANCE REQUIREMENTS; FAMILY OBLIGATIONS [24 CFR 982.633]**

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, the PHA may not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to the PHA the homeownership assistance for the month when the family moves out.

Before commencement of homeownership assistance, the family must execute a statement in which the family agrees to comply with all family obligations under the homeownership option.

The family must comply with the following obligations:

- The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt.
- The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to 24 CFR 982.551 (h) and (i).
- The family must supply information to the PHA or HUD as specified in 24 CFR 982.551(b). The family must further supply any information required by the PHA or HUD concerning mortgage financing or refinancing, sale or transfer of any interest in the home, or homeownership expenses.
- The family must notify the PHA before moving out of the home.
- The family must notify the PHA if the family defaults on the mortgage used to purchase the home.
- No family member may have any ownership interest in any other residential property.
- The family must comply with the obligations of a participant family described in 24 CFR 982.551, except for the following provisions which do not apply to assistance under the homeownership option: 24 CFR 982.551(c), (d), (e), (f), (g) and (j).

### **15-VII.J. MAXIMUM TERM OF HOMEOWNER ASSISTANCE [24 CFR 982.634]**

Except in the case of a family that qualifies as an elderly or disabled family, other family members (described below) shall not receive homeownership assistance for more than:

- Fifteen years, if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer; or
- Ten years, in all other cases.

The maximum term described above applies to any member of the family who:

- Has an ownership interest in the unit during the time that homeownership payments are made; or
- Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance).

If the family has received such assistance for different homes, or from different PHAs, the total of such assistance terms is subject to the maximum term described in this part.

### **15-VII.K. HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES [24 CFR 982.635]**

The monthly homeownership assistance payment is the lower of: the voucher payment standard minus the total tenant payment, or the monthly homeownership expenses minus the total tenant payment.

In determining the amount of the homeownership assistance payment, the PHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described in elsewhere in this plan for the Housing Choice Voucher program.

The PHA may pay the homeownership assistance payments directly to the family, or at the PHA's discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, the PHA must pay the excess directly to the family.

Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family. However, a PHA may grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

The PHA must adopt policies for determining the amount of homeownership expenses to be allowed by the PHA in accordance with HUD requirements.

Homeownership expenses (not including cooperatives) only include amounts allowed by the PHA to cover:

- Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
- Real estate taxes and public assessments on the home;
- Home insurance;
- The PHA allowance for maintenance expenses;
- The PHA allowance for costs of major repairs and replacements;
- The PHA utility allowance for the home;
- Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the PHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person;
- Land lease payments where a family does not own fee title to the real property on which the home is located; [see 24 CFR 982.628(b)].
- For a condominium unit, condominium operating charges or maintenance fees assessed by the condominium homeowner association.

Homeownership expenses for a cooperative member may only include amounts allowed by the PHA to cover:

- The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;
- Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
- Home insurance;
- The PHA allowance for maintenance expenses;
- The PHA allowance for costs of major repairs and replacements;
- The PHA utility allowance for the home; and

- Principal and interest on debt incurred to finance major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the PHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.
- Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

**15-VII.L. PORTABILITY [24 CFR 982.636, 982.637, 982.353(b) and (c), 982.552, 982.553]**

Subject to the restrictions on portability included in HUD regulations and PHA policies, a family may exercise portability if the receiving PHA is administering a voucher homeownership program and accepting new homeownership families. The receiving PHA may absorb the family into its voucher program, or bill the initial PHA.

The family must attend the briefing and counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing for, and the physical condition of the unit, are acceptable. The receiving PHA must promptly notify the initial PHA if the family has purchased an eligible unit under the program, or if the family is unable to purchase a home within the maximum time established by the PHA.

**15-VII.M. MOVING WITH CONTINUED ASSISTANCE [24 CFR 982.637]**

A family receiving homeownership assistance may move with continued tenant-based assistance. The family may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

The PHA may deny permission to move to a new unit with continued voucher assistance as follows:

- Lack of funding to provide continued assistance.
- At any time, the PHA may deny permission to move with continued rental or homeownership assistance in accordance with 24 CFR 982.638, regarding denial or termination of assistance.
- In accordance with the PHA's policy regarding number of moves within a 12-month period.

The PHA must deny the family permission to move to a new unit with continued voucher rental assistance if:

- The family defaulted on an FHA-insured mortgage; and
- The family fails to demonstrate that the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and the family has moved, or will move, from the home within the period established or approved by HUD.

## **15-VII.N. DENIAL OR TERMINATION OF ASSISTANCE [24 CFR 982.638]**

At any time, the PHA may deny or terminate homeownership assistance in accordance with HCV program requirements in 24 CFR 982.552 (Grounds for denial or termination of assistance) or 24 CFR 982.553 (Crime by family members).

The PHA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633 and in accordance with its own policy.

The PHA must terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA insured or non-FHA) securing debt incurred to purchase the home, or any refinancing of such debt.

## Chapter 16

### PROGRAM ADMINISTRATION

#### INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in seven parts as described below:

Part I: Administrative Fee Reserve. This part describes the PHA's policies with regard to oversight of expenditures from its administrative fee reserve.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to the PHA. This part describes policies for recovery of monies that the PHA has overpaid on behalf of families, or to owners, and describes the circumstances under which the PHA will offer repayment agreements to owners and families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect a PHA.

Part VI: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the PHA will follow.

Part VII: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes the PHA's responsibilities for reporting, data collection, and record keeping relative to children with environmental intervention blood lead levels that are less than six years of age, and are receiving HCV assistance.

Part VIII: Determination of Insufficient Funding. This part describes the PHA's policies for determining if there is sufficient funding to issue vouchers, to approve moves to higher cost units or areas, and to continue assistance for all participant families.

Part IX: Violence against Women Act (VAWA): Notification, Documentation, Confidentiality. This part contains key terms used in VAWA and describes requirements related to notifying families and owners about their rights and responsibilities under VAWA; requesting documentation from victims of domestic violence, dating violence, and stalking; and maintaining the confidentiality of information obtained from victims.

## **PART I: ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]**

The PHA must maintain an administrative fee reserve for the program to pay program administrative expenses in excess of administrative fees paid by HUD for a PHA fiscal year. If funds in the administrative fee reserve are not needed to cover PHA administrative expenses, the PHA may use these funds for other housing purposes permitted by Federal, State and local law.

If the PHA has not adequately administered any Section 8 program, HUD may prohibit use of funds in the administrative fee reserve, and may direct the PHA to use funds in the reserve to improve administration of the program or to reimburse ineligible expenses. HUD also may prohibit use of the funds for certain purposes.

HUD requires the PHA Board of Commissioners or other authorized officials to establish the maximum amount that may be charged against the administrative fee reserve without specific approval.

### PHA Policy

Expenditures from the administrative fee reserve will be made in accordance with all applicable Federal requirements. Expenditures will not exceed \$10,000 per occurrence without the prior approval of the PHA's Board of Commissioners.

## **PART II: SETTING PROGRAM STANDARDS AND SCHEDULES**

### **16-II.A. OVERVIEW**

Although many of the program's requirements are established centrally by HUD, the HCV program's regulations recognize that some flexibility is required to allow the PHA to adapt the program to local conditions. This part discusses how the PHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive (application of the payment standards is discussed in Chapter 6); and
- *Utility Allowances*, which specify how a family's payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

#### PHA Policy

Copies of the payment standard and utility allowance schedules are available for review in the PHA's offices during normal business hours.

Families, owners, and members of the public may submit written comments on the schedules discussed in this part, at any time, for consideration during the next revision cycle.

The PHA will maintain documentation to support its annual review of payment standards and utility allowance schedules. This documentation will be retained for at least 3 years.

### **16-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB, Chapter 7]**

The payment standard sets the maximum subsidy payment a family can receive from the PHA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMRs are set at the 40th percentile of rents in the market area.

The PHA must establish a payment standard schedule that establishes payment standard amounts for each FMR area within the PHA's jurisdiction, and for each unit size within each of the FMR areas. For each unit size, the PHA may establish a single payment standard amount for the whole FMR area, or may set different payment standards for different parts of the FMR area. Unless HUD grants an exception, the PHA is required to establish a payment standard within a "basic range" established by HUD – between 90 and 110 percent of the published FMR for each unit size.

## Updating Payment Standards

When HUD updates its FMRs, the PHA must update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require the PHA to make further adjustments if it determines that rent burdens for assisted families in the PHA's jurisdiction are unacceptably high [24 CFR 982.503(g)].

### PHA Policy

The PHA will review the appropriateness of the payment standards on an annual basis when the new FMR is published. In addition to ensuring the payment standards are always within the "basic range" the PHA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

**Funding Availability:** The PHA will review the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. The PHA will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.

**Rent Burden of Participating Families:** Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the PHA will consider increasing the payment standard. In evaluating rent burdens, the PHA will not include families renting a larger unit than their family unit size.

**Quality of Units Selected:** The PHA will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

**Changes in Rent to Owner:** The PHA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases/decreases by bedroom size.

**Unit Availability:** The PHA will review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

**Lease-up Time and Success Rate:** The PHA will consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

Changes to payment standard amounts will be effective on December 1<sup>st</sup> of every year unless, based on the proposed FMRs, it appears that one or more of the PHA's current payment standard amounts will be outside the basic range when the final FMRs are published. In that case, the PHAs payment standards will be effective October 1<sup>st</sup> instead of December 1<sup>st</sup>.

If the PHA has already processed reexaminations that will be effective on or after October 1<sup>st</sup>, and the effective date of the payment standards is October 1<sup>st</sup>, the PHA will make retroactive adjustments to any such reexaminations if the new payment standard amount is higher than the one used by the PHA at the time the reexamination was originally processed.

### **Exception Payment Standards [982.503(c)]**

The PHA must request HUD approval to establish payment standards that are higher than the basic range. At HUD's sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount. The total population of all HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

### **Unit-by-Unit Exceptions [24 CFR 982.503(c)(2)(ii), 24 CFR 982.505(d), Notice PIH 2010-26]**

Unit-by-unit exceptions to the PHA's payment standards generally are not permitted. However, an exception may be made as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) This type of exception does not affect the PHA's payment standard schedule.

When needed as a reasonable accommodation, the PHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 110 percent of the applicable FMR for the unit size [HCV GB 7-9]. The PHA may request HUD approval for an exception to the payment standard for a particular family if the required amount falls between 110 and 120 percent of the FMR.

### **PHA Policy**

A family that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval (RFTA) is submitted. The family must document the need for the exception. In order to approve an exception, or request an exception from HUD, the PHA must determine that:

There is a shortage of affordable units that would be appropriate for the family;

The family's TTP would otherwise exceed 40 percent of adjusted monthly income; and

The rent for the unit is reasonable.

### **"Success Rate" Payment Standard Amounts [24 CFR 982.503(e)]**

If a substantial percentage of families have difficulty finding a suitable unit, the PHA may request a "success rate payment standard" that applies to the entire jurisdiction. If approved by HUD, a success rate payment standard allows the PHA to set its payment standards at 90-110 percent of a higher FMR (the 50<sup>th</sup>, rather than the 40<sup>th</sup> percentile FMR). To support the request, the PHA must demonstrate that during the most recent 6-month period for which information is available:

- Fewer than 75 percent of families who were issued vouchers became participants;
- The PHA had established payment standards for all unit sizes, and for the entire jurisdiction, at 110 percent of the published FMR; and
- The PHA had a policy of allowing voucher holders who made sustained efforts to locate units at least 90 days to search for a unit.

Although HUD approves the success rate payment standard for all unit sizes in the FMR area, the PHA may choose to adjust the payment standard for only some unit sizes in all, or a designated part, of the PHA's jurisdiction within the FMR area.

### **Decreases in the Payment Standard Below the Basic Range [24 CFR 982.503(d)]**

The PHA must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment standard lower than the basic range. HUD will not approve a lower payment standard if the family share for more than 40 percent of program participants exceeds 30 percent of adjusted monthly income.

### **16-II.C. UTILITY ALLOWANCES [24 CFR 982.517]**

A PHA-established utility allowance schedule is used in determining family share and PHA subsidy. The PHA must maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the PHA must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, the PHA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; and other specified housing services.

The cost of each utility and housing service must be stated separately by unit size and type. Chapter 18 of the *HCV Guidebook* provides detailed guidance to the PHA about establishing utility allowance schedules.

### **Air Conditioning**

An allowance for air-conditioning must be provided when the majority of housing units in the market have central air-conditioning or are wired for tenant-installed air conditioners.

#### PHA Policy

The PHA has included an allowance for air-conditioning in its schedule. Central air-conditioning or a portable air conditioner must be present in a unit before the PHA will apply this allowance to a family's rent and subsidy calculations.

### **Reasonable Accommodation**

HCV program regulations require a PHA to approve a utility allowance amount higher than shown on the PHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed (See Chapter 2 for policies regarding the request and approval of reasonable accommodations).

### **Utility Allowance Revisions**

The PHA must review its schedule of utility allowances each year, and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised.

The PHA must maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

## **PART III: INFORMAL REVIEWS AND HEARINGS**

### **16-III.A. OVERVIEW**

When the PHA makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for participants, or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing.

PHAs are required to include in their administrative plans, informal review procedures for applicants, and informal hearing procedures for participants [24 CFR 982.54(d)(12) and (13)].

### **16-III.B. INFORMAL REVIEWS**

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements [*Federal Register* 60, no. 127 (3 July 1995): 34690].

#### **Decisions Subject to Informal Review**

The PHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the PHA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- A determination of the family unit size under the PHA subsidy standards
- A PHA determination not to approve an extension or suspension of a voucher term
- A PHA determination not to grant approval of the tenancy
- A PHA determination that the unit is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with the HQS due to family size or composition

### PHA Policy

The PHA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the PHA waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

### **Notice to the Applicant [24 CFR 982.554(a)]**

The PHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the PHA decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

### **Scheduling an Informal Review**

#### PHA Policy

A request for an informal review must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's denial of assistance.

The PHA must schedule and send written notice of the informal review within 10 business days of the family's request.

### **Informal Review Procedures [24 CFR 982.554(b)]**

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant must be provided an opportunity to present written or oral objections to the decision of the PHA.

## **Informal Review Decision [24 CFR 982.554(b)]**

The PHA must notify the applicant of the PHA's final decision, including a brief statement of the reasons for the final decision.

### PHA Policy

In rendering a decision, the PHA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the Notice.

The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

The validity of the evidence. The PHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, the PHA will uphold the decision to deny assistance.

If the facts prove the grounds for denial, and the denial is discretionary, the PHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

The PHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 10 business days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

### **16-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]**

PHAs must offer an informal hearing for certain PHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the PHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the PHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and PHA policies.

The PHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

#### **Decisions Subject to Informal Hearing**

Circumstances for which the PHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the PHA utility allowance schedule
- A determination of the family unit size under the PHA's subsidy standards
- A determination that a certificate program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the PHA's subsidy standards, or the PHA determination to deny the family's request for exception from the standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under PHA policy and HUD rules
- A determination to terminate a family's Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]

Circumstances for which an informal hearing is not required are as follows:

- Discretionary administrative determinations by the PHA
- General policy issues or class grievances
- Establishment of the PHA schedule of utility allowances for families in the program
- A PHA determination not to approve an extension or suspension of a voucher term
- A PHA determination not to approve a unit or tenancy
- A PHA determination that a unit selected by the applicant is not in compliance with the HQS
- A PHA determination that the unit is not in accordance with HQS because of family size
- A determination by the PHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

#### PHA Policy

The PHA will only offer participants the opportunity for an informal hearing when required to by the regulations.

### **Informal Hearing Procedures**

#### ***Notice to the Family* [24 CFR 982.555(c)]**

When the PHA makes a decision that is subject to informal hearing procedures, the PHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the PHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the PHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

## PHA Policy

In cases where the PHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

The proposed action or decision of the PHA.

A brief statement of the reasons for the decision including the regulatory reference.

The date the proposed action will take place.

A statement of the family's right to an explanation of the basis for the PHA's decision.

A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.

A deadline for the family to request the informal hearing.

To whom the hearing request should be addressed.

A copy of the PHA's hearing procedures.

### ***Scheduling an Informal Hearing* [24 CFR 982.555(d)]**

When an informal hearing is required, the PHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

#### **PHA Policy**

A request for an informal hearing must be made in writing and delivered to the PHA either in person or by first class mail, by the close of the business day, no later than 10 business days from the date of the PHA's decision or notice to terminate assistance.

The PHA must schedule and send written notice of the informal hearing to the family within 10 business days of the family's request.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the PHA may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear at the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the PHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The PHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

***Pre-Hearing Right to Discovery [24 CFR 982.555(e)]***

Participants and the PHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any PHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the PHA does not make the document available for examination on request of the family, the PHA may not rely on the document at the hearing.

The PHA hearing procedures may provide that the PHA must be given the opportunity to examine at the PHA offices before the hearing, any family documents that are directly relevant to the hearing. The PHA must be allowed to copy any such document at the PHA's expense. If the family does not make the document available for examination on request of the PHA, the family may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

PHA Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date

The PHA must be given an opportunity to examine at the PHA offices before the hearing any family documents that are directly relevant to the hearing. Whenever a participant requests an informal hearing, the PHA will automatically mail a letter to the participant requesting a copy of all documents that the participant intends to present or utilize at the hearing. The participant must make the documents available no later than 12:00 pm on the business day prior to the scheduled hearing date.

***Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]***

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

***Informal Hearing Officer [24 CFR 982.555(e)(4)]***

Informal hearings will be conducted by a person or persons approved by the PHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

PHA Policy

The PHA has designated the following to serve as hearing officers:

***Malissa Buzan, Director***

***Bree'na York, Fiscal Services Manager***

***Helene Lopez, Gila Employment and Special Training (G.E.S.T) Manager***

### ***Attendance at the Informal Hearing***

#### **PHA Policy**

Hearings may be attended by a hearing officer and the following applicable persons:

A PHA representative(s) and any witnesses for the PHA

The participant and any witnesses for the participant

The participant's counsel or other representative

Any other person approved by the PHA as a reasonable accommodation for a person with a disability

### ***Conduct at Hearings***

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the PHA's hearing procedures [24 CFR 982.555(4)(ii)].

#### **PHA Policy**

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

### ***Evidence [24 CFR 982.555(e)(5)]***

The PHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

#### **PHA Policy**

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

**Oral evidence:** the testimony of witnesses

**Documentary evidence:** a writing which is relevant to the case, for example, a letter written to the PHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

**Demonstrative evidence:** Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

**Real evidence:** A tangible item relating directly to the case.

*Hearsay Evidence* is evidence of a statement that was made other than by a witness while testifying at the hearing and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either the PHA or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

### ***Hearing Officer's Decision [24 CFR 982.555(e)(6)]***

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the family.

## PHA Policy

In rendering a decision, the hearing officer will consider the following matters:

**PHA Notice to the Family:** The hearing officer will determine if the reasons for the PHA's decision are factually stated in the Notice.

**Discovery:** The hearing officer will determine if the PHA and the family were given the opportunity to examine any relevant documents in accordance with PHA policy.

**PHA Evidence to Support the PHA Decision:** The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the PHA's conclusion.

**Validity of Grounds for Termination of Assistance (when applicable):** The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and PHA policies. If the grounds for termination are not specified in the regulations or in compliance with PHA policies, then the decision of the PHA will be overturned.

The hearing officer will issue a written decision to the family and the PHA no later than 10 business days after the hearing. The report will contain the following information:

### **Hearing information:**

Name of the participant;

Date, time and place of the hearing;

Name of the hearing officer;

Name of the PHA representative; and

Name of family representative (if any).

**Background:** A brief, impartial statement of the reason for the hearing.

**Summary of the Evidence:** The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

**Findings of Fact:** The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the

fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

**Conclusions:** The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the PHA's decision.

**Order:** The hearing report will include a statement of whether the PHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the PHA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the PHA to restore the participant's program status.

### ***Procedures for Rehearing or Further Hearing***

#### **PHA Policy**

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the PHA will take effect and another hearing will not be granted.

In addition, within 10 business days after the date the hearing officer's report is mailed to the PHA and the participant, the PHA or the participant may request a rehearing or a further hearing. Such request must be made in writing and postmarked or hand-delivered to the hearing officer and to the other party within the 10 business day period. The request must demonstrate cause, supported by specific references to the hearing officer's report, why the request should be granted.

A rehearing or a further hearing may be requested for the purpose of rectifying any obvious mistake of law made during the hearing or any obvious injustice not known at the time of the hearing.

It shall be within the sole discretion of the PHA to grant or deny the request for further hearing or rehearing. A further hearing may be limited to written submissions by the parties, in the manner specified by the hearing officer.

***PHA Notice of Final Decision [24 CFR 982.555(f)]***

The PHA is not bound by the decision of the hearing officer for matters in which the PHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to Federal, State or local laws.

If the PHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the PHA must promptly notify the family of the determination and the reason for the determination.

**PHA Policy**

The PHA will mail a "Notice of Final Decision" including the hearing officer's report, to the participant and their representative. This Notice will be sent by first-class mail, postage pre-paid with an affidavit of mailing enclosed. The participant will be mailed the original "Notice of Final Decision" and a copy of the proof of mailing. A copy of the "Notice of Final Decision" along with the original proof mailing will be maintained in the PHA's file.

### **16-III.D. HEARING AND APPEAL PROVISIONS FOR NONCITIZENS [24 CFR 5.514]**

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the PHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the PHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

#### **Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]**

The notice of denial or termination of assistance for noncitizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the PHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

## **USCIS Appeal Process [24 CFR 5.514(e)]**

When the PHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the PHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the PHA with a copy of the written request for appeal and the proof of mailing.

### PHA Policy

The PHA will notify the family in writing of the results of the USCIS secondary verification within 10 business days of receiving the results.

The family must provide the PHA with a copy of the written request for appeal and proof of mailing within 10 business days of sending the request to the USCIS.

The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.

The USCIS will notify the family, with a copy to the PHA, of its decision. When the USCIS notifies the PHA of the decision, the PHA must notify the family of its right to request an informal hearing.

### PHA Policy

The PHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

## **Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of denial, or within 30 days of receipt of the USCIS appeal decision.

The informal hearing procedures for applicant families are described below.

### ***Informal Hearing Officer***

The PHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate

of the person who made or approved the decision. See Section 16-III.C. for a listing of positions that serve as informal hearing officers.

### ***Evidence***

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the PHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

#### PHA Policy

The family will be allowed to copy any documents related to the hearing at a cost of \$.25 per page. The family must request discovery of PHA documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the PHA, and to confront and cross-examine all witnesses on whose testimony or information the PHA relies.

### ***Representation and Interpretive Services***

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the PHA, as may be agreed upon by the two parties.

### ***Recording of the Hearing***

The family is entitled to have the hearing recorded by audiotape. The PHA may, but is not required to provide a transcript of the hearing.

#### PHA Policy

The PHA will not provide a transcript of an audio taped hearing.

### ***Hearing Decision***

The PHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

### **Informal Hearing Procedures for Residents [24 CFR 5.514(f)]**

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the PHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the PHA notice of termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

### **Retention of Documents [24 CFR 5.514(h)]**

The PHA must retain for a minimum of 5 years the following documents that may have been submitted to the PHA by the family, or provided to the PHA as part of the USCIS appeal or the PHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for a USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

## **PART IV: OWNER OR FAMILY DEBTS TO THE PHA**

### **16-IV.A. OVERVIEW**

PHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the PHA [24 CFR 982.54]. This part describes the PHA's policies for recovery of monies owed to the PHA by families or owners.

#### PHA Policy

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the PHA holds the owner or participant liable to return any overpayments to the PHA.

The PHA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

When an owner or participant refuses to repay monies owed to the PHA, the PHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies

- Small claims court

- Civil law suit

- State income tax set-off program

## **16-IV.B. REPAYMENT POLICY**

### **Owner Debts to the PHA**

#### PHA Policy

Any amount due to the PHA by an owner must be repaid by the owner within 30 days of the PHA determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, the PHA will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments the PHA may, in its sole discretion, offer to enter into a repayment agreement on terms prescribed by the PHA.

If the owner refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the PHA will ban the owner from future participation in the program and pursue other modes of collection.

### **Family Debts to the PHA**

#### PHA Policy

Any amount owed to the PHA by an HCV family must be repaid by the family. If the family is unable to repay the debt within 30 days, the PHA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, the PHA will terminate assistance in accordance with the policies in Chapter 12 and pursue other modes of collection.

### **Repayment Agreement [24 CFR 792.103]**

The term *repayment agreement* refers to a formal written document signed by a tenant or owner and provided to the PHA in which a tenant or owner acknowledges a debt in a specific amount and agrees to repay the amount due at specific time periods.

## **General Repayment Agreement Guidelines for Families**

### ***Down Payment Requirement***

#### PHA Policy

Before executing a repayment agreement with a family, the PHA will generally require a down payment of 10 percent of the total amount owed. If the family can provide evidence satisfactory to the PHA that a down payment of 10 percent would impose an undue hardship, the PHA may, in its sole discretion, require a lesser percentage or waive the requirement.

### ***Payment Thresholds***

Notice PIH 2010-19 recommends that the total amount that a family must pay each month—the family’s monthly share of rent plus the monthly debt repayment amount—should not exceed 40 percent of the family’s monthly adjusted income. However, a family may already be paying 40 per cent or more of its monthly adjusted income in rent. Moreover, Notice PIH 2010-19 acknowledges that PHAs have the discretion to establish “thresholds and policies” for repayment agreements with families [24 CFR 982.552(c)(1)(vii)].

#### PHA Policy

The PHA has established the following thresholds for repayment of debts:

Amounts between \$3,000 and the federal or state threshold for criminal prosecution must be repaid within 36 months.

Amounts between \$2,000 and \$2,999 must be repaid within 30 months.

Amounts between \$1,000 and \$1,999 must be repaid within 24 months.

Amounts under \$1,000 must be repaid within 12 months.

If a family can provide evidence satisfactory to the PHA that the threshold applicable to the family’s debt would impose an undue hardship, the PHA may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, the PHA will consider all relevant information, including the following:

The amount owed by the family to the PHA

The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family’s control

The family’s current and potential income and expenses

The family's current family share, as calculated under 24 CFR 982.515

The family's history of meeting its financial responsibilities

### ***Execution of the Agreement***

#### **PHA Policy**

Any repayment agreement between the PHA and a family must be signed and dated by the PHA and by the head of household and spouse/cohead (if applicable).

### ***Due Dates***

#### **PHA Policy**

All payments are due by the close of business on the 15<sup>th</sup> day of the month. If the 15<sup>th</sup> does not fall on a business day, the due date is the close of business on the first business day after the 15<sup>th</sup>.

### ***Late or Missed Payments***

#### **PHA Policy**

If a payment is not received by the end of the business day on the date due, and prior approval for the missed payment has not been given by the PHA, the PHA will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the PHA will terminate assistance in accordance with the policies in Chapter 12.

If a family receives three delinquency notices for unexcused late payments in a 12-month period, the repayment agreement will be considered in default, and the PHA will terminate assistance in accordance with the policies in Chapter 12.

### ***No Offer of Repayment Agreement***

#### **PHA Policy**

The PHA generally will not enter into a repayment agreement with a family if there is already a repayment agreement in place with the family or if the amount owed by the family exceeds the federal or state threshold for criminal prosecution.

## **Repayment Agreements Involving Improper Payments**

Notice PIH 2010-19 requires certain provisions to be included in any repayment agreement involving amounts owed by a family because it underreported or failed to report income:

- A reference to the items in the family briefing packet that state the family's obligation to provide true and complete information at every reexamination and the grounds on which the PHA may terminate assistance because of a family's action or failure to act
- A statement clarifying that each month the family not only must pay to the PHA the monthly payment amount specified in the agreement but must also pay to the owner the family's monthly share of the rent to owner
- A statement that the terms of the repayment agreement may be renegotiated if the family's income decreases or increases
- A statement that late or missed payments constitute default of the repayment agreement and may result in termination of assistance

## **PART V: MANAGEMENT ASSESSMENT (SEMAP)**

### **16-V.A. OVERVIEW**

The Section 8 Management Assessment Program (SEMAP) is a tool that allows HUD to measure PHA performance in key areas to ensure program integrity and accountability. SEMAP scores translate into a rating for each PHA as high performing, standard, or troubled. Scores on individual SEMAP indicators, as well as overall SEMAP ratings, can affect the PHA in several ways.

- High-performing PHAs can be given a competitive advantage under notices of funding availability [24 CFR 985.103].
- PHAs with deficiencies on one or more indicators are required to correct the deficiencies and report to HUD [24 CFR 985.106].
- PHAs with an overall rating of “troubled” are subject to additional HUD oversight, including on-site reviews by HUD staff, a requirement to develop a corrective action plan, and monitoring to ensure the successful implementation of the corrective action plan. In addition, PHAs that are designated “troubled” may not use any part of the administrative fee reserve for other housing purposes [24 CFR 985.107].
- HUD may determine that a PHA's failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC [24 CFR 985.109].

## **16-V.B. SEMAP CERTIFICATION [24 CFR 985.101]**

PHAs must submit the HUD-required SEMAP certification form within 60 calendar days after the end of its fiscal year. The certification must be approved by PHA board resolution and signed by the PHA executive director. If the PHA is a unit of local government or a state, a resolution approving the certification is not required, and the certification must be executed by the Section 8 program director.

PHAs with less than 250 voucher units are only required to be assessed every other PHA fiscal year. HUD will assess such PHAs annually if the PHA elects to have its performance assessed on an annual basis; or is designated as “troubled” [24 CFR 985.105].

Failure of a PHA to submit its SEMAP certification within the required time frame will result in an overall performance rating of “troubled.”

A PHA’s SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time.

Upon receipt of the PHA’s SEMAP certification, HUD will rate the PHA’s performance under each SEMAP indicator in accordance with program requirements.

### **HUD Verification Method**

Several of the SEMAP indicators are scored based on a review of a quality control sample selected for this purpose. The PHA or the Independent Auditor must select an unbiased sample that provides an adequate representation of the types of information to be assessed, in accordance with SEMAP requirements [24 CFR 985.2].

If the HUD verification method for the indicator relies on data in the Form-50058 module (formerly known as MTCS) in the PIH Information Center (PIC), and HUD determines that those data are insufficient to verify the PHA's certification on the indicator due to the PHA's failure to adequately report family data, HUD will assign a zero rating for the indicator [24 CFR 985.3].

## 16-V.C. SEMAP INDICATORS [24 CFR 985.3 and form HUD-52648]

The table below lists each of the SEMAP indicators, contains a description of each indicator, and explains the basis for points awarded under each indicator.

A PHA that expends less than \$300,000 in Federal awards and whose Section 8 programs are not audited by an independent auditor, is not be rated under SEMAP indicators 1-7.

<b>SEMAP Indicators</b>
<p><b>Indicator 1: Selection from the waiting list</b></p> <p><b>Maximum Score: 15</b></p> <ul style="list-style-type: none"><li>• This indicator shows whether the PHA has written policies in its administrative plan for selecting applicants from the waiting list and whether the PHA follows these policies when selecting applicants for admission from the waiting list.</li><li>• Points are based on the percent of families that are selected from the waiting list in accordance with the PHA's written policies, according to the PHA's quality control sample.</li></ul>
<p><b>Indicator 2: Rent reasonableness</b></p> <p><b>Maximum Score: 20</b></p> <ul style="list-style-type: none"><li>• This indicator shows whether the PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units</li><li>• Points are based on the percent of units for which the PHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable, according to the PHA's quality control sample.</li></ul>
<p><b>Indicator 3: Determination of adjusted income</b></p> <p><b>Maximum Score: 20</b></p> <ul style="list-style-type: none"><li>• This indicator measures whether the PHA verifies and correctly determines adjusted income for each assisted family, and where applicable, uses the appropriate utility allowances for the unit leased in determining the gross rent.</li><li>• Points are based on the percent of files that are calculated and verified correctly, according to the PHA's quality control sample.</li></ul>
<p><b>Indicator 4: Utility allowance schedule</b></p> <p><b>Maximum Score: 5</b></p> <ul style="list-style-type: none"><li>• This indicator shows whether the PHA maintains an up-to-date utility allowance schedule.</li></ul>

- Points are based on whether the PHA has reviewed the utility allowance schedule and adjusted it when required, according to the PHA’s certification.

**Indicator 5: HQS quality control inspections**

**Maximum Score: 5**

- This indicator shows whether a PHA supervisor reinspects a sample of units under contract during the PHA fiscal year, which meets the minimum sample size requirements for quality control of HQS inspections.
- Points are based on whether the required quality control reinspections were completed, according to the PHA’s certification.

**Indicator 6: HQS enforcement**

**Maximum Score: 10**

- This indicator shows whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening deficiencies are corrected within 24 hours from the inspection and all other deficiencies are corrected within no more than 30 calendar days from the inspection or any PHA-approved extension.
- Points are based on whether the PHA corrects all HQS deficiencies in accordance with required time frames, according to the PHA’s certification.

**Indicator 7: Expanding housing opportunities**

**Maximum Points: 5**

- Only applies to PHAs with jurisdiction in metropolitan FMR areas.
- This indicator shows whether the PHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs voucher holders of the full range of areas where they may lease units both inside and outside the PHA’s jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration.
- Points are based on whether the PHA has adopted and implemented written policies in accordance with SEMAP requirements, according to the PHA’s certification.

**Indicator 8: FMR limit and payment standards**

**Maximum Points: 5 points**

- This indicator shows whether the PHA has adopted a payment standard schedule that establishes payment standard amounts by unit size for each FMR area in the PHA’s jurisdiction, that are within the basic range of 90 to 110 percent of the published FMR.
- Points are based on whether the PHA has appropriately adopted a payment standard schedule(s), according to the PHA’s certification.

**Indicator 9: Annual reexaminations**

**Maximum Points: 10**

- This indicator shows whether the PHA completes a reexamination for each participating

family at least every 12 months.

- Points are based on the percent of reexaminations that are more than 2 months overdue, according to data from PIC.

**Indicator 10: Correct tenant rent calculations**

**Maximum Points: 5**

- This indicator shows whether the PHA correctly calculates the family's share of the rent to owner.
- Points are based on the percent of correct calculations of family share of the rent, according to data from PIC.

**Indicator 11: Pre-contract HQS inspections**

**Maximum Points: 5**

- This indicator shows whether newly leased units pass HQS inspection on or before the effective date of the assisted lease and HAP contract.
- Points are based on the percent of newly leased units that passed HQS inspection prior to the effective date of the lease and HAP contract, according to data from PIC.

**Indicator 12: Annual HQS inspections**

**Maximum Points: 10**

- This indicator shows whether the PHA inspects each unit under contract at least annually.
- Points are based on the percent of annual HQS inspections of units under contract that are more than 2 months overdue, according to data from PIC.

**Indicator 13: Lease-up**

**Maximum Points: 20 points**

- This indicator shows whether the PHA enters HAP contracts for the number of units or funding reserved under ACC for at least one year.
- Points are based on the percent of units leased during the last completed PHA fiscal year, or the percent of allocated budget authority that has been expended by the PHA, according to data from the PHA's last year-end operating statement that is recorded in HUD's accounting system.

**Indicator 14: Family self-sufficiency (FSS) enrollment and escrow account balances**

**Maximum Points: 10**

- Only applies to PHAs with mandatory FSS programs.
- This indicator shows whether the PHA has enrolled families in the FSS program as required, and measures the percent of current FSS participants that have had increases in earned income which resulted in escrow account balances.
- Points are based on the percent of mandatory FSS slots that are filled and the percent of families with escrow account balances, according to data from PIC.

**Success Rate of Voucher Holders****Maximum Points: 5**

- Only applies to PHAs that have received approval to establish success rate payment standard amounts, and isn't effective until the second full PHA fiscal year following the date of HUD approval of success rate payment standard amounts.
- This indicator shows whether voucher holders were successful in leasing units with voucher assistance.
- Points are based on the percent of families that were issued vouchers, and that became participants in the voucher program.

**Deconcentration Bonus Indicator****Maximum Points: 5**

- Submission of data for this indicator is mandatory for a PHA using one or more payment standard amount(s) that exceed(s) 100 percent of the published FMR set at the 50 percentile rent, starting with the second full PHA fiscal year following initial use of payment standard amounts based on the FMRs set at the 50<sup>th</sup> percentile.
- Additional points are available to PHAs that have jurisdiction in metropolitan FMR areas and that choose to submit the required data.
- Points are based on whether the data that is submitted meets the requirements for bonus points.

## **PART VI: RECORD KEEPING**

### **16-VI.A. OVERVIEW**

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the PHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

### **16-VI.B. RECORD RETENTION [24 CFR 982.158]**

During the term of each assisted lease, and for at least three years thereafter, the PHA must keep:

- A copy of the executed lease;
- The HAP contract; and
- The application from the family.

In addition, the PHA must keep the following records for at least three years:

- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each ineligible family and notice that the applicant is not eligible;
- HUD-required reports;
- Unit inspection reports;
- Lead-based paint records as required by 24 CFR 35, Subpart B.
- Accounts and other records supporting PHA budget and financial statements for the program;
- Records to document the basis for PHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 16-III.D., Retention of Documents.

## **16-VI.C. RECORDS MANAGEMENT**

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

### PHA Policy

All applicant and participant information will be kept in a secure location and access will be limited to authorized PHA staff.

PHA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

### **Privacy Act Requirements [24 CFR 5.212 and Form-9886]**

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the PHA may release the information collected.

### **Upfront Income Verification (UIV) Records**

PHAs that access UIV data through HUD's Enterprise Income Verification (EIV) System are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD issued document, *Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data*.

### PHA Policy

Prior to utilizing HUD's EIV system, the PHA will adopt and implement EIV security procedures required by HUD.

## **Criminal Records**

The PHA may only disclose the criminal conviction records which the PHA receives from a law enforcement agency to officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The PHA must establish and implement a system of records management that ensures that any criminal record received by the PHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The PHA must establish and implement a system of records management that ensures that any sex offender registration information received by the PHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation. This requirement does not apply to information that is public information, or is obtained by a PHA other than under 24 CFR 5.905.

## **Medical/Disability Records**

PHAs are not permitted to inquire about the nature or extent of a person's disability. The PHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the PHA receives a verification document that provides such information, the PHA should not place this information in the tenant file. The PHA should destroy the document.

## **Documentation of Domestic Violence, Dating Violence, or Stalking**

For requirements and PHA policies related to management of documentation obtained from victims of domestic violence, dating violence, or stalking, see section 16-IX.E.

## **PART VII: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL**

### **16-VII.A. OVERVIEW**

The PHA has certain responsibilities relative to children with environmental intervention blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that the PHA is subject to.

### **16-VII.B. REPORTING REQUIREMENT [24 CFR 35.1225(e)]**

The PHA must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional.

#### PHA Policy

The PHA will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

### **16-VII.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(f)]**

At least quarterly, the PHA must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than 6 years old with an identified environmental intervention blood lead level.

If the PHA obtains names and addresses of environmental intervention blood lead level children from the public health department(s), the PHA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, the PHA must carry out the notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

At least quarterly, the PHA must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

#### PHA Policy

The public health department(s) has stated they **do not** wish to receive a report of an updated list of the addresses of units receiving assistance under the HCV program, on a quarterly basis. Therefore, the PHA is not providing such a report.

## **PART VIII: DETERMINATION OF INSUFFICIENT FUNDING**

### **16-VIII.A. OVERVIEW**

The HCV regulations allow PHAs to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to support continued assistance [24 CFR 982.314(e)(1) and 982.454]. Insufficient funding may also impact the PHA's ability to issue vouchers to families on the waiting list. This part discusses the methodology the PHA will use to determine whether or not the PHA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract.

### **16-VIII.B. METHODOLOGY**

#### PHA Policy

The PHA will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing the PHA's annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, the PHA will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month's average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families. If the total annual HAP needs equal or exceed the annual budget authority, or if the PHA cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, the PHA will be considered to have insufficient funding.

## **PART IX: VIOLENCE AGAINST WOMEN ACT (VAWA): NOTIFICATION, DOCUMENTATION, CONFIDENTIALITY**

### **16-IX.A. OVERVIEW**

The Violence against Women Act of 2005 (VAWA) provides special protections for victims of domestic violence, dating violence, and stalking who are applying for or receiving assistance under the housing choice voucher (HCV) program. If your state or local laws provide greater protection for such victims, those laws take precedence over VAWA.

In addition to definitions of key terms used in VAWA, this part contains general VAWA requirements and PHA policies in three areas: notification, documentation, and confidentiality. Specific VAWA requirements and PHA policies are located primarily in the following sections: 3-I.C, “Family Breakup and Remaining Member of Tenant Family”; 3-III.G, “Prohibition against Denial of Assistance to Victims of Domestic Violence, Dating Violence, and Stalking”; 10-I.A, “Allowable Moves”; 10-I.B, “Restrictions on Moves”; 12-II.E, “Terminations Related to Domestic Violence, Dating Violence, or Stalking”; and 12-II.F, “Termination Notice.”

### **16-IX.B. DEFINITIONS [24 CFR 5.2003]**

As used in VAWA:

- The term *bifurcate* means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members’ lease and occupancy rights are allowed to remain intact.
- The term *dating violence* means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
  - The length of the relationship
  - The type of relationship
  - The frequency of interaction between the persons involved in the relationship
- The term *domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.

- The term *immediate family member* means, with respect to a person:
  - A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or
  - Any other person living in the household of that person and related to that person by blood and marriage.
- The term *stalking* means:
  - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or
  - To place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
  - In the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

## **16-IX.C. NOTIFICATION [24 CFR 5.2005(a)]**

### **Notification to Public**

The PHA adopts the following policy to help ensure that all actual and potential beneficiaries of its HCV program are aware of their rights under VAWA.

#### PHA Policy

The PHA will post the following information regarding VAWA in its offices and on its Web site. It will also make the information readily available to anyone who requests it.

A summary of the rights and protections provided by VAWA to housing choice voucher program applicants and participants who are or have been victims of domestic violence, dating violence, or stalking (see sample notices in Exhibits 16-1 and 16-2)

The definitions of *domestic violence*, *dating violence*, and *stalking* provided in VAWA (included in Exhibits 16-1 and 16-2)

An explanation of the documentation that the PHA may require from an individual who claims the protections provided by VAWA (included in Exhibits 16-1 and 16-2)

A copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, or Stalking

A statement of the PHA's obligation to keep confidential any information that it receives from a victim unless (a) the PHA has the victim's written permission to release the information, (b) it needs to use the information in an eviction proceeding, or (c) it is compelled by law to release the information (included in Exhibits 16-1 and 16-2)

The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY) (included in Exhibits 16-1 and 16-2)

Contact information for local victim advocacy groups or service providers

### **Notification to Program Applicants and Participants [24 CFR 5.2005(a)(1)]**

PHAs are required to inform program participants of their rights under VAWA, including their right to confidentiality and the limits thereof. Since VAWA provides protections for applicants as well as participants, PHAs may elect to provide the same information to applicants.

#### PHA Policy

The PHA will provide all applicants with information about VAWA at the time they request an application for housing assistance. The PHA will also include information about VAWA in all notices of denial of assistance (see section 3-III.G).

The PHA will provide all participants with information about VAWA at the time of admission (see section 5-I.B) and at annual reexamination. The PHA will also include information about VAWA in notices of termination of assistance, as provided in section 12-II.F.

The VAWA information provided to applicants and participants will consist of the notice in Exhibit 16-1 and a copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, and Stalking.

### **Notification to Owners and Managers [24 CFR 5.2005(a)(2)]**

PHAs are required to notify owners and managers participating in the HCV program of their rights and obligations under VAWA.

#### PHA Policy

The PHA will provide owners and managers with information about their rights and obligations under VAWA when they begin their participation in the HCV program and at least annually thereafter.

The VAWA information provided to owners will consist of the notice in Exhibit 16-2 and a copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, and Stalking.

## **16-IX.D. DOCUMENTATION [24 CFR 5.2007]**

A PHA presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, stalking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. The PHA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy the PHA’s request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

- (1) A completed and signed HUD-approved certification form (HUD-50066, Certification of Domestic Violence, Dating Violence, or Stalking), which must include the name of the perpetrator
- (2) A federal, state, tribal, territorial, or local police report or court record
- (3) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person’s belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

The PHA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under “Conflicting Documentation,” nor may it require certification in addition to third-party documentation [VAWA final rule].

### PHA Policy

Any request for documentation of domestic violence, dating violence, or stalking will specify a deadline of 14 business days following receipt of the request, will describe the three forms of acceptable documentation, will provide explicit instructions on where and to whom the documentation must be submitted, and will state the consequences for failure to submit the documentation or request an extension in writing by the deadline.

The PHA may, in its discretion, extend the deadline for 10 business days. Any extension granted by the PHA will be in writing.

### **Conflicting Documentation [24 CFR 5.2007(e)]**

In cases where the PHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the PHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). The PHA must honor any court orders issued to protect the victim or to address the distribution of property.

#### PHA Policy

If presented with conflicting certification documents (two or more forms HUD-50066) from members of the same household, the PHA will attempt to determine which is the true victim by requiring each of them to provide third-party documentation in accordance with 24 CFR 5.2007(b)(2) or (3) and by following any HUD guidance on how such determinations should be made.

### **Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]**

The PHA has the discretion to provide benefits to an individual based solely on the individual's statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b).

#### PHA Policy

If the PHA accepts an individual's statement or other corroborating evidence of domestic violence, dating violence, or stalking, the PHA will document acceptance of the statement or evidence in the individual's file.

### **Failure to Provide Documentation [24 CFR 5.2007(c)]**

In order to deny relief for protection under VAWA, a PHA must provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within 14 business days from the date of receipt, or such longer time as the PHA may allow, the PHA may deny relief for protection under VAWA.

### **16-IX.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)]**

All information provided to the PHA regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence. This means that the PHA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the

disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

PHA Policy

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, the PHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

## **EXHIBIT 16-1: SAMPLE NOTICE TO HOUSING CHOICE VOUCHER APPLICANTS AND TENANTS REGARDING THE VIOLENCE AGAINST WOMEN ACT (VAWA)**

*This sample notice was adapted from a notice prepared by the National Housing Law Project.*

A federal law that went into effect in 2006 protects individuals who are victims of domestic violence, dating violence, and stalking. The name of the law is the Violence against Women Act, or “VAWA.” This notice explains your rights under VAWA.

### **Protections for Victims**

If you are eligible for a Section 8 voucher, the housing authority cannot deny you rental assistance solely because you are a victim of domestic violence, dating violence, or stalking.

If you are the victim of domestic violence, dating violence, or stalking, you cannot be terminated from the Section 8 program or evicted based on acts or threats of violence committed against you. Also, criminal acts directly related to the domestic violence, dating violence, or stalking that are caused by a member of your household or a guest can't be the reason for evicting you or terminating your rental assistance if you were the victim of the abuse.

### **Reasons You Can Be Evicted**

You can be evicted and your rental assistance can be terminated if the housing authority or your landlord can show there is an *actual* and *imminent* (immediate) threat to other tenants or employees at the property if you remain in your housing. Also, you can be evicted and your rental assistance can be terminated for serious or repeated lease violations that are not related to the domestic violence, dating violence, or stalking committed against you. The housing authority and your landlord cannot hold you to a more demanding set of rules than it applies to tenants who are not victims.

### **Removing the Abuser from the Household**

Your landlord may split the lease to evict a tenant who has committed criminal acts of violence against family members or others, while allowing the victim and other household members to stay in the assisted unit. Also, the housing authority can terminate the abuser's Section 8 rental assistance while allowing you to continue to receive assistance. If the landlord or housing authority chooses to remove the abuser, it may not take away the remaining tenants' rights to the unit or otherwise punish the remaining tenants. In removing the abuser from the household, your landlord must follow federal, state, and local eviction procedures.

### **Moving to Protect Your Safety**

The housing authority may permit you to move and still keep your rental assistance, even if your current lease has not yet expired. The housing authority may require that you be current on your rent or other obligations in the housing choice voucher program. The housing authority may ask you to provide proof that you are moving because of incidences of abuse.

## **Proving That You Are a Victim of Domestic Violence, Dating Violence, or Stalking**

The housing authority and your landlord can ask you to prove or “certify” that you are a victim of domestic violence, dating violence, or stalking. The housing authority or your landlord must give you at least 14 business days (i.e., Saturdays, Sundays, and holidays do not count) to provide this proof. The housing authority and your landlord are free to extend the deadline. There are three ways you can prove that you are a victim:

Complete the certification form given to you by the housing authority or your landlord. The form will ask for your name, the name of your abuser, the abuser’s relationship to you, the date, time, and location of the incident of violence, and a description of the violence.

Provide a statement from a victim service provider, attorney, or medical professional who has helped you address incidents of domestic violence, dating violence, or stalking. The professional must state that he or she believes that the incidents of abuse are real. Both you and the professional must sign the statement, and both of you must state that you are signing “under penalty of perjury.”

Provide a police or court record, such as a protective order.

If you fail to provide one of these documents within the required time, the landlord may evict you, and the housing authority may terminate your rental assistance.

### **Confidentiality**

The housing authority and your landlord must keep confidential any information you provide about the violence against you, unless:

You give written permission to the housing authority or your landlord to release the information.

Your landlord needs to use the information in an eviction proceeding, such as to evict your abuser.

A law requires the housing authority or your landlord to release the information.

If release of the information would put your safety at risk, you should inform the housing authority and your landlord.

### **VAWA and Other Laws**

VAWA does not limit the housing authority’s or your landlord’s duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

VAWA does not replace any federal, state, or local law that provides greater protection for victims of domestic violence, dating violence, or stalking.

## **For Additional Information**

If you have any questions regarding VAWA, please contact Patricia Campos at 928-425-7631.

For help and advice on escaping an abusive relationship, call the National Domestic Violence Hotline at 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY).

## **Definitions**

For purposes of determining whether a tenant may be covered by VAWA, the following list of definitions applies:

VAWA defines *domestic violence* to include felony or misdemeanor crimes of violence committed by any of the following:

A current or former spouse of the victim

A person with whom the victim shares a child in common

A person who is cohabitating with or has cohabitated with the victim as a spouse

A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies

Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction

VAWA defines *dating violence* as violence committed by a person (1) who is or has been in a social relationship of a romantic or intimate nature with the victim AND (2) where the existence of such a relationship shall be determined based on a consideration of the following factors:

The length of the relationship

The type of relationship

The frequency of interaction between the persons involved in the relationship

VAWA defines *stalking* as (A)(i) to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person OR (ii) to place under surveillance with the intent to kill, injure, harass, or intimidate another person AND (B) in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (i) that person, (ii) a member of the immediate family of that person, or (iii) the spouse or intimate partner of that person.

## **EXHIBIT 16-2: SAMPLE NOTICE TO HOUSING CHOICE VOUCHER OWNERS AND MANAGERS REGARDING THE VIOLENCE AGAINST WOMEN ACT (VAWA)**

*This sample notice was adapted from a notice prepared by the National Housing Law Project.*

A federal law that went into effect in 2006 protects individuals who are victims of domestic violence, dating violence, and stalking. The name of the law is the Violence against Women Act, or “VAWA.” This notice explains your obligations under VAWA.

### **Protections for Victims**

You cannot refuse to rent to an applicant solely because he or she is a victim of domestic violence, dating violence, or stalking.

You cannot evict a tenant who is the victim of domestic violence, dating violence, or stalking based on acts or threats of violence committed against the victim. Also, criminal acts directly related to the domestic violence, dating violence, or stalking that are caused by a household member or guest cannot be cause for evicting the victim of the abuse.

### **Permissible Evictions**

You can evict a victim of domestic violence, dating violence, or stalking if you can demonstrate that there is an *actual and imminent* (immediate) threat to other tenants or employees at the property if the victim is not evicted. Also, you may evict a victim for serious or repeated lease violations that are not related to the domestic violence, dating violence, or stalking. You cannot hold a victim of domestic violence, dating violence, or stalking to a more demanding standard than you hold tenants who are not victims.

### **Removing the Abuser from the Household**

You may bifurcate (split) the lease to evict a tenant who has committed criminal acts of violence against family members or others, while allowing the victim and other household members to stay in the unit. If you choose to remove the abuser, you may not take away the remaining tenants’ rights to the unit or otherwise punish the remaining tenants. In removing the abuser from the household, you must follow federal, state, and local eviction procedures.

## **Certification of Domestic Violence, Dating Violence, or Stalking**

If a tenant asserts VAWA's protections, you can ask the tenant to certify that he or she is a victim of domestic violence, dating violence, or stalking. You are not required to demand official documentation and may rely upon the victim's statement alone. If you choose to request certification, you must do so in writing and give the tenant at least 14 business days to provide documentation. You are free to extend this deadline. A tenant can certify that he or she is a victim by providing any one of the following three documents:

A completed, signed HUD-approved certification form. The most recent form is HUD-50066.

This form is available at the housing authority or online at

<http://www.hud.gov/offices/adm/hudclips/>.

A statement from a victim service provider, attorney, or medical professional who has helped the victim address incidents of domestic violence, dating violence, or stalking. The professional must state that he or she believes that the incidents of abuse are real. Both the victim and the professional must sign the statement under penalty of perjury.

A police or court record, such as a protective order.

If the tenant fails to provide one of these documents within 14 business days, you may evict the tenant if authorized by otherwise applicable law and lease provisions.

## **Confidentiality**

You must keep confidential any information a tenant provides to certify that he or she is a victim of domestic violence, dating violence, or stalking. You cannot enter the information into a shared database or reveal it to outside entities unless:

The tenant provides written permission releasing the information.

The information is required for use in an eviction proceeding, such as to evict the abuser.

Release of the information is otherwise required by law.

The victim should inform you if the release of the information would put his or her safety at risk.

## **VAWA and Other Laws**

VAWA does not limit your obligation to honor court orders regarding access to or control of the property. This includes orders issued to protect the victim and orders dividing property among household members in cases where a family breaks up.

VAWA does not replace any federal, state, or local law that provides greater protection for victims of domestic violence, dating violence, or stalking.

### **Additional Information**

If you have any questions regarding VAWA, please contact Patricia Campos.

HUD Notice PIH 2006-42 contains detailed information regarding VAWA's certification requirements. The notice is available at <http://www.hud.gov/offices/adm/hudclips/>.

For a discussion of VAWA's housing provisions, see the preamble to the final VAWA rule, which is available at <http://www.gpo.gov/fdsys/pkg/FR-2010-10-27/pdf/2010-26914.pdf>.

## Definitions

For purposes of determining whether a tenant may be covered by VAWA, the following list of definitions applies:

VAWA defines *domestic violence* to include felony or misdemeanor crimes of violence committed by any of the following:

A current or former spouse of the victim

A person with whom the victim shares a child in common

A person who is cohabitating with or has cohabitated with the victim as a spouse

A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies

Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction

VAWA defines *dating violence* as violence committed by a person (1) who is or has been in a social relationship of a romantic or intimate nature with the victim AND (2) where the existence of such a relationship shall be determined based on a consideration of the following factors:

The length of the relationship

The type of relationship

The frequency of interaction between the persons involved in the relationship

VAWA defines *stalking* as (A)(i) to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person OR (ii) to place under surveillance with the intent to kill, injure, harass, or intimidate another person AND (B) in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (i) that person, (ii) a member of the immediate family of that person, or (iii) the spouse or intimate partner of that person.

## **GLOSSARY**

### **A. ACRONYMS USED IN SUBSIDIZED HOUSING**

<b>AAF</b>	Annual adjustment factor (published by HUD in the Federal Register and used to compute annual rent adjustments)
<b>ACC</b>	Annual contributions contract
<b>ADA</b>	Americans with Disabilities Act of 1990
<b>BR</b>	Bedroom
<b>CDBG</b>	Community Development Block Grant (Program)
<b>CFR</b>	Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as “the regulations”)
<b>CPI</b>	Consumer price index (published monthly by the Department of Labor as an inflation indicator)
<b>EID</b>	Earned income disallowance
<b>EIV</b>	Enterprise Income Verification
<b>FDIC</b>	Federal Deposit Insurance Corporation
<b>FHA</b>	Federal Housing Administration
<b>FICA</b>	Federal Insurance Contributions Act (established Social Security taxes)
<b>FMR</b>	Fair market rent
<b>FR</b>	Federal Register
<b>FSS</b>	Family Self-Sufficiency (Program)
<b>FY</b>	Fiscal year
<b>FYE</b>	Fiscal year end
<b>GAO</b>	Government Accountability Office
<b>GR</b>	Gross rent
<b>HAP</b>	Housing assistance payment
<b>HCV</b>	Housing choice voucher
<b>HQS</b>	Housing quality standards
<b>HUD</b>	Department of Housing and Urban Development
<b>HUDCLIPS</b>	HUD Client Information and Policy System
<b>IPA</b>	Independent public accountant
<b>IRA</b>	Individual Retirement Account
<b>IRS</b>	Internal Revenue Service

<b>JTPA</b>	Job Training Partnership Act
<b>LBP</b>	Lead-based paint
<b>MSA</b>	Metropolitan statistical area (established by the U.S. Census Bureau)
<b>MTCS</b>	Multi-family Tenant Characteristics System (now the Form HUD-50058 submodule of the PIC system)
<b>MTW</b>	Moving to Work
<b>NOFA</b>	Notice of funding availability
<b>OIG</b>	HUD's Office of Inspector General
<b>OMB</b>	Office of Management and Budget
<b>PHA</b>	Public housing agency
<b>PIC</b>	PIH Information Center
<b>PIH</b>	(HUD Office of) Public and Indian Housing
<b>PS</b>	Payment standard
<b>QC</b>	Quality control
<b>QHWRA</b>	Quality Housing and Work Responsibility Act of 1998 (also known as the Public Housing Reform Act)
<b>REAC</b>	(HUD) Real Estate Assessment Center
<b>RFP</b>	Request for proposals
<b>RFTA</b>	Request for tenancy approval
<b>RIGI</b>	Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)
<b>SEMAP</b>	Section 8 Management Assessment Program
<b>SRO</b>	Single room occupancy
<b>SSA</b>	Social Security Administration
<b>SSI</b>	Supplemental security income
<b>TANF</b>	Temporary assistance for needy families
<b>TPV</b>	Tenant protection vouchers
<b>TR</b>	Tenant rent
<b>TTP</b>	Total tenant payment
<b>UA</b>	Utility allowance
<b>UIV</b>	Upfront income verification
<b>URP</b>	Utility reimbursement payment
<b>VAWA</b>	Violence Against Women Reauthorization Act of 2005

## **B. GLOSSARY OF SUBSIDIZED HOUSING TERMS**

**Absorption.** In portability (under subpart H of this part 982): the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

**Accessible.** The facility or portion of the facility can be approached, entered, and used by persons with disabilities.

**Adjusted income.** Annual income, less allowable HUD deductions and allowances.

**Administrative fee.** Fee paid by HUD to the PHA for administration of the program. See §982.152.

**Administrative plan.** The plan that describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and included as a supporting document to the PHA Plan. See §982.54.

**Admission.** The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program.

**Amortization payment.** In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

**Annual contributions contract (ACC).** The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

**Annual income.** The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

**Applicant (applicant family).** A family that has applied for admission to a program but is not yet a participant in the program.

**Area exception rent.** An amount that exceeds the published FMR. See 24 CFR 982.504(b).

**As-paid states.** States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

**Assets.** (See *net family assets*.)

**Auxiliary aids.** Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving federal financial assistance.

**Bifurcate.** With respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

**Budget authority.** An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the

maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

**Child.** A member of the family other than the family head or spouse who is under 18 years of age.

**Child care expenses.** Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

**Citizen.** A citizen or national of the United States.

**Cohead.** An individual in the household who is equally responsible for the lease with the head of household. A family may have a cohead or spouse but not both. A cohead never qualifies as a dependent. The cohead must have legal capacity to enter into a lease.

**Common space.** In shared housing, the space available for use by the assisted family and other occupants of the unit.

**Computer match.** The automated comparison of databases containing records about individuals.

**Confirmatory review.** An on-site review performed by HUD to verify the management performance of a PHA.

**Consent form.** Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

**Congregate housing.** Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see 24 CFR 982.606–609.

**Contiguous MSA.** In portability (under subpart H of part 982): An MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

**Continuously assisted.** An applicant is continuously assisted under the 1937 Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program.

**Contract authority.** The maximum annual payment by HUD to a PHA for a funding increment.

**Cooperative** (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type (see 24 CFR 982.619).

**Covered families.** Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which federal, state or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

**Dating violence.** Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

**Dependent.** A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

**Dependent child.** In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.

**Disability assistance expenses.** Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member, and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

**Disabled family.** A family whose head, cohead, spouse, or sole member is a person with disabilities; two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Disabled person.** See *person with disabilities*.

**Disallowance.** Exclusion from annual income.

**Displaced family.** A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to federal disaster relief laws.

**Domestic violence.** Felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

**Domicile.** The legal residence of the household head or spouse as determined in accordance with state and local law.

**Drug-related criminal activity.** As defined in 42 U.S.C. 1437f(f)(5).

**Drug-trafficking.** The illegal manufacture, sale, or distribution, or the possession with intent to manufacture, sell, or distribute, of a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

**Economic self-sufficiency program.** Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603(c).

**Elderly family.** A family whose head, cohead, spouse, or sole member is a person who is at least 62 years of age; two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Elderly person.** An individual who is at least 62 years of age.

**Eligible family (Family).** A family that is income eligible and meets the other requirements of the 1937 Act and Part 5 of 24 CFR.

**Employer identification number (EIN).** The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

**Evidence of citizenship or eligible status.** The documents which must be submitted as evidence of citizenship or eligible immigration status. (See 24 CFR 5.508(b).)

**Extremely low-income family.** A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. (See 24 CFR 5.603.)

**Facility.** All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock, or other real or personal property or interest in the property.

**Fair Housing Act.** Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

**Fair market rent (FMR).** The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the *Federal Register* in accordance with 24 CFR Part 888.

**Family.** Includes but is not limited to the following, and can be further defined in PHA policy.

- A family with or without children (the temporary absence of a child from the home due to placement in foster care is not considered in determining family composition and family size)
- An elderly family or a near-elderly family
- A displaced family
- The remaining member of a tenant family
- A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

**Family rent to owner.** In the voucher program, the portion of rent to owner paid by the family.

**Family self-sufficiency program** (FSS program). The program established by a PHA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

**Family share.** The portion of rent and utilities paid by the family. For calculation of family share, see 24 CFR 982.515(a).

**Family unit size.** The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

**Federal agency.** A department of the executive branch of the Federal Government.

**Foster child care payment.** A payment to eligible households by state, local, or private agencies appointed by the state to administer payments for the care of foster children.

**Full-time student.** A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). (See 24 CFR 5.603)

**Funding increment.** Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

**Gross rent.** The sum of the rent to owner plus any utility allowance.

**Group home.** A dwelling unit that is licensed by a state as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in aide). (A special housing type: see 24 CFR 982.610–614.)

**Handicap.** Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*.)

**HAP contract.** The housing assistance payments contract. A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

**Head of household.** The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

**Household.** A household includes additional people other than the family who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

**Housing assistance payment.** The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

**Housing agency (HA).** See *public housing agency*.

**Housing quality standards (HQS).** The HUD minimum quality standards for housing assisted under the voucher program.

**HUD.** The U.S. Department of Housing and Urban Development.

**Immediate family member.** A spouse, parent, brother, sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or any other person living in the household of that person and related to that person by blood and marriage.

**Imputed asset.** An asset disposed of for less than fair market value during the two years preceding examination or reexamination.

**Imputed income.** The HUD passbook rate multiplied by the total cash value of assets. The calculation is used when net family assets exceed \$5,000.

**Imputed welfare income.** An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

**Income.** Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.

**Income for eligibility.** Annual income.

**Income information** means information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income sources
- All information about wages, as defined in the state's unemployment compensation law, including any social security number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, employer identification number of an employer reporting wages under a state unemployment compensation law
- Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received
- Unearned IRS income and self-employment wages and retirement income
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

**Individual with handicaps.** See *person with disabilities*.

**Initial PHA.** In portability, the term refers to both: (1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

**Initial payment standard.** The payment standard at the beginning of the HAP contract term.

**Initial rent to owner.** The rent to owner at the beginning of the HAP contract term.

**Institution of higher education.** An institution of higher education as defined in 20 U.S.C. 1001 and 1002. See Exhibit 3-2 in this Administrative Plan.

**Jurisdiction.** The area in which the PHA has authority under state and local law to administer the program.

**Landlord.** Either the owner of the property or his/her representative, or the managing agent or his/her representative, as shall be designated by the owner.

**Lease.** A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.

**Live-in aide.** A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

**Local Preference.** A preference used by the PHA to select among applicant families.

**Low-Income Family.** A family whose income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80 percent for areas with unusually high or low incomes.

**Manufactured home.** A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. (A special housing type: see 24 CFR 982.620 and 982.621.)

**Manufactured home space.** In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624.

**Medical expenses.** Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance (a deduction for elderly or disabled families only). These allowances are given when calculating adjusted income for medical expenses in excess of 3 percent of annual income.

**Minor.** A member of the family household other than the family head or spouse, who is under 18 years of age.

**Mixed family.** A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

**Monthly adjusted income.** One twelfth of adjusted income.

**Monthly income.** One twelfth of annual income.

**Mutual housing.** Included in the definition of *cooperative*.

**National.** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

**Near-elderly family.** A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62 living with one or more live-in aides.

**Net family assets.** (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
- In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

**Noncitizen.** A person who is neither a citizen nor national of the United States.

**Notice of funding availability (NOFA).** For budget authority that HUD distributes by competitive process, the *Federal Register* document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

**Office of General Counsel (OGC).** The General Counsel of HUD.

**Owner.** Any person or entity with the legal right to lease or sublease a unit to a participant.

**PHA Plan.** The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

**PHA's quality control sample.** An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see CFR 985.3.

**Participant (participant family).** A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

**Payment standard.** The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

**Person with disabilities.** *For the purposes of program eligibility.* A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has a physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarded as having such an impairment, or a person with a record of such an impairment.

**Portability.** Renting a dwelling unit with a Section 8 housing choice voucher outside the jurisdiction of the initial PHA.

**Premises.** The building or complex in which the dwelling unit is located, including common areas and grounds.

**Previously unemployed.** With regard to the earned income disallowance, a person with disabilities who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

**Private space.** In shared housing, the portion of a contract unit that is for the exclusive use of an assisted family.

**Processing entity.** The person or entity that, under any of the programs covered, is responsible for making eligibility and related determinations and any income reexamination. In the HCV program, the “processing entity” is the “responsible entity.”

**Project owner.** The person or entity that owns the housing project containing the assisted dwelling unit.

**Public assistance.** Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state, or local governments.

**Public housing agency (PHA).** Any State, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

**Qualified family** (under the earned income disallowance). A family participating in an applicable assisted housing program or receiving HCV assistance:

- Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
- Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance--provided that the total amount over a six-month period is at least \$500.

**Qualified census tract.** With regard to certain tax credit units, any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent, and where the census tract is designated as a qualified census tract by HUD.

**Reasonable rent.** A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

**Reasonable accommodation.** A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA's programs or services.

**Receiving PHA.** In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

**Recertification.** Sometimes called *reexamination*. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

**Remaining member of the tenant family.** The person left in assisted housing who may or may not normally qualify for assistance on their own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

**Rent to owner.** The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

**Residency preference.** A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (See *residency preference area*).

**Residency preference area.** The specified area where families must reside to qualify for a residency preference.

**Responsible entity.** For the public housing and the Section 8 tenant-based assistance, project-based certificate assistance, and moderate rehabilitation programs, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

**Secretary.** The Secretary of Housing and Urban Development.

**Section 8.** Section 8 of the United States Housing Act of 1937.

**Section 8 covered programs.** All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under Section 202 of the Housing Act of 1959.

**Section 214.** Section 214 of the Housing and Community Development Act of 1980, as amended.

**Section 214 covered programs.** The collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in 24 CFR 5.500.

**Security deposit.** A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

**Set-up charges.** In a manufactured home space rental, charges payable by the family for assembling, skirting, and anchoring the manufactured home.

**Shared housing.** A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. (A special housing type: see 24 CFR 982.615–982.618.)

**Single Person.** A person living alone or intending to live alone.

**Single room occupancy housing (SRO).** A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. (A special housing type: see 24 CFR 982.602–982.605.)

**Social security number (SSN).** The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

**Special admission.** Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

**Special housing types.** See subpart M of part 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

**Specified welfare benefit reduction.** Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

**Spouse.** The marriage partner of the head of household.

**Stalking.** To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

**State wage information collection agency (SWICA).** The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

**Subsidy standards.** Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

**Suspension.** Stopping the clock on the term of a family's voucher after the family submits a request for tenancy approval. If the PHA decides to allow extensions or suspensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions or suspensions, and how the PHA determines the length of any extension or suspension. This practice is also called *tolling*.

**Tax credit rent.** With regard to certain tax credit units, the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

**Tenancy addendum.** For the housing choice voucher program, the lease language required by HUD in the lease between the tenant and the owner.

**Tenant.** The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

**Tenant rent to owner.** See *family rent to owner*.

**Term of lease.** The amount of time a tenant agrees in writing to live in a dwelling unit.

**Total tenant payment (TTP).** The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

**Unit.** Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero (0) bedrooms to six (6) bedrooms.

**Utility allowance.** If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

**Utility reimbursement.** In the voucher program, the portion of the housing assistance payment which exceeds the amount of rent to owner.

**Utility hook-up charge.** In a manufactured home space rental: Costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

**Very low-income family.** A low-income family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

**Violent criminal activity.** Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

**Voucher (housing choice voucher).** A document issued by a PHA to a family selected for admission to the housing choice voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.

**Voucher holder.** A family holding a voucher with an unexpired term (search time).

**Voucher program.** The housing choice voucher program.

**Waiting list admission.** An admission from the PHA waiting list.

**Welfare assistance.** Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. For the FSS program (984.103(b)), *welfare assistance* includes only cash maintenance payments from federal or state programs designed to meet a family's ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or social security.

**ARF-1881**

**Consent Agenda Item 4- K**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted For:** Malissa Buzan, Community Services Division Director  
**Submitted By:** Cecilia Bejarano, Executive Administrative Assistant, Community Services Division

**Department:** Community Services Division **Division:** Comm. Action Program/Housing Servs.

---

Information

Request/Subject

Amendment No. 1 to Agreement No. 308-11 Arizona Department of Housing.

Background Information

Agreement No. 308-11 was approved by the Board of Supervisors on June 28, 2011. Funding was awarded in the amount of \$330,000 to the Gila County Housing Program to provide owner occupied housing rehabilitation to approximately 7 owner-occupied single-family homes located throughout Gila County.

Evaluation

Amendment No. 1 to Agreement 308-11 will extend the contract end date from June 1, 2013, to September 30, 2013.

Conclusion

By the Board of Supervisors approving this Amendment, the Gila County Community Services Housing Program will receive an extension which will allow the addition of one more home to receive rehabilitation services increasing the total homes to 8.

Recommendation

The Gila County Community Services Director recommends the Board of Supervisors approve this amendment.

Suggested Motion

Approval of Amendment No. 1 to Funding Agreement 308-11 between the Arizona Department of Housing and the Gila County Division of Community Services, Housing Department, extending the contract end date from June 1, 2013, to September 30, 2013.

---

Attachments

Amendment No. 1 to Funding Agreement 308-11

Original Contract 308-11 ADOH

Legal Explanation

Contract No.: 308-11  
Termination Date: 9-30-2013  
Amendment No. 1

**AMENDMENT TO A  
FUNDING AGREEMENT**  
Between  
**ARIZONA DEPARTMENT OF HOUSING**  
and  
*Gila County*

This Agreement, is made and entered into by and between the **Arizona Department of Housing (ADOH)**, and *Gila County (Recipient)*.

**RECITALS**

- 1) ADOH and **Recipient** have entered into a Contract, stipulating to an award through the State Housing Fund Program or Community Development Block Grant Programs by ADOH to **Recipient** for the purpose as outlined in the above referenced Funding Agreement; and
- 2) A revision to said Agreement is necessary, and;
- 3) ADOH and **Recipient** agree that the revision is in the best interest of all parties, including beneficiary low-income households; ADOH and **Recipient** hereby agree to amend the subject agreement as follows:

**AGREEMENT**

*Extends the contract to September 30, 2013.*

The agreement incorporates the Recital paragraphs set forth above.

**The Following Attachments are amended and attached hereto:**

- B Performance Report/Schedule of Completion**
- C Budget**
- D Request for Payment Form**

Any and all portions of subject Agreement that are not herein specifically amended shall remain unchanged.

In Witness Whereof, ADOH and **Recipient** have executed this Amendment that shall become effective when signed by ADOH.

**THE ARIZONA,  
DEPARTMENT OF HOUSING**

BY: \_\_\_\_\_  
Michael Traylor

TITLE: Director

BY: \_\_\_\_\_  
Michael A. Pastor

TITLE: Chairman, Gila County Board  
of Supervisors

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Manager's Approval: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Marian E. Sheppard  
Clerk of the Board

**Approved as to form:**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Bryan B. Chambers  
Deputy Attorney Principal

**HOUSING PERFORMANCE REPORT**

**ATTACHMENT B**

**Recipient:** Gila County

**Report Period**

**Year** 2013

**Contract #** 308-11

October

January

April

July

**APPLICANT/BENEFICIARY DATA**

**Homeownership Activity**

Homeownership activities are deemed completed when the mortgage closing has taken place. Homeownership counseling activities are deemed complete when the persons have completed all required counseling sessions.

**Housing - New Construction Activity**

New construction activities are deemed completed when construction is complete, final payment has been issued to all contractors and a certificate of occupancy has been issued.

**Rehabilitation Activity (including wells/septic installations for individual households; replacement of manufactured homes (mobile homes); private sewer/water hookups and meters)**

Housing rehabilitation activities are deemed complete when the rehabilitation of the unit is complete, the release of liens is signed and final payments have been issued to all contractors.

RACIAL CATEGORIES (HUD DESIGNATED)	TOTAL NUMBER OF ELIGIBLE APPLICANTS **		TOTAL HOUSEHOLDS BENEFITING **		TOTAL PERSONS BENEFITING ***	
	RACIAL GROUP	*HISPANIC	RACIAL GROUP	*HISPANIC	RACIAL GROUP	* HISPANIC
WHITE						
BLACK/AFRICAN AMERICAN						
ASIAN						
AMERICAN INDIAN/ALASKAN NATIVE						
NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER						
AMERICAN INDIAN/ALASKAN NATIVE AND WHITE						
ASIAN AND WHITE						
BLACK/AFRICAN AMERICAN AND WHITE						
AMERICAN INDIAN/ALASKAN NATIVE & BLACK/AFRICAN AMERICAN						
OTHER MULTI-RACIAL						
TOTALS						

\*Hispanic HUD has designated Hispanic as an ethnic group. A household or person can be identified as both a member of a racial group and an ethnic group.

\*\* Applicant A person/household who has applied for and has been determined to be eligible to receive assistance based on the requirements specific to that program regarding income, location of home, type of home, type of rehab needed, age, family size, etc. or a person/household who has applied for a specific public service. The "applicant" may or may not receive a benefit, depending on the length of the program and the availability of funds. If multiple persons apply for housing or public services under one household application form, only one person can be deemed "applicant" and thus determines the race and ethnicity of the household. This determination can be made by the recipient.

\*\*\*Benefiting A household/person that meets the eligibility requirements of the program *and* has actually received the benefit, e.g. received a rehab loan/grant, homeownership assistance or public service being offered.

Complete chart below to show how many of the total number of households/persons benefiting were in these categories:

<b>OTHER BENEFICIARY DATA</b>		
TOTAL NUMBER BENEFITING:	HOUSEHOLDS BENEFITING ***	PERSONS BENEFITING ***
FEMALE HEAD OF HOUSEHOLDS		
ELDERLY		
DISABLED		

**NARRATIVE**

**PART I.**

In the space below, provide a summary of the current status including significant accomplishments and milestones of each grant including, but not limited to the following specific project type information:

- For Housing activities, number of applications received, being processed and awarded; projects out to bid; under construction; status of loan portfolio; closings scheduled; persons on waiting list; etc.

**PART II.**

- A. Explain any variances between accomplishments (proposed and actual beneficiaries) previously reported and the accomplishments being reported this period.
- B. When will the project be completed? Describe the steps to be taken to ensure the completion of the project within the required timeframes.
- C. Provide a detailed description of any problems that are impeding the progress and/or schedule of the project and the efforts taken to resolve the problems.

Prepared by (print) \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Phone \_\_\_\_\_

email \_\_\_\_\_



**Part IV. Schedule of Completion**

Program Schedule			
Major Program activities:	Contract Date (expected completion)	Complete Yes/No	Modification Date
	<i>Include additional copy of this chart if more room needed.</i>		
Execute Contract			
Unit # ___ Project Scope out to Bid			
Unit # ___ ERR Appendix A & Initial Project Set-up to ADOH			
Unit # ___ Contractor Selection			
Unit # ___ Rehab construction			
Unit # ___ Final inspection			
Unit # ___ Rehab Loan Closing			
Unit # ___ Individual Project Close out			
Unit # ___ Project Scope out to Bid			
Unit # ___ ERR Appendix A & Initial Project Set-up to ADOH			
Unit # ___ Contractor Selection			
Unit # ___ Rehab construction			
Unit # ___ Final inspection			
Unit # ___ Rehab Loan Closing			
Unit # ___ Individual Project Close out			
Unit # ___ Project Scope out to Bid			
Unit # ___ ERR Appendix A & Initial Project Set-up to ADOH			
Unit # ___ Contractor Selection			
Unit # ___ Rehab construction			
Unit # ___ Final inspection			
Unit # ___ Rehab Loan Closing			
Unit # ___ Individual Project Close out			
Unit # ___ Project Scope out to Bid			

Unit # ____ ERR Appendix A & Initial Project Set-up to ADOH			
Unit # ____ Contractor Selection			
Unit # ____ Rehab construction			
Unit # ____ Final inspection			
Unit # ____ Rehab Loan Closing			
Unit # ____ Individual Project Close out			
Unit # ____ Project Scope out to Bid			
Unit # ____ ERR Appendix A & Initial Project Set-up to ADOH			
Unit # ____ Contractor Selection			
Unit # ____ Rehab construction			
Unit # ____ Final inspection			
Unit # ____ Rehab Loan Closing			
Unit # ____ Individual Project Close out			
Unit # ____ Project Scope out to Bid			
Unit # ____ ERR Appendix A & Initial Project Set-up to ADOH			
Unit # ____ Contractor Selection			
Unit # ____ Rehab construction			
Unit # ____ Final inspection			
Unit # ____ Rehab Loan Closing			
Unit # ____ Individual Project Close out			
Unit # ____ Project Scope out to Bid			
Unit # ____ ERR Appendix A & Initial Project Set-up to ADOH			
Unit # ____ Contractor Selection			
Unit # ____ Rehab construction			
Unit # ____ Final inspection			
Unit # ____ Rehab Loan Closing			
Unit # ____ Individual Project Close out			
Unit # ____ Project Scope out to Bid			
Unit # ____ ERR Appendix A & Initial Project Set-up to ADOH			
Unit # ____ Contractor Selection			
Unit # ____ Rehab construction			
Unit # ____ Final inspection			
Unit # ____ Rehab Loan Closing			
Unit # ____ Individual Project Close out			
Contract Close Out			





**FUNDING AGREEMENT**  
**with**  
**ARIZONA DEPARTMENT OF HOUSING**

**Table of Contents**

<b>SECTION 1. FUNDS PROVIDED .....</b>	<b>2</b>
<b>SECTION 2. OTHER FUNDS.....</b>	<b>2</b>
<b>SECTION 3. ACCEPTANCE OF FUNDS .....</b>	<b>2</b>
<b>SECTION 4. DURATION.....</b>	<b>3</b>
<b>SECTION 5. INCORPORATION OF TERMS FOR COMPLIANCE WITH PROGRAM REQUIREMENTS AND APPLICABLE STATE AND FEDERAL LAW .....</b>	<b>3</b>
<b>SECTION 6. SCOPE OF WORK.....</b>	<b>4</b>
<b>SECTION 7. REPORTS.....</b>	<b>4</b>
<b>SECTION 8. SCHEDULE OF COMPLETION.....</b>	<b>6</b>
<b>SECTION 9. BUDGET .....</b>	<b>7</b>
<b>SECTION 10. AMENDMENTS AND MODIFICATIONS .....</b>	<b>8</b>
<b>SECTION 11. ENVIRONMENTAL REVIEW CONDITIONS .....</b>	<b>8</b>
<b>SECTION 12. APPLICATION AND OTHER PRE-AWARD COSTS .....</b>	<b>9</b>
<b>SECTION 13. COMPENSATION AND METHOD OF PAYMENT .....</b>	<b>9</b>
<b>SECTION 14. FUNDS RECOUPED BY THE RECIPIENT, INTEREST AND PROGRAM INCOME ....</b>	<b>10</b>
<b>SECTION 15. DEOBLIGATION, RECAPTURE AND REPAYMENT OF FUNDS .....</b>	<b>11</b>
<b>SECTION 16. REVERSION OF ASSETS.....</b>	<b>12</b>
<b>SECTION 17. DEPARTMENT OF HOUSING RESPONSIBILITIES .....</b>	<b>13</b>
<b>SECTION 18. SUBCONTRACTING.....</b>	<b>14</b>
<b>SECTION 19. FAILURE TO MAKE PROGRESS.....</b>	<b>14</b>
<b>SECTION 20. TERMINATION FOR CAUSE.....</b>	<b>14</b>
<b>SECTION 21. TERMINATION FOR CONVENIENCE.....</b>	<b>15</b>
<b>SECTION 22. ENFORCEMENT .....</b>	<b>15</b>
<b>SECTION 23. CANCELLATION .....</b>	<b>16</b>
<b>SECTION 24. RECORDS RETENTION .....</b>	<b>16</b>
<b>SECTION 25. NO OBLIGATION OF STATE GENERAL APPROPRIATIONS FUNDS .....</b>	<b>16</b>
<b>SECTION 26. AVAILABILITY OF FUNDS .....</b>	<b>16</b>
<b>SECTION 27. APPLICABLE LAW AND ARBITRATION.....</b>	<b>17</b>
<b>SECTION 28. INDEMNIFICATION.....</b>	<b>17</b>

**FUNDING AGREEMENT**  
**with**  
**ARIZONA DEPARTMENT OF HOUSING**

**Table of Contents**

SECTION 29. FEDERAL GOVERNMENT LIABILITY ..... 17

SECTION 30. AUDIT ..... 17

SECTION 31. AUDIT EXCEPTIONS ..... 18

SECTION 32. UNALLOWABLE USE OF FUNDS ..... 18

SECTION 33. INTEREST OF MEMBERS OF DEPARTMENT OF HOUSING AND OTHERS ..... 18

SECTION 34. ACCESS TO RECORDS, PARTICIPANTS AND STAFF ..... 18

SECTION 35. IDENTIFICATION OF DOCUMENTS ..... 18

SECTION 36. COPYRIGHT ..... 19

SECTION 37. RIGHTS IN DATA ..... 19

SECTION 38. FUNDING CONDITIONS ..... 19

SECTION 39. NON-DISCRIMINATION ..... 19

SECTION 40. THIRD PARTY ANTITRUST VIOLATIONS ..... 19

SECTION 41. SCRUTINIZED BUSINESS OPERATIONS ..... 19

SECTION 42. COMPLIANCE REQUIREMENTS FOR A.R.S. § 41-4401—IMMIGRATION LAWS AND  
E-VERIFY REQUIREMENT ..... 20

SECTION 43. INSURANCE ..... 20

SECTION 44. NOTICES ..... 22

SECTION 45. REGISTRATION WITH SOCIAL SERVE ..... 23

SECTION 46. ADOH SIGNAGE ..... 23

SECTION 47. PHOTOGRAPHS ..... 23

**ATTACHMENTS**

- A Scope of Work
- B Performance Report/Schedule of Completion
- C Budget
- D Request for Payment Form
- E Special Conditions of the Agreement
- F Certification and Other Requirements Relating to Title I or Title II Assistance
- G Authorizing Resolution(s)

AGREEMENT NO. 308-11  
TERMINATION DATE June 1, 2013

FUNDING AGREEMENT  
BETWEEN THE ARIZONA DEPARTMENT OF HOUSING  
AND  
GILA COUNTY  
FOR  
OWNER OCCUPIED HOUSING REHABILITATION

This Funding Agreement is made by and between:

The **Arizona Department Of Housing (ADOH)**, located at, 1110 West Washington, Suite 310, Phoenix, Arizona 85007, acting pursuant to A.R.S. § 41-3953 and (please select applicable funding source):

- Title I of the Housing and Community Development Act of 1974, as amended ("CDBG")
- Title II of the National Affordable Housing Act of 1990, as amended (HOME Investments Partnerships Act) ("HOME")
- A.R.S. § 41-3955 (State Housing Trust Fund) ("HTF")
- Title 24 Part 574 and 42 U.S.C. Section 12902 of the AIDS Housing Opportunity Act of (Housing Opportunities for Persons With HIV/AIDS) ("HOPWA")
- Title IV Part 582 of the Stewart B. McKinney Homeless Assistance Act of 1987, as amended (Shelter Plus Care) ("SPC")
- Title IV Part 583 of the Stewart B. McKinney Homeless Assistance Act of 1987, as amended (Supportive Housing Program) ("SHP")
- Title III of the Housing and Economic Recovery Act of 2008, Pub. Law 110-289, July 30, 2008, (the Neighborhood Stabilization Program which provides emergency assistance for redevelopment of abandoned and foreclosed homes and multifamily housing)("NSP").

and

**Gila County**

An Arizona County (**Recipient**), located at

5515 South apache Avenue, Suite 200  
Globe, Arizona 85501

In consideration of the mutual representations and obligations hereunder ADOH and Recipient agree as follows:

**Section 1. FUNDS PROVIDED**

ADOH agrees to provide \$ 330,000.00 in the following type of funds to Recipient in accordance with this Agreement.

- CDBG, CFDA # 14.228**  
Federal Fiscal Year \_\_\_\_\_  
\$ \_\_\_\_\_
- HOME, CFDA # 14.239**  
Federal Fiscal Year 2010  
\$300,000.00
- HTF**  
\$30,000.00
- HOPWA, CFDA # 14.241**  
Federal Fiscal Year \_\_\_\_\_  
\$ \_\_\_\_\_
- SHP, CFDA # 14.235**  
Federal Fiscal Year \_\_\_\_\_  
\$ \_\_\_\_\_
- SPC, CFDA # 14.238**  
Federal Fiscal Year \_\_\_\_\_  
\$ \_\_\_\_\_
- NSP, CFDA #**  
Federal Fiscal Year \_\_\_\_\_  
\$ \_\_\_\_\_

**Section 2. OTHER FUNDS**

If applicable, Recipient agrees to secure funding other than that listed in **Section 1** for the completion of this Agreement as indicated in the *Budget* attached hereto as **Attachment C**. ADOH reserves the right to rescind some or all of the funding committed through this Agreement if other funding sources become unavailable.

**Section 3. ACCEPTANCE OF FUNDS**

Recipient hereby accepts the award of funds under the terms of this Agreement and agrees to execute and return this Agreement to ADOH within 30 days of receipt unless Recipient receives a written waiver of this requirement by ADOH.

#### Section 4. DURATION

This Agreement shall be effective beginning on the date of execution by ADOH and shall remain in effect until **June 1, 2013** unless sooner terminated, extended or otherwise amended in accordance with the terms of this Agreement.

#### Section 5. INCORPORATION OF TERMS FOR COMPLIANCE WITH PROGRAM REQUIREMENTS AND APPLICABLE STATE AND FEDERAL LAW

Recipient shall carry out each activity in compliance with all applicable State and Federal laws, Federal regulations and other requirements including, but not limited to the provisions indicated as marked below and hereby incorporated into this Agreement, as if fully set forth herein. Also incorporated into this Agreement, as applicable, are the terms of any resolution authorizing Recipient's application for funds, which is attached hereto as **Attachment G, Authorizing Resolution(s)** and any *Special Conditions of the Agreement* attached hereto as **Attachment E**.

- CDBG** funds requires adherence to the following additional provisions: (1) the provisions of 24 CFR, Part 570 as revised; (2) *Certification and Other Requirements Relating to Title I Assistance* attached hereto as **Attachment F**; (3) the provisions contained in the *State of Arizona Consolidated Plan*; (4) *ADOH ERR Handbook*; (5) *ADOH Labor Standards Handbook* (6) *CDBG Application Handbook*; (7) *CDBG Grant Administration Handbook*; and (8) *CDBG Procurement, Contracts and Acquisition Handbook* (collectively "the Incorporated Documents") as each may be amended from time to time. In the event of a conflict between the terms of this Agreement and the terms of the Incorporated Documents, the terms of this Agreement shall govern.
- HOME** funds requires adherence to the following additional provisions: (1) the provisions contained in 24 CFR Part 92 Home Investment Partnerships Program as revised, (2) *Certification and Other Requirements Relating to Title II Assistance* attached hereto as **Attachment F**; (3) the provisions contained in the *State of Arizona Consolidated Plan*; (4) *ADOH ERR Handbook*; (5) *ADOH Labor Standards Handbook* (6) the *State Housing Fund Program Summary and Application Guide* and any revisions thereto.
- The use of Housing Trust Funds (HTF)** requires adherence to the following additional provisions: (1) the *State Housing Fund Program Summary and Application Guide* as revised.
- Special Needs Housing "homeless" funding from SPC** requires adherence to 24 CFR Part 582 as revised.
- Special Needs Housing "homeless" funding from SHP** requires adherence to 24 CFR Part 583 as revised.

- Special Needs Housing “homeless” funding from HOPWA** requires adherence to 24 CFR Part 574 as revised.
- Neighborhood Stabilization Program, NSP**, requires adherence to specific reporting requirements described in Attachment A, B & D to this Agreement.

## Section 6. SCOPE OF WORK

Recipient agrees to utilize all funds made available under this Agreement only for the purpose of implementing the *Scope of Work* hereby incorporated into this Agreement and described in **Attachment A**.

**Revisions to Scope of Work.** Recipient agrees to follow the procedures indicated as marked below regarding changes to the *Scope of Work*.

Revisions to the *Scope of Work* that change the manner in which an activity is to be executed or that change final outcome such as number of units, feet of utility line, number of households served, square footage of building, etc. require written approval from ADOH. The following substantial revisions to the *Scope of Work* require written amendment to the this Agreement:

- (a) The purpose of the project changes;
- (b) The location of the project changes;
- (c) A project activity is added, deleted or altered such that it becomes a different activity;
- (d) The beneficiary of any activity changes; and
- (e) The Recipient is requesting a change to the loan or grant terms. Recipient must submit a written request for an Agreement amendment to ADOH, with a revised *Scope of Work* attached;
- (f) The ownership entity changes;
- (g) Any other changes that involve program requirements.

ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.

## Section 7. REPORTS

Recipient shall be responsible for providing various reports of all activities related to this Agreement both as identified below and as requested by ADOH or HUD. The Recipient shall also provide to ADOH any additional written information requested by ADOH in a timely manner and within reasonable deadlines as shall be set by ADOH.

**7.1 Performance Report.** Recipient agrees to submit the ADOH *Performance Report* respective of the funding source indicated below and attached as Attachment B.

- RENTAL Projects funded with HOME OR HTF.** Recipient must submit a *Bimonthly Progress Report* attached hereto as **Attachment B**. The Bimonthly Progress Report must be submitted to ADOH on the 20<sup>th</sup> of January, March, May, July, September and November and address activities of the preceding two months, i.e., the January report covers the months of November and December.
- All OTHER projects funded with HOME, HTF and CDBG.** Recipient must submit a *Quarterly Progress Report* attached hereto as **Attachment B**. The Quarterly Progress Report must be submitted to ADOH on the 15<sup>th</sup> of July, October, January and April and address activities of the preceding three months, i.e., the July report covers the months of April, May and June. Failure to submit timely Quarterly Progress Reports will result in suspension of payment reimbursement requests until such reports are brought current.
- Special Needs Housing “homeless” funding from SPC or SHP.** ADOH is required to administer the program during the contract term, which is synonymous with the HUD grant term and as set forth in **Section 4**. Recipient shall submit one (1) *HUD Annual Progress Report (APR) document No. 40118*, attached hereto as **Attachment B** no later than 60 days following the contract termination date listed on Page 1 of the Agreement. Recipient shall enter information reported on the APR into the Homeless Management Information System (HMIS).
- Special Needs Housing “homeless” funding HOPWA.** A Recipient of HOPWA awarded funding shall administer said program in the contract term as set forth in **Section 4** and submit one (1) *HUD Annual Progress Report (APR) document No. 40110-C* attached hereto as **Attachment B** no later than 60 days following the contract termination date listed on Page 1 of the Agreement.
- HTF “Eviction Prevention / Emergency Housing/EPEH” funding.** ADOH shall administer said program in accordance with the dates listed in **Section 4**. Recipient shall submit monthly payment requests accompanied by ADOH generated *Monthly report* attached hereto as **Attachment B** and a bi-annual program narrative report.
- NSP.** Specific reporting requirements for the NSP funding are attached to this Agreement as Attachment A,B & D.

**7.2 Contract Closeout—Completion Reports and Post-Funding Audits.** The Recipient's obligation to ADOH under this Agreement shall not end until all closeout requirements described in this paragraph are completed. ADOH will notify Recipient in writing that a **Completion Report** is due to ADOH within Sixty (60) days of one of the following occurrences:

- (a) The funds have been expended;
- (b) The Scope of Work has been completed;

- (c) The contract period set forth in this Agreement has expired; or
- (d) The Agreement has been otherwise terminated.

The Completion Report shall contain the information identified in the notice.

Following the receipt and approval of the Completion Report, ADOH will notify Recipient in writing that the Agreement is Administratively Closed.

After the project is administratively closed the recipient must submit all required audits to ADOH. All audits for fiscal years in which Recipient received funds from ADOH must be received, reviewed and found to be satisfactory by ADOH. In the event that ADOH determines that any project costs described in a post funding audit are unjustified or describe ineligible activities, the Recipient will be required to refund such monies back to ADOH.

## Section 8. SCHEDULE OF COMPLETION

Recipient agrees to make progress with the *Scope of Work* in accordance with the *Schedule of Completion* hereby incorporated into this Agreement and described in **Attachment B**.

**Revisions to the Schedule of Completion.** Recipient agrees to follow the procedures indicated as marked below regarding changes to the Schedule of Completion.

- RENTAL Projects funded with HOME OR HTF.** Recipient must notify ADOH of revisions to the *Schedule of Completion* using the *Bimonthly Performance Report*, attached hereto as **Attachment B**. To the extent that the changes cause the schedule timeline to be extended Recipient must submit a written request for a contract amendment to ADOH with a revised *Schedule of Completion* attached. Contract amendment requests must be received by ADOH a minimum of 30 days prior to the contract expiration date. ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.
- All OTHER projects funded with HOME, HTF and CDBG.** Recipient must notify ADOH of revisions to the *Schedule of Completion* using the *Quarterly Performance Report*, attached hereto as **Attachment B**. To the extent that the changes cause the schedule timeline to be extended Recipient must submit a written request for a contract amendment to ADOH with a revised *Schedule of Completion* attached. Contract amendment requests must be received by ADOH a minimum of 30 days prior to the contract expiration date. ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.
- Special Needs Housing “homeless” funding from SPC or SHP.** To the extent that the changes cause the schedule timeline to be extended Recipient must submit a

written request for a contract amendment to ADOH with a revised *Schedule of Completion* attached. Contract amendment requests must be received by ADOH a minimum of 30 days prior to the contract expiration date. ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.

- HTF “Eviction Prevention/Emergency Housing/EPEH” funding.** To the extent that the changes cause the schedule timeline to be extended Recipient must submit a written request for a contract amendment to ADOH with a revised *Schedule of Completion* attached. Contract amendment requests must be received by ADOH a minimum of 30 days prior to the contract expiration date. ADOH will respond to the written request within 14 business days. Amendments may not be implemented until ADOH consents in writing and an amendment to the Agreement has been executed.

## Section 9. BUDGET

Recipient agrees to use the funds provided pursuant to this Agreement in accordance with the **Budget** that is attached as **Attachment C**. Recipient further agrees that any project costs, unless otherwise specified, exceeding the Budget shall be the sole responsibility of Recipient.

Availability of funding under this Agreement is contingent on final review and approval of the Budget. Budgetary considerations for specific programs are described below:

**CDBG Revisions to the Budget.** Recipient must obtain written approval from ADOH to move funds from one Budget Activity Line Item to another. The following substantial revisions to the **Budget** require a contract amendment:

- (a) Funds are moved from one Budget Activity Line Item to another and the change in the Budget Activity Line from which it is moved or to which it is being moved exceeds 50%, unless the move is from administration to a non-administration activity, in which case only written notice without a contract amendment is required;
- (b) Additional funding sources are added to the Project;
- (c) Recipient is requesting a change to the grant terms.

**HOME and HTF Revisions to the Budget.** Recipient must obtain prior written approval from ADOH to move funds from one Budget Activity Line Item to another. ADOH will only approve changes to the Budget for eligible costs as outlined in the State Housing Fund program. The following substantial revisions to the **Budget** require a contract amendment:

- (a) Additional funding sources are added to the Project which required a project to be re-underwritten to determine gap;
- (b) Recipient is requesting a change to the loan terms.

See Section 10 for changes that affect the Budget.

The Recipient shall not retain any funds that are drawn down in excess of immediate cash needs (to be utilized within 15 days of draw down) to cover subsequent requests for reimbursement, and must return them to ADOH within 30 days of receipt. The Recipient must also return to ADOH any interest that is earned on these funds that are drawn down and not expended for eligible costs within 15 days of draw down.

#### **Section 10. AMENDMENTS AND MODIFICATIONS**

ADOH may consent to amendment or modification of this Agreement upon written request of the Recipient. All amendments or modifications to this agreement shall be by mutual consent of the parties in writing.

Requests for amendments or modifications that result in changes to the Budget must be supported by a revised Budget that is otherwise consistent with Section 9.

ADOH will respond to the request for amendment or modification to the Agreement within 14 business days.

#### **Section 11. ENVIRONMENTAL REVIEW CONDITIONS**

In accordance with 24 CFR 50 and 24 CFR 58 (Environmental Review), the environmental effects of each activity carried out with Federal funds must be assessed. Local government entities are responsible for environmental reviews and requesting a release of funds from ADOH. Non-profits and other non-governmental entities are responsible for assisting ADOH with environmental review and ADOH then requests a release of funds from HUD. Completion of the Environmental Review Record (ERR) is mandatory before taking any physical action on a site or entering into contracts. Only exempt activities such as architecture, engineering and administration may be undertaken and reimbursed by ADOH prior to receiving a written release of funds. Exempt activities described in 24 CFR 58.34(a)(1)-(11) are activities that generally have no physical impact on the environment. If federal funds are involved in a project, neither federal nor non-federal funds may be expended or committed by contract (conditional or not) for property acquisition, rehabilitation, conversion, lease, repair or construction activities, until HUD or ADOH has provided written authorization based on approval of an ERR.

An option agreement (to purchase land) on a proposed site or property is allowable prior to the completion of the environmental review if the option agreement is contingent upon an ADOH or HUD authorization to use funds based on a completed ERR. The cost of the option must be a nominal portion of the purchase price.

Projects funded solely with Housing Trust Funds do not require an ERR but are required to meet the requirements of the State Historic Preservation Act by consulting with the State Historic Preservation Office (SHPO). For State Housing Funded projects Phase I

Environmental Assessments are required to be completed on properties for which new construction/change in use is proposed, regardless of whether Federal or State funds are the source of funding. Expenditures incurred or obligated by construction contract prior to ADOH's release of funds or consultation with SHPO will not be reimbursed by ADOH.

Recipients who had committed or expended non-Federal funds to begin a project before receiving the authorization from ADOH or HUD may still be eligible to use federal funds on the project under the following circumstances:

- (a) Recipients started the project without the intention of using Federal assistance (e.g., as evidenced by other anticipated funding, the original project budget, etc.);
- (b) All work on the project ceases once an application for federal funds is made and an ERR is begun on all activities, i.e., acquisition, construction, etc. ADOH or HUD provides authorization to proceed based on the completed ERR.

## **Section 12. APPLICATION AND OTHER PRE-AWARD COSTS**

Recipient may use a portion of the funds provided hereunder to reimburse itself for exempt activities pursuant to 24 CFR 58.34(a)(1)-(11) such as architecture, engineering, testing and sampling of asbestos and capital needs assessments and environmental reviews.

- CDBG.** If the Recipient is receiving funding under this Agreement from the CDBG program, in accordance with federal procedures, Recipient may use funds provided hereunder to reimburse it or to pay for costs incurred in preparing the application. In no event shall such compensation exceed 18 percent of the total funding provided to Recipient by ADOH.

## **Section 13. COMPENSATION AND METHOD OF PAYMENT**

Subject to availability of and receipt of funds from the State's Unclaimed Property Fund (for state HTF funds) and/or the United States Treasury (for HOME, CDBG, SHP, SPC and HOPWA funds) and the commitment of other required funding as indicated in Recipient's application, ADOH agrees to reimburse or advance Recipient for authorized expenditures according to the *Budget in Attachment C*. Recipient must maintain invoices and other similar documentation to support payment expenses under those generally accepted accounting principles and procedures approved by ADOH and outlined in OMB Circulars A-87, A-122, and A-133, as applicable, and 24 CFR Parts 44, 84, 85, 92 and 570 as applicable.

Recipient may request funds only after the date of the executed Agreement and other legal documents as applicable, provided Recipient has satisfied ADOH funding contingencies and federal environmental review conditions. Requests for reimbursement must be made

using the Arizona Department of Housing *Request for Payment* form hereby incorporated into this Agreement and attached as **Attachment D**. For construction projects Release of Lien documents must be attached to the Request for Payment in amounts proportionate to contractor reimbursement requests.

Recipient must maintain proof of said expenditures including checks, payrolls, time records, invoices, contracts, vouchers, orders and other accounting documents evidencing in proper detail the nature and propriety of the respective charges as may be required by applicable federal rules and regulations, including requirements by the Federal Office of Management and Budget, and as may be otherwise reasonably required to permit ADOH to determine or confirm that any such expenditures are prudent and within the Scope of Work.

Recipient's right to incur expenses under Agreement shall cease upon expiration of Agreement. All requests for reimbursement on expenditures made prior to expiration of Agreement must be requested within 60-days after expiration. Unless expressly authorized by ADOH in writing, expenditures not requested within the 60-day period after expiration of Agreement shall be disallowed and all funds shall be reclaimed by ADOH.

#### **Section 14. FUNDS RECOUPED BY THE RECIPIENT, INTEREST AND PROGRAM INCOME**

**14.1 Definitions.** For purposes of this section the following definitions shall apply:

**"Funds Recouped by the Recipient"** means funds initially provided by ADOH to the Recipient under this Agreement and any matching contributions that are recouped by the Recipient when: (1) the funds provided by ADOH under this Agreement or matching contributions or the proceeds of funds provided by ADOH (including, but not limited to, equipment or housing) do not continue to be used for an approved purpose or eligible activity, as described in applicable law or regulations, for the full period of affordability required by this Agreement, or (2) when a State-assisted homeownership housing does not continue to be the principal residence of the assisted homebuyer for the full affordability period required by this Agreement. Funds Recouped by the Recipient are subject to all the requirements of Program Income described below with the exception that the Recipient shall not use Funds Recouped by the Recipient for administrative purposes. For this reason, the Recipient must separately account for all Funds Recouped by the Recipient.

**"Interest"** means any compensation paid or to be paid for the use or deposit of the funds provided by ADOH to the Recipient under this Agreement.

**"Program Income"** means gross income received by the Recipient directly generated from the use of funds provided by ADOH under this Agreement. When Program Income is generated by housing that is only partially assisted with funds provided by ADOH under this Agreement or matching contributions, the income shall be prorated to reflect the percentage of funds provided by ADOH under this Agreement. Program Income includes, but is not limited to, the following: (1) proceeds from the disposition by sale or long-term lease of real property purchased or improved with funds provided by ADOH under this Agreement; (2) gross income from the use or rental of real or personal property acquired by

the Recipient with funds provided by ADOH under this Agreement, less costs incidental to generation of the income; (3) payments of principal and interest on loans made using funds provided by ADOH under this Agreement or matching contributions; (4) proceeds from the sale of loans made with funds provided by ADOH under this Agreement or matching contributions; (5) proceeds from sale of obligations secured by loans made with funds provided by ADOH under this Agreement or matching contributions; (6) Interest earned on Program Income pending its disposition; (7) proceeds from the disposition of equipment purchased with CDBG funds; (8) gross income from the use or rental of real property, owned by the Recipient, that was constructed or improved with funds provided by ADOH under this Agreement, less costs incidental to generation of the income; (9) if the funds provided by ADOH under this Agreement are from the CDBG Program, funds collected through special assessments made against properties owned and occupied by households not of low and moderate income, where the assessments are used to recover all or part of the CDBG portion of a public improvement; and (10) if the funds provided by ADOH under this Agreement are from the HOME Program, any other interest or return on the investment permitted under 24 C.F.R. Part 92.205(b) of HOME funds or matching contributions.

#### **14.2 Use of Program Income and Funds Recouped by the Recipient.**

The Recipient is not authorized by ADOH to retain and reuse Program Income, Funds Recouped by the Recipient or accrued Interest as described in the following paragraph(s) except as authorized by ADOH through a written agreement.

The Recipient must return all Program Income, Funds Recouped by the Recipient, and Interest to ADOH within 30 days of receipt.

The Recipient must remit to ADOH any Program Income, Funds Recouped by the Recipient or Interest on hand at the time of expiration, cancellation, or termination of this Agreement or subsequently received by Recipient within 30 days of receipt by Recipient.

### **Section 15. DEOBLIGATION, RECAPTURE AND REPAYMENT OF FUNDS**

**15.1 De-obligation.** ADOH may reduce funds from the funding award evidenced by this Agreement without regard to the source of funding, under the following circumstances: (1) the Recipient has completed performance under the *Scope of Work (Attachment A)* without using all of the funds provided by ADOH under this Agreement; (2) this Agreement expires and not all funds have been expended; (3) ADOH's original allocation was a loan and Recipient or Sub-recipient paid the loan; (4) the Recipient, with the consent of ADOH, cancelled or changed an activity required under the *Scope of Work* for reasons other than non-performance; or (5) the Recipient receives Program Income that has not been included in the budget or set forth in the *Scope of Work*; and (6) this Agreement has otherwise been terminated. ADOH may de-obligate funds under this Agreement under the foregoing circumstances upon written notice to the Recipient.

#### **15.2 Reallocation of De-obligated HOME or State HTF Funds.** If the funds

provided by ADOH under this Agreement are from the State HTF or the HOME Program, ADOH may reallocate funds that it has de-obligated under this Agreement as it determines in its sole discretion.

**15.3 Reallocation of De-obligated CDBG Funds.** If the funds provided by ADOH under this Agreement are from the CDBG Program, ADOH may reallocate funds that it has de-obligated under this Agreement to the Recipient from which the funds were de-obligated for use under an existing or new funding contract of the same funding year if the Recipient can immediately commit the reallocated funds to a project and execute a new or amended funding contract within sixty (60) calendar days of the reallocation. If ADOH is not able to reallocate funds that it has de-obligated under this Agreement in accord with the foregoing sentence of this subsection, ADOH may reallocate those funds as it determines in its sole discretion.

**15.4 Recapture.** ADOH may reduce funds from the amount of the funding award evidenced by this Agreement, without regard to the source of funding, under the following circumstances: (1) ADOH determines that the Recipient has failed to use the funds provided by ADOH under this Agreement in compliance with the terms of this Agreement or the requirements of applicable laws and regulations (non-compliance); or (2) the Recipient fails to perform in accordance with the performance obligations set forth in the *Scope of Work (Attachment A)* and the *Schedule of Completion (Attachment B)* or the terms of this Agreement. ADOH may recapture funds under this Agreement under the foregoing circumstances upon written notice to the Recipient.

**15.5 Reallocation of Recaptured Funds.** ADOH may reallocate funds that it has recaptured under this Agreement, without regard to the source of funding, as it determines in its sole discretion.

**15.6 Repayment of Funds.** Recipient agrees to repay funds provided under this contract if ADOH determines that the Recipient has failed to use the funds provided by ADOH under this Agreement in compliance with the terms of this Agreement or the requirements of applicable laws and regulations. ADOH may specify in writing the terms of the repayment or alternative terms in lieu of repayment however in no case shall repayment or alternative terms be accomplished later than One Hundred Eighty (180) days following the written determination of non-compliance by ADOH.

## **Section 16. REVERSION OF ASSETS**

**16.1 Funds Remaining at Expiration.** Upon expiration of this Agreement, the Recipient shall transfer to ADOH any unexpended funds advanced to Recipient by ADOH under this Agreement.

**16.2 Real Property Acquired or Improved with CDBG Funds.** Upon expiration of this Agreement, any real property under the Recipient's control that was acquired or improved in whole or in part with CDBG funds, for non-owner occupied use, provided to

Recipient by ADOH under this Agreement (including CDBG funds provided to the Recipient in the form of a loan) in excess of \$25,000, shall either: (1) be used to meet one of the national objectives in 24 CFR Part 570.208 until five years after expiration of this Agreement, or for such longer period of time as determined to be appropriate by the Recipient; or (2) not be used in accordance with 24CFR Part 570.503(b)(8)(i), in which event the Recipient shall pay to ADOH an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property. No payment is required after the period of time specified in 24CFR Part 570.503 (b)(8)(i).

**16.3 Real Property Acquired or Improved with HOME Funds.** Upon expiration of this Agreement, any real property under the Recipient's control that was acquired or improved in whole or in part with HOME funds, for non-owner occupied uses, provided to Recipient by ADOH under this Agreement (including funds provided to the Recipient in the form of a loan), must be occupied only by households that are eligible as low-income families and must meet the requirements to qualify as affordable housing and is subject to encumbrances and obligations described in any applicable Declaration of Conditions, Covenants, and Restrictions ("CC&Rs") for the period of affordability set forth in 24 CFR Part 92.252.

**16.4 Real Property Acquired or Improved With State Housing Trust Funds.** Upon expiration of this Agreement, any real property under the Recipient's control that was acquired or improved in whole or in part with state HTF funds, for non-owner occupied uses, provided to Recipient by ADOH under this Agreement (including funds provided to the Recipient in the form of a loan), must be occupied only by households that are eligible as low-income families and must meet the requirements to qualify as affordable housing and is subject to encumbrances and obligations described in any applicable Declaration of CC&Rs for the period of affordability set forth in the CC&Rs.

## **Section 17. DEPARTMENT OF HOUSING RESPONSIBILITIES**

ADOH shall monitor and evaluate the Recipient to determine compliance with and performance under this Agreement. A summary of discrepancies noted by ADOH during monitoring visits will be specified in writing. Appropriate time for correction of discrepancies will be specified in the written report to the Recipient. ADOH shall follow up on discrepancies to ensure that they have been corrected in a timely manner. The failure of ADOH to require timely performance of any provision of this Agreement shall in no way affect the right of ADOH thereafter to enforce such provision nor shall the waiver of any succeeding breach of such provision act as waiver of the provision itself.

ADOH shall provide reasonable technical assistance to assist the Recipient to comply with program requirements for the provision of services under this Agreement. However, this in no way relieves the Recipient of full responsibility for its acts or omissions in the performance of activities required by this Agreement.

## Section 18. SUBCONTRACTING

Recipient shall not disburse any funds received under this Agreement without fully completed written agreements with subcontractors requiring they follow all provisions of this Agreement and a completed Environmental Review pursuant to **Section 11** of the Agreement.

The use of subcontractors does not relieve Recipient of responsibility for ensuring the administration of the provided funds in accordance with all applicable program requirements. Recipient is responsible for determining the adequacy of performance under subcontractor agreements and procurement contracts and for taking appropriate action when performance issues arise.

## Section 19. FAILURE TO MAKE PROGRESS

Failure of Recipient to make progress according to the **Schedule of Completion**, attached hereto as **Attachment B** may result in contract termination, deobligation of funds or recapture of funds. Recipient agrees to meet with ADOH at the site in which the funded activity is taking place to discuss progress and allow ADOH to provide technical assistance if:

- (a) The Recipient fails to begin work on its Environmental Review pursuant to **Section 11** within the sixty (60) calendar days from the date ADOH executes the Agreement;
- (b) The Recipient fails to expend any funds in performance of and in accordance with the terms of this Agreement within ninety (90) calendar days from the inception date of this Agreement.

ADOH will terminate any Agreement and recapture funds from the same Agreement in which the Recipient does not commence any of the activities described in the **Scope of Work (Attachment A)** or fails to expend any funds in accordance with the **Budget (Attachment C)** within One hundred eighty (180) calendar days from the full execution date of this Agreement. ADOH may in its sole discretion, forgo providing technical assistance and recapture funds as outlined in this Agreement under **Section 15.4** hereof and/or terminate this Agreement for cause pursuant to **Section 20** of this Agreement.

## Section 20. TERMINATION FOR CAUSE

ADOH may terminate this Agreement in whole or in part at any time whenever it determines that Recipient has failed to comply with the conditions hereof including, but not limited to the **Scope of Work** set forth in **Attachment A**, **Schedule of Completion** set forth in **Attachment B** and **Budget** set forth in **Attachment C** to this Agreement. If ADOH so determines, it shall notify Recipient in writing by certified mail, return receipt requested, of such termination for cause with such notification to include the reason(s) for the termination and the effective date of termination. If ADOH terminates the Agreement pursuant to this Section, ADOH shall recapture all funds allocated to the Recipient under this Agreement pursuant to **Section 15.4** hereof and obtain repayment of funds expended pursuant to

Section 15.6, hereof.

## Section 21. TERMINATION FOR CONVENIENCE

ADOH or Recipient may terminate this Agreement in whole or part (one or more activities) if either Party believes that continuation will not produce beneficial results. If ADOH so determines, it shall notify Recipient in writing by certified mail, return receipt requested, of such termination for convenience and the effective date of termination. If Recipient so determines, it shall notify ADOH in writing by certified mail, return receipt requested, of such termination for convenience and the effective date of termination. If ADOH terminates the Agreement pursuant to this Section, ADOH shall de-obligate, recapture or receive repayment, as applicable, all funds allocated to the Recipient under this Agreement pursuant to **Section 15** hereof.

## Section 22. ENFORCEMENT

**22.1 Remedies for Noncompliance.** If a Recipient materially fails to comply with any term of this Agreement or applicable law, ADOH may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the Recipient or more severe enforcement action by the awarding agency,
- (b) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
- (c) Wholly or partly suspend or terminate the award evidenced by this Agreement,
- (d) Withhold further awards to the Recipient's project funded by the award evidenced by this Agreement,
- (e) Recapture funds and terminate contract,
- (f) Withhold future ADOH grant awards from all sources, or
- (g) Take other remedies that may be legally available.

**22.2 Appealable Agency Action.** Enforcement action taken under this section is an appealable agency action pursuant to A.R.S., Title 41, Chapter 6, Article 10.

**22.3 Effects of suspension and termination.** Costs incurred by Recipient resulting from obligations incurred by the Recipient during a suspension or after termination of an award are not allowable unless ADOH expressly authorizes them in the notice of suspension or termination or subsequently.

**22.4 Relationship to debarment and suspension.** The enforcement remedies identified in this section, including suspension and termination, do not preclude Recipient from being subject to "Debarment and Suspension" under the United States President's Executive Order 12549.

### **Section 23. CANCELLATION**

Pursuant to A.R.S. § 38-511, ADOH may, within three years after its execution, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of ADOH is, at any time while the Agreement or any extension of the Agreement is in effect, be an employee or agent of any other party to the Agreement in any capacity or a consultant to any party of the Agreement with respect to the subject matter of the contract. A cancellation notice made pursuant to this provision shall be effective when the Recipient receives written notice of the cancellation unless the notice specifies a later time.

### **Section 24. RECORDS RETENTION**

Pursuant to A.R.S. § 35-214, Recipient shall retain and require that its subcontractors retain, for inspection and audit by ADOH, all books, accounts, reports, files, including information regarding actual beneficiaries of the fund, and other records relating to the bidding and performance of this Agreement for a period of five (5) years following the date of the letter informing Recipient of the Administrative Closeout or termination.

Upon request by ADOH, Recipient shall produce a legible copy of all such records at the Administrative Office of ADOH or at the Office of the Auditor General. The original records shall be available and produced for inspection and audit when required by ADOH or the Auditor General.

Recipient shall maintain records that adequately identify the source and application of the funds provided under this Agreement (including Program Income and Recaptured Funds) as part of the financial transactions of their funding program, consistent with generally accepted accounting principles and the requirements of 24 CFR Part 85.20. Recipient will provide reports regarding the capture and reuse of Program Income and Recaptured Funds as requested by ADOH from time to time.

In addition, in the event that the project resulted in Recipient holding any liens or notes as a result of this funding, Recipient must retain all pertinent records for five (5) years beyond the expiration or release of such liens or notes.

### **Section 25. NO OBLIGATION OF STATE GENERAL APPROPRIATIONS FUNDS**

Nothing herein shall be construed as obligating state general appropriation funds, excepting HTF funds, for payment of any debt or liability of any nature arising hereunder. The parties expressly recognize that all payments to be made by ADOH are from federal funds and HTF funds made available to ADOH for this purpose.

### **Section 26. AVAILABILITY OF FUNDS**

Payments under this Agreement are subject to the availability of the federal funds

provided to the Arizona Department of Housing for the HOME and CDBG programs and the availability of state funds provided for the state HTF Program. Every payment obligation of ADOH under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by ADOH at the end of the period for which funds are available. No liability shall accrue to ADOH in the event this provision is exercised, and ADOH shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

#### **Section 27. APPLICABLE LAW AND ARBITRATION**

This Agreement shall be governed and interpreted by the laws of the State of Arizona. The parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable statutes.

#### **Section 28. INDEMNIFICATION**

Recipient shall indemnify, defend, and save harmless ADOH, the State of Arizona and its agents, officials, and employees from any and all claims, demands, suits, actions, proceedings, loss, costs, and damages of every kind and description, including any attorney's fees and litigation expenses, which may be brought or made against or incurred by the State on account of loss of or damage to any property or for injuries to or death of any person, caused by, arising out of or contributed to, in whole or in part, by reasons of any alleged act, omission, professional error, fault, mistake, or negligence of Recipient, its employees, agents, representatives, or subcontractors, their employees, agents, or representatives in connection with or incidental to the performance of the Agreement, or arising out of Workmen's Compensation claims, Unemployment Compensation claims, or Unemployment Disability Compensation claims of employees of Recipient or its subcontractors or claims under similar such laws or obligations. Recipient's obligation under this section shall not extend to any liability caused by the sole negligence of ADOH, the State or Arizona, or its employees.

#### **Section 29. FEDERAL GOVERNMENT LIABILITY**

It is agreed by all parties that the Federal Government and particularly the U.S. Department of Housing and Urban Development is not a party to this Agreement, and that no legal liability on the part of the Federal Government is inferred or implied under the terms of this Agreement.

#### **Section 30. AUDIT**

If federal funds are paid to Recipient through this Agreement, Recipient shall comply with the audit requirements set forth in 24 CFR Part 84. Recipient shall comply with A.R.S. § 35-181.03 if any state funds are paid through this Agreement. Recipient agrees to

rectify issues identified in audits within ADOH prescribed time periods. Failure to comply shall result in withholding of all present and future ADOH provided funds.

### **Section 31. AUDIT EXCEPTIONS**

If federal or state audit exceptions are made relating to this Agreement, Recipient shall reimburse all costs incurred by the State of Arizona and ADOH associated with defending against the audit exception or performing an audit or follow-up audit including but not limited to: audit fees, court costs, attorneys' fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments, and all other costs of whatever nature.

Immediately upon notification from ADOH, Recipient shall reimburse the amount of the audit exception and any other related costs directly to ADOH as specified by ADOH in the notification.

### **Section 32. UNALLOWABLE USE OF FUNDS**

Recipient, its officers, employees and agents, shall not utilize any of the federal funds or HTF provided under this Agreement to solicit or influence, or attempt to solicit or influence, directly or indirectly, any member of Congress regarding pending or prospective legislation.

### **Section 33. INTEREST OF MEMBERS OF DEPARTMENT OF HOUSING AND OTHERS**

No officer or employee of ADOH and no public official, employee or member of the governing body of Recipient who exercises any functions or responsibilities in review or approval of the undertaking or carrying out of the Agreement shall participate in any decision relating to this Agreement which affects their personal interest or the interest of any corporation, partnership, or association in which they are directly or indirectly interested, or have any interest, direct or indirect, in this Agreement or its proceeds.

### **Section 34. ACCESS TO RECORDS, PARTICIPANTS AND STAFF**

Recipient agrees to provide ADOH and its representatives access at any reasonable time to all participants and staff involved in this Agreement and to all records and reports involving this Agreement.

### **Section 35. IDENTIFICATION OF DOCUMENTS**

All materials used for public outreach and for informational purposes as a part of this Agreement, other than documents exclusively for internal use by ADOH, shall identify the source of federal (CDBG, HOME, SHP, SPC, HOPWA) or state (HTF) funds used as part of this Agreement as well as acknowledgement of support from ADOH.

### **Section 36. COPYRIGHT**

Reports, maps or other documents produced in whole or in part under this Agreement are works for hire and shall not be the subject of any application for copyright by or on behalf of Recipient by any employee or subcontractor of Recipient. Recipient shall advise ADOH or its designee at the time of delivery of any copyrighted or copyrightable work furnished under this Agreement, or any adversely held copyrighted or copyrightable material incorporated in any such work and of any invasion of the right of privacy therein contained.

### **Section 37. RIGHTS IN DATA**

ADOH may duplicate, use and disclose in any manner and for any purpose whatsoever, within the limits established by federal and state laws and regulations, all information relating to this Agreement.

### **Section 38. FUNDING CONDITIONS**

ADOH will make the funding assistance available to the Recipient upon execution of this Agreement by the parties. The obligation and utilization of the funding assistance provided through this Agreement are subject to the proper observation of the requirements incorporated by reference. The Recipient shall require any subcontracting entities to observe and follow all provisions of this Agreement.

### **Section 39. NON-DISCRIMINATION**

Recipient shall comply with Executive Order 99-4, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. Recipient shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, age, national origin or disability.

### **Section 40. THIRD PARTY ANTITRUST VIOLATIONS**

Recipient assigns to the State of Arizona any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the Recipient toward fulfillment of this Agreement.

### **Section 41. SCRUTINIZED BUSINESS OPERATIONS**

Pursuant to A.R.S. § 35-391.06 and 35-393.06, the Recipient certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in A.R.S. § 35-391 or and 35-393, as applicable. If the State of Arizona or the Department determines that the

Recipient submitted a false certification, the Department may impose remedies as provided by law including cancellation or termination of this Agreement.

**SECTION 42. COMPLIANCE REQUIREMENTS FOR A.R.S. § 41-4401 –  
IMMIGRATION LAWS AND E-VERIFY REQUIREMENT**

- (a) The Recipient warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: “After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)
- (b) A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the Recipient may be subject to penalties up to and including termination of the Agreement.
- (c) The Department retains the legal right to inspect the papers of any employee who works on the Agreement to ensure that the Recipient or Recipient’s subcontractor is complying with the warranty under paragraph (a).

**Section 43. INSURANCE**

During the contract period, Recipient shall purchase and maintain in full force the following insurance. All certifications of insurance must provide for a thirty (30) day notice to ADOH of cancellation, non-renewal, or material change. Proof of Insurance from the Recipient shall be provided to ADOH prior to execution of this contract and periodic certifications must be furnished at the request of the Program Specialist.

The Recipient and its Subcontractor, at Recipients’ and Subcontractors’ own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of A-, 7, local government insurance pools formed pursuant to ARS 11-952.01 or other as approved by ADOH, and licensed in the State of Arizona with policies and forms satisfactory to ADOH.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Agreement is completed satisfactorily and formally accepted; failure to do so may, at the sole discretion of ADOH, constitute a material breach of this Agreement.

The Recipient’s insurance shall be primary insurance as respects ADOH, and any insurance or self-insurance maintained by ADOH shall not contribute to it.

Recipient shall not fail to comply with the claim reporting provisions of the insurance

policies or cause any breach of an insurance policy warranty, which would affect coverage afforded under insurance policies to protect ADOH.

The insurance policies, except Worker's Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against ADOH, its agents, representatives, directors, officers, and employees for any claims arising out of the Recipient's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage, which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to ADOH under such policies. The Recipient shall be solely responsible for the deductible and/or self-insured retention, and ADOH, at its option, may require the Recipient to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit.

ADOH reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. ADOH shall not be obligated, however, to review same or to advise Recipient of any deficiencies in such policies and endorsements, and such receipt shall not relieve Recipient from, or be deemed a waiver of ADOH's right to insist on, strict fulfillment of Recipient's obligations under this Agreement.

The insurance policies, except Worker's Compensation and Professional Liability, required by this Agreement, shall name ADOH, its agents, representatives, officers, directors, officials and employees as additionally insured.

#### **43.1 Required Coverage**

**Commercial General Liability.** Recipients shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The Policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage. Coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011093 or any replacements thereof.

Such policy shall contain a severability of interest provision and shall not contain a sunset provision or commutation clause, nor any provision that would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc. Additional Insured, Form B, CG 20101185, and shall include coverage for Recipient's operations and products and completed operations.

**Automobile Liability.** Recipient shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of

not less than \$1,000,000 each occurrence with respect to the Recipient's any auto, all owned autos, scheduled autos, hired autos, non-owned autos assigned to or used in performance of the Recipient's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof).

**Worker's Compensation.** The Recipient shall carry Worker's Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Recipient's employees engaged in the performance of the work or services; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

In case any work is subcontracted, the Recipient will require the Subcontractor to provide Worker's Compensation and Employer's Liability to at least the same extent as required of the Recipient.

#### **43.2 Certificates of Insurance**

Prior to commencing work or services under this Agreement, Recipient shall furnish ADOH with Certificates of Insurance, or formal endorsements as required by the Agreement, issued by Recipient's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect.

In the event any insurance policy(ies) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the Recipient's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Agreement, a renewal certificate must be sent to ADOH fifteen (15) days prior to the expiration date.

#### **43.3 Cancellation and Expiration Notice**

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days written notice to ADOH.

### **Section 44. NOTICES**

When routine reports or correspondence is required to be sent to ADOH it shall be addressed to Arizona Department of Housing, to the attention of the assigned Program Specialist at 1110 West Washington Street, Suite 310, Phoenix, AZ 85007. Notices or correspondence regarding material changes to the contract or requests for amendment shall be addressed to the same. All correspondence regarding this Agreement must be identified by its ADOH Agreement number (which is located on the top left hand corner of the first page of this Agreement).

When notice or correspondence is required to be sent to the Recipient, it shall be addressed to:

**Gila County**  
**Attention: Malissa Buzan, Housing Services Manager**  
**5515 South apache Avenue, Suite 200**  
**Globe, Arizona 85501**

**Section 45. REGISTRATION WITH SOCIAL SERVE**

For new construction or rehabilitation of rental projects, recipient agrees to register the project with socialserve.com and keep the project listed with socialserve.com for the duration of the period of affordability as indicated in the Conditions, Covenants and Restrictions.

**Section 46. ADOH SIGNAGE**

For new construction and rehabilitation projects, Recipients must erect a sign at the project site indicating that the project is funded through the Arizona Department of Housing and indicate the sources of funds. The sign must be a minimum size of 24 inches high by 36 inches wide, include a minimum 5-inch high ADOH logo and text printed at a minimum 72 point font. An individual ADOH sign does not have to be provided if Recipient incorporates ADOH information into a larger group sign.

**Section 47. PHOTOGRAPHS**

For new construction and rehabilitation projects, Recipients are required to provide to ADOH before and after photographs of the project in digital or film format.

**THE STATE OF ARIZONA,**  
**ARIZONA DEPARTMENT OF HOUSING    GILA COUNTY**

BY:

  
\_\_\_\_\_  
Michael Traylor

TITLE: Director

BY:

  
\_\_\_\_\_  
Michael A. Pastor

TITLE: Chairman, Gila County Board of  
Supervisors

DATE:

7/5/2011

DATE:

6/28/11

Approved as to form:



Bryan B. Chambers,  
Chief Deputy County Attorney

Date: 6-28-2011

**ATTACHMENT A  
SCOPE OF WORK**

The State Housing Fund award will be comprised of HOME and *State Housing Trust Funds* and will allow Gila County (recipient) to provide Owner Occupied Housing Rehabilitation to approximately 7 owner-occupied single-family homes located throughout Gila County.

**This contract award is contingent upon:**

- A. Assistance is reserved for the following incomes:
  - a. 43% (3 household) at or below 60% of area median income;
  - b. 57% (4 households) at or below 50% of area median income; and
- B. The program will serve the following priority populations:
  - a. 28.5% (2 household) families with children under the age of 18;
  - b. 28.5% (2 households) elderly (62 years of age and older); and
  - c. 43% (3 household) set aside for physically disabled people.
- C. All owner occupied housing rehab activities must meet local code and the State rehabilitation guidelines.
- D. Maximum State Housing Fund investment per unit is \$50,000 and will include project specific administration for the unit.
- E. All Manufactured housing units must meet the following
  - a. Placed on a permanent foundation (requires certification) and is connected to permanent utility hook-ups;
  - b. Is located on land that his held in fee-simple title, or long-term ground lease with a term of at least 99 years (50yrs for tribal land); and
  - c. Meets the construction standards of 24 CFR 3280 if manufactured after June 15, 1976, or, meets applicable local and/or state codes if manufactured prior to June 15, 1976.
- F. Manufactured housing units must be permanently affixed to land owned by household and not in a leased mobile park.
- G. Satisfactory ERR and SHPO requirements completed prior to any construction activity or any expenditure of funds.

Assistance will be provided to the beneficiaries in the form of a 0% deferred forgivable loan with the following recapture periods per section 6.11.1.3 of the State Program Summary and Application Guide:

<b>Amount of State Funds Invested per Unit</b>	<b>Recapture Period</b>
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years

**Project Funds**

The State has reserved \$300,000 from the HOME Program for project funding. Approved uses include: direct construction, lead paint inspection/clearance, asbestos testing, termite and sewer inspection, title/recording fees, advertising, temporary relocation expenses, and project specific administration. All costs must be directly attributable to a specific unit.

**Administrative Funds**

The State has reserved \$30,000 from the Housing Trust Fund for general administration. Approved uses include: salaries, wages and ERE for positions identified in the application, professional services, travel, general office supplies, equipment maintenance and repair, rent and operating services.

**HOUSING PERFORMANCE REPORT**

**ATTACHMENT B**

**Recipient** \_\_\_\_\_ **Report Period** \_\_\_\_\_ **Year** \_\_\_\_\_

**Contract #** \_\_\_\_\_ October January April July

**APPLICANT/BENEFICIARY DATA**

**Homeownership Activity**

Homeownership activities are deemed completed when the mortgage closing has taken place. Homeownership counseling activities are deemed complete when the persons have completed all required counseling sessions.

**Housing - New Construction Activity**

New construction activities are deemed completed when construction is complete, final payment has been issued to all contractors and a certificate of occupancy has been issued.

**Rehabilitation Activity (including wells/septic installations for individual households; replacement of manufactured homes (mobile homes); private sewer/water hookups and meters)**

Housing rehabilitation activities are deemed complete when the rehabilitation of the unit is complete, the release of liens is signed and final payments have been issued to all contractors.

RACIAL CATEGORIES (HUD DESIGNATED)	TOTAL NUMBER OF ELIGIBLE APPLICANTS **		TOTAL HOUSEHOLDS BENEFITING***		TOTAL PERSONS BENEFITING***	
	RACIAL GROUP	*HISPANIC	RACIAL GROUP	*HISPANIC	RACIAL GROUP	* HISPANIC
WHITE						
BLACK/AFRICAN AMERICAN						
ASIAN						
AMERICAN INDIAN/ALASKAN NATIVE						
NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER						
AMERICAN INDIAN/ALASKAN NATIVE AND WHITE						
ASIAN AND WHITE						
BLACK/AFRICAN AMERICAN AND WHITE						
AMERICAN INDIAN/ALASKAN NATIVE & BLACK/AFRICAN AMERICAN						
OTHER MULTI-RACIAL						
TOTALS						

\*Hispanic HUD has designated Hispanic as an ethnic group. A household or person can be identified as both a member of a racial group and an ethnic group.

\*\* Applicant A person/household who has applied for and has been determined to be eligible to receive assistance based on the requirements specific to that program regarding income, location of home, type of home, type of rehab needed, age, family size, etc. or a person/household who has applied for a specific public service. The "applicant" may or may not receive a benefit, depending on the length of the program and the availability of funds. If multiple persons apply for housing or public services under one household application form, only one person can be deemed "applicant" and thus determines the race and ethnicity of the household. This determination can be made by the recipient.

\*\*\*Benefiting A household/person that meets the eligibility requirements of the program *and* has actually received the benefit, e.g. received a rehab loan/grant, homeownership assistance or public service being offered.

Complete chart below to show how many of the total number of households/persons benefiting were in these categories:

OTHER BENEFICIARY DATA		
TOTAL NUMBER BENEFITING:	HOUSEHOLDS BENEFITING***	PERSONS BENEFITING***
FEMALE HEAD OF HOUSEHOLDS		
ELDERLY		

**NARRATIVE**

**PART 1**

In the space below, provide a summary of the current status including significant accomplishments and milestones of each grant including, but not limited to the following specific project type information:

- For Housing activities, number of applications received, being processed and awarded; projects out to bid; under construction; status of loan portfolio; closings scheduled; persons on waiting list; etc.

**PART 2**

- Explain any variances between accomplishments (proposed and actual beneficiaries) previously reported and the accomplishments being reported this period.
- When will the project be completed? Describe the steps to be taken to ensure the completion of the project within the required timeframes.
- Provide a detailed description of any problems that are impeding the progress and/or schedule of the project and the efforts taken to resolve the problems.

Prepared by (print) \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

Phone \_\_\_\_\_

email \_\_\_\_\_









**ARIZONA DEPARTMENT OF HOUSING REQUEST FOR PAYMENT -ITEMIZED PAYMENT STATEMENT PAGE 3 OF 3**

Recipient	City of Douglas	Date	
Contract No	308-11	Contract Period: 5/15/11 to 6/1/13	Pay Req. No

Budget Line Item or Activity No	Description of Expense (List in according to funding source)	Paid (or Payable)	Date Paid	Check #	Amount of Request Column c or d	Balance paid by other source	Name of other source
Totals							

**ATTACHMENT E**

**SPECIAL CONDITIONS OF THE AGREEMENT**

Prior to any payment to Gila County for this project:

1. HRG's shall be revised and approved by ADOH and Board of Supervisors to include policies and procedures on loan closing and lien recordation process or loan servicing, including lien release procedures
2. Performance reports shall be submitted by the due date during the contract period – 15<sup>th</sup> of January, April, July, October

## ATTACHMENT F

### CERTIFICATION AND OTHER REQUIREMENTS RELATING TO TITLE I ASSISTANCE

The applicant hereby assures and certifies that:

1. It possesses legal authority to apply for Community Development Block Grant funds, and to execute the proposed program.
2. Prior to the submission of the application, the applicant's governing body has duly adopted or passed as an official act a resolution authorizing the submission of the application, including all understandings, assurances, statutes, regulations and orders contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
3. Its chief executive officer or other officer of the applicant approved by the State:
  - a. Consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified at 24 CFR 58.1(a) (3) and (a)(4), which further the purposes of NEPA insofar as the provisions of such Federal law apply to this program.
  - b. Is authorized and consents on behalf of the applicant and him(her)self to accept the jurisdiction of the federal and State courts for the purpose of enforcement of his/her responsibilities as such an official.
4. It will comply with the provisions of Executive Order 11990, relating to evaluation of flood hazards and Executive Order 11288 relating to the prevention, control and abatement of water pollution.
5. It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archeological and Historical Data Act of 1966, P.L. 93-291 (16 U.S.C. 469a-1, et.seq.).
6. It will administer and enforce the labor standard requirements of the Davis Bacon Act, as amended at 40 U.S.C. 276a-276a-5, and the Contract Work Hours and Safety Standards Act at 40 U.S.C. 327-333.
7. It will comply with the provisions of 24 CFR Part 24 relating to the employment, engagement of services, awarding of contracts or funding of any contractors or subcontractors during any period of debarment, suspension or placement in ineligibility status.
8. It shall comply with the requirements of the 1992 Lead Based Paint Poisoning Prevention Act of 42 U.S.C. 4821-4846 (also Title X of the Housing and Community Development Act of 1992) and implementing regulations at 24 CFR Part 35.
9. It will comply with the provisions of 24 CFR part 58 "Uniform Grant Administrative Requirements" and OMB Circular A-87.
10. It will comply with the American Disabilities Act and Section 504 of the Rehabilitation Act, as amended.
11. It will comply with
  - a. Title VI of the Civil Rights Act of 1964 (Pub. L. 88- 352), and the regulations issued pursuant thereto (24 CFR Part 1).
  - b. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90- 284), as amended.

- c. Section 109 of the Housing and Community Development Act of 1974.
  - d. Executive Order 11063 pertaining to equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
  - e. Executive Order 11246, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60).
  - f. Section 3 of the Housing and Urban Development Act of 1968, as amended.
  - g. Federal Fair Housing Act of 1988, P.L. 100-430.
  - h. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1973, 42 U.S.C. 6101-07, and the prohibitions against discrimination against persons with handicaps under Section 504 of the Rehabilitation Act of 1973, (P.L. 93-112), as amended, and the regulations at 24 CFR Part 8.
  - i. The requirements of the Architectural Barriers Act of 1966 at 42 U.S.C. 4151-415.
12. It will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations.
  13. It will comply with applicable conflict of interest provisions, incorporate such in all contracts and establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
  14. It will comply with the provisions of the Hatch Act which limit the political activity of employees.
  15. It will give representatives of the State, the Secretary of HUD, the Inspector General, and the General Accounting Office access to all books, accounts, records, reports, files and other papers, things, or property belonging to it or in use by it pertaining to the administration of State CDBG assistance.
  16. It will ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of violating facilities and that it will notify the State of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
  17. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Pub.L. 93-234, 87 Stat., 975, approved December 31, 1973. Section 103 (a) required, on and after March 2, 1974.
  18. It has AND WILL COMPLY WITH THE PROVISIONS OF THE STATE OF ARIZONA CITIZEN AND PUBLIC PARTICIPATION PLAN FOR THE STATE OF ARIZONA CDBG PROGRAM.
  19. It has developed plans to minimize displacement of persons as a result of activities assisted in whole or in part with CDBG funds and to assist persons actually displaced as a result of such activities, and has provided information about such plans to the public.
  20. It will not recover any capital costs of public improvements assisted in whole or in part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements **unless**:
    - a. the CDBG funds are used to pay the proportion of the fee or assessment that is financed from other revenue sources, or:
    - b. it will certify to the State in writing that it lacks sufficient CDBG funds to comply with (a) but that it will not assess properties owned by very low income persons.

21. It will provide all other funds/resources identified in the application, or any additional funds/resources necessary to complete the project as described in the application as submitted, or as may be later amended.
22. It will comply with the requirements of the Single Audit Act of 1996 and OMB Circular A-133; and if the grant is closed out prior to all funds having been audited, it shall refund to Commerce any costs disallowed as a result of any audit conducted after the date of grant closeout.
23. It hereby adopts and will enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and will enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
24. It will ensure that, to the best of the knowledge and belief of the undersigned:
  - a. no Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in the connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
  - b. if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
  - c. the undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

"This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure."

25. It shall comply with the provisions of Section 102 of the HUD Reform Act of 1989.
26. It shall ensure that efforts are made to recruit minority, disabled and woman owned businesses for its vendor/supplier lists.



**RESOLUTION NO. 11-01-01**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF GILA COUNTY, ARIZONA, AUTHORIZING THE SUBMISSION OF AN APPLICATION FOR HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) FUNDS, CERTIFYING THAT SAID APPLICATION MEETS THE COMMUNITY'S HOUSING AND COMMUNITY DEVELOPMENT NEEDS AND THE REQUIREMENTS OF THE STATE HOUSING PROGRAMS, AND AUTHORIZING ALL ACTIONS NECESSARY TO IMPLEMENT AND COMPLETE THE ACTIVITIES OUTLINED IN SAID APPLICATION.**

**WHEREAS**, the Gila County Board of Supervisors is desirous of undertaking affordable housing development activities; and

**WHEREAS**, the State of Arizona is administering the State Housing Fund Program; and

**WHEREAS**, the State Housing Fund Program requires that State Housing Funds benefit low-income households; and

**WHEREAS**, the activity in the application addresses the community's low-income population housing needs; and

**WHEREAS**, a recipient of State Housing Funds is required to comply with program guidelines, State and Federal statutes and regulations.

**NOW, THEREFORE, BE IT RESOLVED** that the Gila County Board of Supervisors authorize the submission of an application for HOME Investment Partnership Program funds to the State of Arizona for funding from the State Housing Fund, and authorize Michael A. Pastor, Chairman of the Gila County Board of Supervisors, to sign the application and contract or grant documents for receipt and use of these funds, and also authorize David Fletcher, Community Services Division Director, to take all actions necessary to implement and complete the activities submitted in said application; and

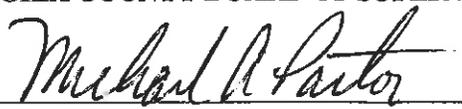
**BE IT FURTHER RESOLVED** that the Gila County Board of Supervisors will comply with all State Housing Fund Program Guidelines, State and Federal statutes and regulations applicable to the State Housing Fund Program (HOME program and/or State Housing Trust Fund) and the certifications contained in the application.

**PASSED AND ADOPTED** this 4<sup>th</sup> day of January 2011, at Globe, Gila County, Arizona

Attest:

  
Marian Sheppard, Chief Deputy Clerk

**GILA COUNTY BOARD OF SUPERVISORS**

  
Michael A. Pastor, Chairman

ORIGINAL TO  
STATE CDBG

State of Arizona  
Arizona Department of Housing  
Community Development Block Grant (CDBG) Program  
DESIGNATION OF DEPOSIT OF GRANT FUNDS (F-1)

Funding Agreement Number(s) 308-11

Grantee/Recipient: Gila County  
Address: 5515 S. Apache Ave., Suite 200  
City: Globe  
State: Arizona  
Zip: 85501

Funds shall be deposited by the grantee to:

J.P. Morgan Chase Bank

Gila County Treasurer, #11804047

Name of Financial Institution

Account Name/Number

- A.  Check this box if payment to be mailed to grantee  
B.  Check this box if payment to be sent electronically (direct deposit).

Note: If Box B checked, GA0-618 Automated clearinghouse (ACH) Vendor Authorization must be sent to ADOH.

Account number by which CDBG funds will be recorded in grantee financial records: 2000.171.3310.00  
194-01-17100-4402

Leverage account number, if applicable: N/A

I certify that CDBG funds shall be deposited as specified above; shall not be deposited in an interest bearing account (unless all requests for payment shall be on a reimbursement basis); and shall be deposited in an FDIC-insured financial institution.

Michael A. Pastor

Typed Name of Chief Elected Official

Signature of Chief Elected Official

Chairman, Gila County Board of Supervisors

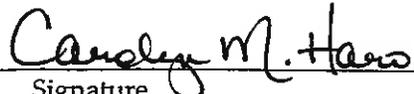
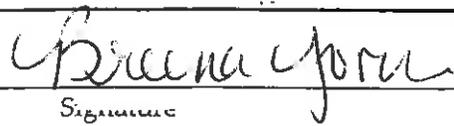
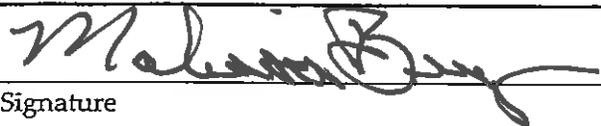
Title

Date

F-1 (11/06)

State of Arizona  
Arizona Department of Housing  
Community Development Block Grant (CDBG) Program

**AUTHORIZED SIGNATURE CARD  
FOR REQUESTS FOR PAYMENT ON CDBG ACCOUNT (F-2)**

Grantee	Funding Agreement Number(s)
<b>SIGNATURES OF INDIVIDUALS AUTHORIZED TO REQUEST FUNDS ON THE CITED CDBG FUNDING AGREEMENTS(s):</b>	
① 	5/24/2011
Signature David J.H. Fletcher	Date Director
Typed Name	Title
② 	5/24/2011
Signature Carolyn M. Haro	Date Manager, Community Services
Typed Name	Title
③ 	5/24/2011
Signature Breena York	Date Fiscal Services Manager
Typed Name	Title
④ 	5/24/2011
Signature Malissa Buzan	Date Housing Services Program Manager
Typed Name	Title

I certify that the signatures above are of the individuals authorized to request payments for the cited contract, and that I as the Chief Elected Official (Mayor/County Board Chairperson) have the authority to designate these individuals to take such action.

\_\_\_\_\_  
Signature OF Chief Elected Official

\_\_\_\_\_  
Date

Michael A. Pastor

Chairman, Gila County Board of Supervisors

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Title

F-2 (11/06)

ORIGINAL TO  
STATE CDBG

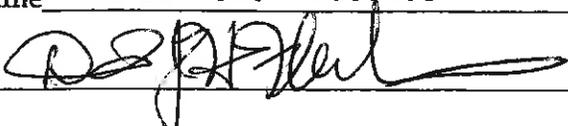
STATE OF ARIZONA  
DEPARTMENT OF HOUSING  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

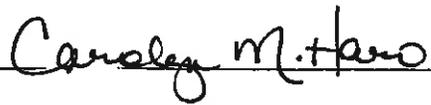
GRANTEE \_\_\_\_\_ FUNDING AGREEMENT NUMBER(S) \_\_\_\_\_

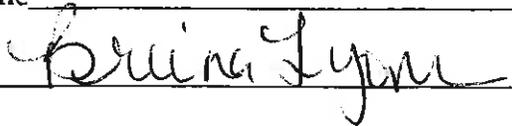
AUTHORIZED SIGNATURE CARD FOR ALL ADMINISTRATIVE ACTIONS  
PERTAINING TO CDBG FUNDING AGREEMENTS

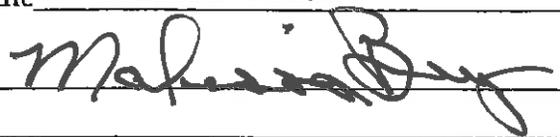
ONLY ONE SIGNATURE REQUIRED (additional recommended to ensure signatory availability)

SIGNATURE(S) OF AUTHORIZED INDIVIDUAL(S)

Typed Name David J.H. Fletcher Title Director  
Signature  Date 5/24/2011

Typed Name Carolyn M. Haro Title Manager, Community Services  
Signature  Date 5/24/2011

Typed Name Breana L. York Title Fiscal Services Manager  
Signature  Date 5/24/2011

Typed Name Malissa Buzan Title Housing Services Program Manager  
Signature  Date 5/24/2011

I CERTIFY THAT THE SIGNATURES ABOVE ARE THOSE OF THE INDIVIDUALS WHO MAY AUTHORIZE ADMINISTRATIVE ACTIONS FOR THE CITED CONTRACT AND THAT I AS THE CHIEF ELECTED OFFICIAL HAVE THE AUTHORITY TO DESIGNATE THESE INDIVIDUALS TO TAKE SUCH ACTION.

Typed Name Michael A. Pastor Title of Chief Elected Official Chairman,  
Gila County Board of Supervisors  
Signature \_\_\_\_\_ Date \_\_\_\_\_



State of Arizona - Department of Administration - General Accounting Office (GAO)  
 ACH Vendor Authorization - Attn: Vendor Setup - 100 N 15th Ave, STE 302, Phoenix, AZ 85007

Please notify all State agencies that you do business with of any ACH requests

**REQUEST TYPE**  
 New    Change    Cancellation, Cancellation Reason:

**PAYEE IDENTIFICATION**  
 Federal Employer's Identification Number (EIN) 86 - 6000444  
 OR State Employee EIN   
 OR Social Security Number (SSN)  -  -

Disclosure of your social security number is voluntary pursuant to 42 U.S.C. 405(c)(2)(C). The State of Arizona will use your SSN or EIN to file required information returns with the Internal Revenue Service.

Payee's Name Gila County Community Services Phone 928-425-7631 Ext 8667  
 Address 1400 E. Ash Street City Globe State AZ Zip Code 85501

**CHANGE INFORMATION-FOR CHANGE REQUEST ONLY**  
 Changing:  Financial Institution    Account Type    Account Number    Authorized Signers  
 Previous Financial Institution:    Previous Account Type:  Checking    Savings   Previous Account Number:

**AUTHORIZATION FOR NEW SETUP, CHANGE(S) OR CANCELLATION**  
 Pursuit to A.R.S. Sec. 35-185, I authorize the Arizona Department of Administration (ADOA), General Accounting Office (GAO) to process payments owed to me by the State of Arizona (State) via Automated Clearing House (ACH) deposits. The State shall deposit the ACH payments in the financial institution and account designated below. **I recognize that if I fail to provide complete and accurate information on this authorization form, the processing of the form may be delayed or made impossible, or my electronic payments may be erroneously made.**  
**I authorize the State to withdraw from the designated account all amounts deposited electronically in error.** If the designated account is closed or has an insufficient balance to allow withdrawal, then I authorize the State to withhold any payment owed to me by the State until the erroneous deposited amount are repaid. If I decide to change or revoke this authorization, I recognize that I must forward such notice to the ADOA-GAO. The change or revocation is effective on the day the ADOA-GAO processes the request.  
 I certify that I agree to comply with the State's rules governing payments and electronic transfers as they exist on the date of my signature on this form or as subsequently adopted, amended, or repealed. I consent to, and agree to, comply with these rules even if they conflict with this authorization form.  
 I authorize the State to stop making electronic transfers to my account without advance notice.  
 I certify that I am authorized to contract for the entity receiving deposits pursuant to this agreement, that all information provided is accurate.

Name Preena L. York Authorized Signature (Required) *Preena York* Title Fiscal Services Manager Date 5/24/2011

**Additional Authorized Signers**

Name	Authorized Signature	Title	Date

I would like to receive addendum records in the following format:  CTX    CCD    CCD+  
 Please Note: If your financial institution is unable to receive addendum information, detailed information can be obtained online at <http://venpay.gao.azdoa.gov>.  
 \_\_\_\_\_ If State Employee, attach a cancelled check here \_\_\_\_\_

**FINANCIAL INSTITUTION (Must be completed by a financial institution representative) -FOR NEW OR CHANGE REQUEST ONLY**

Financial Institution Name JP Morgan Chase Phone 602-221-2960 Ext    
 Address P.O. Box 71 City Phoenix State AZ Zip Code 85001-0071  
 Routing Transit # 1221-0002-4 Customer Account # 11804047 Account Type  Checking    Saving  
 Financial Institution Representative Name Tonique Smith Title CSP  
 Signature (Required) see attached Date   Phone   Ext  

**GAO USE ONLY**

Verified by and date	Entered by and date	Vendor #	MC
Prenote date	Input verified by	Approved by	



**State of Arizona - Department of Administration - General Accounting Office (GAO)**  
**ACH Vendor Authorization - Attn: Vendor Setup - 100 N 15th Ave, STE 302, Phoenix, AZ 85007**

*Please notify all State agencies that you do business with of any ACH requests*

**REQUEST TYPE**  
 New     Change     Cancellation, Cancellation Reason:

**PAYEE IDENTIFICATION**  
 Federal Employer's Identification Number (EIN) 85-6000444    Disclosure of your social security number is voluntary pursuant to 42 U.S.C. 405(c)(2)(C). The State of Arizona will use your SSN or EIN to file required information returns with the Internal Revenue Service.  
 OR State Employee EIN     
 OR Social Security Number (SSN)    -    -   

Payee's Name Gila County Community Services    Phone 928-7631    Ext 8667  
 Address 1400 E. Ash Street    City Globe    State AZ    Zip Code 85501

**CHANGE INFORMATION FOR CHANGE REQUEST ONLY**  
 Changing:     Financial Institution     Account Type     Account Number     Authorized Signers  
 Previous Financial Institution:     Previous Account Type:  Checking     Savings    Previous Account Number:

**AUTHORIZATION FOR NEW SETUP, CHANGE(S) OR CANCELLATION**  
 Pursuant to A.R.S. Sec. 37-106, I authorize the Arizona Department of Administration (ADOA), General Accounting Office (GAO) to process payments owed to me by the State of Arizona (State) via Automated Clearing House (ACH) deposits. The State shall deposit the ACH payments in the financial institution and account designated below. I recognize that if I fail to provide complete and accurate information on this authorization form, the processing of the form may be delayed or made impossible, or my electronic payments may be erroneously made.  
 I authorize the State to withdraw from the designated account all amounts deposited electronically in error. If the designated account is closed or has an insufficient balance to allow withdrawal, then I authorize the State to withhold any payment owed to me by the State until the erroneous deposited amount are repaid. If I decide to change or revoke this authorization, I recognize that I must forward such notice to the ADOA-GAO. The change or revocation is effective on the day the ADOA-GAO processes the request.  
 I certify that I agree to comply with the State's rules governing payments and electronic transfers as they exist on the date of my signature on this form or as subsequently adopted, amended, or repealed. I consent to, and agree to, comply with these rules even if they conflict with this authorization form.  
 I authorize the State to stop making electronic transfers to my account without advance notice.  
 I certify that I am authorized to contract for the entity receiving deposits pursuant to this agreement, that all information provided is accurate.

Name	Authorized Signature (Required)	Title	Date
Breana L. York	<i>Breana L. York</i>	Fiscal Services Manager	
Additional Authorized Signers			
Name	Authorized Signature	Title	Date
Name	Authorized Signature	Title	Date
Name	Authorized Signature	Title	Date

I would like to receive addendum records in the following format:     CTX     CCD     CCD+  
 Please Note: If your financial institution is unable to receive addendum information, detailed information can be obtained online at <http://venpay.gao.azdhs.gov>.  
 \_\_\_\_\_ If State Employee, attach a cancelled check here

**FINANCIAL INSTITUTION (Must be completed by a financial institution representative) -FOR NEW OR CHANGE REQUEST ONLY**

Financial Institution Name <u>JP Morgan Chase</u>	Phone <u>602-221-2960</u>	Ext
Address <u>P.O. Box 71</u>	City <u>Phoenix</u>	State <u>AZ</u> Zip Code <u>85001-0071</u>
Routing Transit # <u>1221-0002-4</u>	Customer Account # <u>11804047</u>	Account Type <input checked="" type="radio"/> Checking <input type="radio"/> Saving
Financial Institution Representative Name <u>Tonique Smith</u>	Title <u>CSP</u>	
Signature (Required) <i>Tonique Smith</i>	Date <u>5/18/11</u>	Phone <u>602-221-2960</u> Ext

**GAO USE ONLY**

Verified by and date	Entered by and date	Vendor #	MC
Prenote date	Input verified by	Approved by	

**ACH VENDOR AUTHORIZATION FORM  
INSTRUCTIONS**

**SECTION 1. TRANSACTION TYPE *(Required)***

**Note:** Any requests for ACH payments into multiple accounts should be submitted to the GAO Vendor Setup Section. The State Comptroller will determine on a case-by-case basis whether to approve ACH payments to multiple accounts.

- **New Setup.** Check the new setup box. Complete Sections 2 and 3, and have your financial institution complete Section 4.
- **Change.** Check the applicable box (e.g., change financial institution, change account number or change account type). Complete Sections 2 and 3, and have your financial institution complete Section 4.
- **Cancellation.** Check the cancellation box. Complete Sections 2, 3 and 5.

**SECTION 2. PAYEE IDENTIFICATION *(Required)***

Complete blocks 1, 2, 3, 4 and 5 which are self-explanatory.

**SECTION 3. AUTHORIZATION FOR SETUP, CHANGES, OR CANCELLATION *(Required)***

Complete blocks 7-9 and check the applicable box about whether your financial institution can process CTX transactions. If your financial institution cannot process CTX transactions, you may not be able to receive the information that will accompany the payment (invoice number, date, agency paying, etc). You will want to consider this in determining whether or not to participate in State ACH payments at this time.

**SECTION 4. FINANCIAL INSTITUTION *(Required for new requests and changes)***

Have your financial institution complete blocks 10-20 which are self-explanatory. This is to verify the name of your financial institution, the routing transaction identifier and your account number.

**SECTION 5. CANCELLATION *(Required for cancellations)***

Please indicate the reason(s) for canceling your ACH authorization.

**SECTION 6. GAO USE ONLY - DO NOT COMPLETE**

Blocks 23 - 29 are to be completed by the GAO only.

STATE OF ARIZONA  
AUTOMATED CLEARING HOUSE (ACH) PAYMENT  
VENDOR INFORMATION PACKET

**SECTION 1. DEFINITIONS**

The following terms used in this information packet have the meanings indicated unless the context clearly indicates otherwise.

Automated Clearing House (ACH) - a central distribution and settlement point for clearing the electronic credit and debit transactions between financial institutions.

American Clearing House Association (ACHA) - a regional association that provides rules and guidelines for the efficient operation of the ACH network.

ACH payment - a payment made to a vendor by way of direct deposit to the vendor's bank account as an alternative to issuing a warrant.

Addendum Record - an ACH record type that carries supplemental data needed to completely identify an account holder or to provide information concerning an ACH payment.

Arizona Financial Information System (AFIS) - the accounting system used by the State of Arizona for making payments to vendors.

A.R.S. - Arizona Revised Statutes.

Business Day - any day on which financial institutions are open for business with the public.

CCD - cash concentration or disbursement, the format of ACH payment without any addenda information.

CCD+ - cash concentration or disbursement, the format of ACH payment with addenda information allowing up to one addendum record per payment record. Due to the limitation on the length of the addendum record, only the contact telephone number of the paying entity is included as payment related information.

Confirmation Letter - a letter sent by the GAO Vendor Group that verifies the accuracy of the first ACH payment generated for a vendor.

Credit Entry - an electronic funds transfer (EFT) to deposit funds into an EFT account.

CTX Format - the format of ACH payment with addenda information allowing up to 9,999 addendum records per payment record.

Debit Entry - a reversal of a credit entry.

STATE OF ARIZONA  
AUTOMATED CLEARING HOUSE (ACH) PAYMENT  
VENDOR INFORMATION PACKET

EFT Account - an account that had been designated in accordance with this section to receive credit entries from paying State agencies.

General Accounting Office (GAO) - part of the Department of Administration responsible for oversight of the payment processing system including ACH.

National Automated Clearing House Association (NACHA) - sets the operating rules and procedures for users of the ACH direct deposit system.

Payee - see Vendor.

Paying State Agency - with respect to a particular credit or debit entry, the State agency that initiates the entry.

Pre-note Record - a \$0.00 test transmittal of each vendor's direct deposit information. Pre-notes are sent for initial ACH setup, changes in financial institution or account information and re-activation of vendor ACH profiles.

Rules - the requirements of the National Automated Clearing House Association, Arizona Clearing House Association, Federal Reserve System's Regulation E and the State Comptroller's rules for ACH payments.

Settlement Date - the date the vendor's financial institution credits the vendor's individual account.

State - the State of Arizona.

State Agency - any Department, Authority, Board, Commission, Council, Administration, Court, Registrar, Office, Institution or other Arizona entity in the Executive, Legislative or Judicial branch.

Vendor - an individual, entity, annuitant or state employee (for non-payroll transactions) that receives a payment from the State of Arizona.

STATE OF ARIZONA  
AUTOMATED CLEARING HOUSE (ACH) PAYMENT  
VENDOR INFORMATION PACKET

## SECTION 2. THE ELECTRONIC SYSTEM

The State of Arizona implemented ACH payment processing throughout the State in February of 2001.

The electronic payment method used by the State is called the Automated Clearing House (ACH), which is an alternative to issuing warrants to vendors for payment. The State uses the American Clearing House Association's (ACHA) ACH system. The ACHA serves as the clearing house and processes electronic payments to the vendors' accounts. The ACHA authorizes only certain financial institutions to originate electronic payments through their systems. Therefore, the GAO uses an authorized originator, the State servicing bank, to process these payments through the ACH system.

## SECTION 3. ACH APPROVAL PROCESS

Vendors doing business with the State of Arizona who desire to receive ACH payments must complete an ACH Vendor Authorization Form (GAO-618). The state agencies will provide the ACH Vendor Authorization Form (GAO-618) to new ACH vendors along with a vendor set up package. Vendors can also obtain a copy of this form at the GAO's website at [www.gao.state.az.us](http://www.gao.state.az.us). After completion, the form should be submitted to the GAO for processing. Vendors only need to complete one ACH Vendor Authorization Form (GAO-618) to receive payments from multiple state agencies. Any changes in financial institution or account number will require a new ACH Vendor Authorization Form (GAO-618).

Vendors should be willing to receive all ACH payments into a single checking or savings account. Approval for requests to receive ACH payments into multiple accounts will be determined on a case-by-case basis by the State Comptroller.

Vendors will receive ACH payments with the format indicated on their ACH Vendor Authorization Form (GAO-618). The acceptable ACH formats are CTX, CCD, and CCD+. These addendum records contain the detailed supporting payment information such as the name of the paying agency, the claim number, the purchase order number, the vendor invoice number/date and the payment amount. Detailed payment information can also be viewed online at <http://venpay.gao.azdoa.gov>

The GAO will verify the completeness of the data on the ACH Vendor Authorization Form (GAO-618) and for update to the AFIS vendor file. After a successful update, the GAO will transmit a pre-note record to the State servicing bank. The State servicing bank will process the pre-note record through the ACHA for verification of the vendor's account. The GAO will allow 15 days for the pre-note to be verified. If negative notification is not received, the vendor will be approved to receive their first ACH payment after the 15 day pre-note period.

STATE OF ARIZONA  
AUTOMATED CLEARING HOUSE (ACH) PAYMENT  
VENDOR INFORMATION PACKET

The GAO will send a confirmation letter to each vendor after the first ACH payment has been made. The letter will identify payment information (invoice number, amount and payment number) for the vendor to verify that the deposit was credited properly to the correct bank account. Vendors must sign and return the confirmation letter to GAO within 90 days of their first ACH payment. No future ACH payments will be made until a signed confirmation letter has been returned by the vendor. If the vendor does not sign and return the confirmation letter within 90 days, the GAO will inactivate the vendor's ACH mail code. Vendors with inactivated ACH mail codes will need to submit a new ACH Authorization Form (GAO-618) to restart the ACH approval process.

#### **SECTION 4: ACH PAYMENT PROCESS**

The various steps of an ACH payment from the GAO to a vendor's account are indicated below:

- Step 1: State agencies submit their vendor claims for ACH payment issuance through AFIS using the ACH approved vendor number and mail code on the claim.
- Step 2: The GAO transmits a daily file with detailed ACH payment data to the State servicing bank. The State servicing bank transmits the information to the ACHA. The ACHA determines the routing for each ACH payment to properly credit the vendor's account by using the unique 9-digit routing number assigned to each financial institution.
- Step 3: On the settlement date of the electronic payment, two business days after transmission to the State servicing bank, the vendor's financial institution will credit the vendor's bank account. The funds should be available to vendors at the opening of business on the settlement date. Vendors should contact their financial institutions to determine their policies for posting ACH payments.

It should be noted that if the paying State agency determines that an erroneous credit ACH entry was made to a vendor, the State agency must immediately submit an ACH Payment Reversal Form (GAO PM-ACH1) to the GAO to reverse the credit. The GAO will then transmit an electronic debit entry to the State servicing bank for the erroneous payment. The State servicing bank will credit the State's account and transmit the debit entry to the vendor's financial institution. Upon verification that the vendor's financial institution returned the funds to the State servicing bank, the GAO will transfer the funds back to the appropriate State agency.



*GILA COUNTY ATTORNEY*  
*Bradley D. Beauchamp*

Re: County Attorney's Office approval of IGA pursuant to A.R.S. § 11-952(D).

To whom it may concern:

The County Attorney's Office has reviewed the Intergovernmental Agreement attached to this agenda item and has determined that it is in its "proper form" and "is within the powers and authority granted under the laws of this state to such public agency or public procurement unit" pursuant to A.R.S. § 11-952(D).

**Explanation of the Gila County Attorney's Office Intergovernmental Agreement (IGA) Review**

A.R.S. § 11-952(D) requires that

every agreement or contract involving any public agency or public procurement unit of this state . . . before its execution, shall be submitted to the attorney for each such public agency or public procurement unit, who shall determine whether the agreement is in proper form and is within the powers and authority granted under the laws of this state to such public agency or public procurement unit.

In performing this review, the County Attorney's Office reviews IGAs to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the IGA. That approval is solely the province of the public agency through its elected body.

Likewise, this approval is not a certification that the IGA has been properly executed. Proper execution can only be determined after all the entities entering into the IGA have taken legal action to approve the IGA. There is no statutory requirement for the County Attorney's Office to certify that IGAs are properly executed.

Nonetheless, it is imperative for each public agency to ensure that each IGA is properly executed because A.R.S. § 11-952(F) requires that "[a]ppropriate action ... applicable to the governing bodies of the participating agencies approving or extending the duration of the ... contract shall be necessary before any such agreement, contract or extension may be filed or become effective." This can be done by ensuring that the governing body gives the public proper notice of the meeting wherein action will be taken to approve the IGA, that the item is adequately described in the agenda accompanying the notice, and that the governing body takes such action. Any questions regarding whether the IGA has been properly executed may be directed to the County Attorney's Office.

Proper execution of IGAs is important because A.R.S. § 11-952(H) provides that "[p]ayment for services under this section shall not be made unless pursuant to a fully approved written contract." Additionally, A.R.S. § 11-952(I) provides that "[a] person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment."

The public agency or department submitting the IGA for review has the responsibility to read and understand the IGA in order to completely understand its obligations under the IGA if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the IGA as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor IGA compliance. Hence the public entity or submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the IGA will be necessary to monitor compliance.

Before determining whether an IGA contract "is in proper form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the IGA for review to ask any specific questions or address any concerns it has about the IGA to the County Attorney's Office at the same time they submit the IGA for review. Making such an inquiry also helps improve the County Attorney's Office review of the IGA because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the IGA.

**ARF-1920**

**Consent Agenda Item 4- L**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted For:** Malissa Buzan, Community Services Division Director  
**Submitted By:** Cecilia Bejarano, Executive Administrative Assistant, Community Services Division

**Department:** Community Services Division **Division:** GEST Department

---

Information

Request/Subject

Amendment No. 2 and Amendment No. 3 to Contract No. DE126000-001 with Arizona Department of Economic Security.

Background Information

Gila Employment and Special Training (GEST) coordinates with county, state and federal governments in a joint effort to better serve the citizens of Gila County. The Demonstration Project began in 1975 and was founded on the principle of "acceptance". Establishing community acceptance of the individuals with disabilities is and always will be our priority. In 1996, the program name was changed to Gila Employment and Special Training, but our goal remains the same as we provide daily living skills and employment supports to all GEST clients.

Evaluation

Amendment No. 2 to Contract No. DE126000-001 will add Section 11.2 which pertains to confidentiality.

Amendment No. 3 pertains to the Rehabilitation Services Administration (RSA) Fee Schedule for year 3 which states the rates are not adjusted and shall remain the same until notice is made by amendment.

Conclusion

By the Board of Supervisors approving these amendments, Gila County GEST Program will be in compliance with said contract.

Recommendation

The Community Services Director recommends that the Board of Supervisors approve Amendment No. 2 and Amendment No. 3 to Contract No. DE126000-001.

Suggested Motion

Approval of Amendment No. 2 and Amendment No. 3 to Contract No. DE126000-001 between the Arizona Department of Economic Security and the Gila County Division of Community Services, Gila Employment and Special Training Program, (GEST), whereas Amendment No. 2 will add Section 11.2 which pertains to confidentiality, effective upon the date of last signature through June 30, 2014 and Amendment No. 3 which pertains to the Rehabilitation Services Administration (RSA) Fee Schedule for year 3, stating the rates are not adjusted and shall remain the same until notice is made by amendment, effective July 1, 2013, and ending June 30, 2014.

---

Attachments

Amendment No. 3 to Contract No. DE126000-001 Arizona Department of Economic Security

Amendment No. 2 to Contract No. DE126000-001 Arizona Department of Economic Security

contract no. DE126000-001 Arizona Department of Economic Security

Legal Explanation



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

CONTRACT AMENDMENT

1. CONTRACTOR (Name and address)  GILA COUNTY dba Gila Employment and Special Training 5515 S Apache St, Ste 200 Globe, AZ 85501	2. CONTRACT ID NUMBER DE126000-001  3. AMENDMENT NUMBER 3
--	---

4. THE PARTIES AGREE TO THE FOLLOWING AMENDMENT

Pursuant to the UNIFORM TERMS AND CONDITIONS, Section 5, "Contract Changes," Paragraph 5.1, "Amendments," the RSA Fee Schedule for year 3, effective July 1, 2013 and ending June 30, 2014, is postponed.

The rates are not adjusted and shall remain the same until notice is made by amendment.

5. In accordance with A.R.S. § 35-393.06, the Contractor certifies that the Contractor does not have scrutinized business operations in Iran.

In accordance with A.R.S. § 35-391.06, the Contractor certifies that the Contractor does not have scrutinized business operations in Sudan.

6. EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE AMENDMENT SHALL BECOME EFFECTIVE ON THE DATE OF LAST SIGNATURE UNLESS OTHERWISE SPECIFIED HEREIN. BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.

7. ARIZONA DEPARTMENT OF ECONOMIC SECURITY  
SIGNATURE OF AUTHORIZED INDIVIDUAL

8. NAME OF CONTRACTOR  
GILA COUNTY  
SIGNATURE OF AUTHORIZED INDIVIDUAL

TYPED NAME  
Francine Whittington

TITLE  
Manager, Contract Administration Unit

DATE

TYPED NAME

Michael A. Pastor  
TITLE Chairman, Gila County Board of Supervisors

DATE

**ATTEST:**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Marian E. Sheppard  
Clerk of the Board

**Approved as to form:**

\_\_\_\_\_ **Date:** \_\_\_\_\_  
Bryan B. Chambers  
Deputy Attorney Principal



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

CONTRACT AMENDMENT

1. CONTRACTOR (Name and address)  GILA COUNTY dba Gila Employment and Special Training 5515 S Apache St, Ste 200 Globe, AZ 85501	2. CONTRACT ID NUMBER DE126000-001  3. AMENDMENT NUMBER 2
--	---

4. THE PARTIES AGREE TO THE FOLLOWING AMENDMENT

Pursuant to the UNIFORM TERMS AND CONDITIONS, Section 5, "Contract Changes," Paragraph 5.1, "Amendments," the following is added to Section 11.0, CONFIDENTIALITY, of the DES Special Terms and Conditions:

11.2 The Contractor shall comply with the requirements of the Arizona Address Confidentiality Program, A.R.S. §41-161 et. seq. The Arizona Department of Economic Security will advise the Contractor as to applicable policies and procedures the Arizona Department of Economic Security has adopted for such compliance.

5. In accordance with A.R.S. § 35-393.06, the Contractor certifies that the Contractor does not have scrutinized business operations in Iran.

In accordance with A.R.S. § 35-391.06, the Contractor certifies that the Contractor does not have scrutinized business operations in Sudan.

6. EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AS HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT. THE AMENDMENT SHALL BECOME EFFECTIVE ON THE DATE OF LAST SIGNATURE UNLESS OTHERWISE SPECIFIED HEREIN. BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.

7. ARIZONA DEPARTMENT OF ECONOMIC SECURITY SIGNATURE OF AUTHORIZED INDIVIDUAL	8. NAME OF CONTRACTOR GILA COUNTY SIGNATURE OF AUTHORIZED INDIVIDUAL
--	--

TYPED NAME <b>Elizabeth G. Csaki, CPPB</b>  TITLE <b>Manager, Contract Administration Unit</b>  DATE	TYPED NAME <b>Michael A. Pastor</b>  TITLE <b>Chairman, Gila County Board of Supervisors</b>  DATE
--	--

ATTEST:

\_\_\_\_\_ Date: \_\_\_\_\_  
Marian E. Sheppard  
Clerk of the Board

Approved as to form:

\_\_\_\_\_ Date: \_\_\_\_\_  
Bryan B. Chambers  
Deputy Attorney Principal



DEPARTMENT OF ECONOMIC SECURITY  
Your Partner For A Stronger Arizona

Contract between the Department of Economic Security (the "Department") and  
Gila County dba Gila Employment & Special Training  
(the "Contractor").

WHEREAS the Contractor is:

- a Non-profit Organization as defined in Office of Management and Budget (OMB) Circular A-122;
- a For-profit Organization; and

WHEREAS the Department is duly authorized to execute and administer contracts under A.R.S. §41-1954;

THEREFORE the Department and Contractor agree to abide by all the terms and conditions set forth in this Contract.

Contract Term: This contract shall be effective on the date of last signature, and shall end on June 30, 2014, unless extended in accordance with DES Special Terms and Conditions.

BY SIGNING THIS FORM ON BEHALF OF THE CONTRACTOR, THE SIGNATORY CERTIFIES HE/SHE HAS THE AUTHORITY TO BIND THE CONTRACTOR TO THIS CONTRACT.

FOR AND ON BEHALF OF THE ARIZONA  
DEPARTMENT OF ECONOMIC SECURITY:

FOR AND ON BEHALF OF THE CONTRACTOR:

Cathie G. Rodman  
Procurement Manager Signature

Michael A. Pastor  
Signature of Authorized Individual

Cathie G. Rodman  
Typed Name

Michael A. Pastor  
Typed Name

Manager, Solicitation Unit  
Title

Chairman, Gila County Board of Supervisors  
Title

6-3-11  
Date

4/19/11  
Date

DES Contract I.D. No.: DE126000-001

Contractor FEI Number: 86-6000444  
Contractor Mailing Address:

5515 South Apache Ave. Suite 200  
Globe, AZ 85501

Contact Name: David B. Caddell  
Title: Program Manager  
Phone Number: 928 425-7631  
Fax Number: 928 425-9468  
E-Mail Address: dcaddell@co.gila.az.us

Approved as to form:

  
\_\_\_\_\_  
Signature

**Bryan B. Chambers**  
\_\_\_\_\_  
Typed Name

**Chief Deputy County Attorney**  
\_\_\_\_\_  
Title

**4/19/2011**  
\_\_\_\_\_  
Date

## UNIFORM TERMS AND CONDITIONS

Version 8

### 1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1. *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4. *"Contractor"* means any person who has a Contract with the State.
- 1.5. *"Days"* means calendar days unless otherwise specified.
- 1.6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7. *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8. *"Materials"* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10. *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13. *"State Fiscal Year"* means the period beginning with July 1 and ending June 30.

### 2. Contract Interpretation

- 2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.

- 2.2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
  - 2.3.1. Special Terms and Conditions;
  - 2.3.2. Uniform Terms and Conditions;
  - 2.3.3. Statement or Scope of Work;
  - 2.3.4. Specifications;
  - 2.3.5. Attachments;
  - 2.3.6. Exhibits;
  - 2.3.7. Documents referenced or included in the Solicitation.
- 2.4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

### 3. **Contract Administration and Operation**

- 3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract.

The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

- 3.5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.
- 3.9. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
- 3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.
- 3.11 Scrutinized Businesses. In accordance with A.R.S. § 35-391 and A.R.S. § 35-393, Contractor certifies that the Contractor does not have scrutinized business operations in Sudan or Iran.

- 3.12 Offshore Performance of Work Prohibited. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

#### 4. **Costs and Payments**

- 4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3. Applicable Taxes.
- 4.3.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.3.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 4.3.3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 4.3.4. IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.
- 4.4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- 4.5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
- 4.5.1. Accept a decrease in price offered by the contractor;
- 4.5.2. Cancel the Contract; or
- 4.5.3. Cancel the contract and re-solicit the requirements.

#### 5. **Contract Changes**

- 5.1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment

within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

- 5.2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
  - 5.3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.
6. **Risk and Liability**
- 6.1. Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
  - 6.2. Indemnification
    - 6.2.1. Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.
    - 6.2.2. Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."
  - 6.3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
  - 6.4. Force Majeure
    - 6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing,

force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

- 6.4.2. Force Majeure shall not include the following occurrences:
  - 6.4.2.1. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;
  - 6.4.2.2. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
  - 6.4.2.3. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- 6.4.3. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- 6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.
- 6.5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

## 7. Warranties

- 7.1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
- 7.2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
  - 7.2.1. Of a quality to pass without objection in the trade under the Contract description;
  - 7.2.2. Fit for the intended purposes for which the materials are used;
  - 7.2.3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
  - 7.2.4. Adequately contained, packaged and marked as the Contract may require; and
  - 7.2.5. Conform to the written promises or affirmations of fact made by the Contractor.

- 7.3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- 7.4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5. Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- 7.6. Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.6.1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.6.2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

**8. State's Contractual Remedies**

- 8.1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2. Stop Work Order.
- 8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default

under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

- 8.5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

## 9. Contract Termination

- 9.1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- 9.5. Termination for Default.
- 9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. **Contract Claims**

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11. **Arbitration**

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12. **Comments Welcome**

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15<sup>th</sup> Avenue, Suite 201, Phoenix, Arizona, 85007.

**ARIZONA DEPARTMENT OF ECONOMIC SECURITY  
SPECIAL TERMS AND CONDITIONS  
Professional Services/Auto /Children-Vulnerable Adult – RSA Fee Schedule  
Three Year with Option**

- 1.0 **Definition of Terms.** In addition to the terms and conditions defined in section 1 of the Uniform Terms and Conditions, the following shall apply:
- 1.1 **"Department"** means the Arizona Department of Economic Security (ADES), unless otherwise indicated.
- 1.2 **"Equipment"** means all vehicles, furniture, machinery, electronic data processing (EDP) equipment, software and all other equipment costing \$1,000.00 or more, including all normal and necessary expenses incurred to make the equipment ready for its intended use (e.g., taxes, freight, installation, assembly and testing charges, etc.), and with a useful life of greater than one year. Equipment as used herein does not include real property (e.g., land, buildings, structures, or facilities' improvements).
- 1.3 **"May"** indicates something that is not mandatory but permissible.
- 1.4 **"Shall, Must"** indicates a mandatory requirement. Failure to meet these mandatory requirements may result in the rejection of a proposal as non-responsive.
- 1.5 **"Should"** indicates something that is recommended but not mandatory. If the Contractor fails to provide recommended information, the State may, at its sole option, ask the Contractor to provide the information.
- 1.6 **"Vulnerable adult"** means an individual who is eighteen years of age or older who is unable to protect himself from abuse, neglect or exploitation by others because of a physical or mental impairment
- 2.0 **Advertising, Publishing and Promotion of Contract.** In addition to the terms and conditions in Section 3.6 of the Uniform Terms and Conditions, the following shall apply:
- 2.1 The Contractor shall provide to the Department for review and approval all reports or publications (written, visual or sound) which are funded or partially funded under this contract, a minimum of fifteen (15) calendar days prior to public release. All reports and publications whether written, visual or verbal shall contain the following statement:
- 2.2 "This program was funded through a contract with the Arizona Department of Economic Security. Points of view are those of the author and do not necessarily represent the official position or policies of the Department."
- 3.0 **Audit.** In addition to the terms and conditions in section 3.3 of the Uniform Terms and Conditions, the following shall apply:
- 3.1 In compliance with the Federal Single Audit Act (31 U.S.C. Sections 7501-7507 as may be amended), Contractors designated as subrecipients, as described in the Office of Management and Budget (OMB) Circular A-133, expending Federal funds from all sources totaling \$500,000 or more, shall have a yearly audit conducted in accordance with the audit and reporting standards as prescribed in OMB Circular A-133 (A-133) as may be amended. As outlined in A-133 the audit Reporting Package shall include:
1. Financial statements and a Schedule of Expenditures of Federal Awards (SEFA)
  2. Summary schedule of prior audit findings
  3. Auditor's Reports (detailed in the A-133)
  4. Corrective Action Plan.
- 3.2 The Department's contract numbers and award amounts shall be included on the SEFA. A copy of the Single Audit Reporting Package and Management Letter, if issued, shall be submitted to the Department's Office of Audit and Management Services within thirty (30) days after completion of the audit or nine (9) months after the audited period and to the Department's person designated to receive notices as specified in the Reports Section in the Scope of Work.
- 3.3 All Contractors are subject to the programmatic and fiscal monitoring requirements of each Department program to ensure accountability of the delivery of all goods and services, as required under the Federal Single Audit Act. A minimum fiscal requirement for all Contractors designated as vendors is an annual

financial audit which includes Department contract numbers and award amounts. The Audit Report, Management Letter, if issued, and Auditor's Opinion shall be submitted within thirty (30) days after completion of the audit to the Department's person designated to receive notices as specified in the Reports Section in the Scope of Work.

- 3.4 As prescribed in OMB Circular A-133, for-profit subrecipients are subject to compliance requirements established by the Department. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, Department monitoring during the contract, and post-award audits.
- 3.5 Audits of non-profit corporations receiving Federal or State monies required pursuant to Federal or State law shall be conducted as provided in 31 U.S.C. Section 7501 et seq. and A.R.S. Section 35-181.03 as may be amended and any other applicable statutes, rules, regulations and standards.

**4.0 Availability of Funds.**

- 4.1 The Department may reduce payments or terminate this contract without further recourse, obligation or penalty in the event that insufficient funds are appropriated or allocated. The Director of the Department shall have the sole and unfettered discretion in determining the availability of funds. The Department and the Contractor may mutually agree to reduce reimbursement to the Contractor when the payment type is Fixed Price with Price Adjustment by executing a contract amendment.

**5.0 Background Checks for Employment through the Central Registry.** If providing direct services to children or vulnerable adults, the following shall apply:

- 5.1 The provisions of A.R.S. § 8-804 (as may be amended) are hereby incorporated in its entirety as provisions of this Contract.
- 5.2 Background checks through the Central Registry shall be conducted for each Contract employee including subcontractors that provide direct services to children or vulnerable adults. Individuals shall not provide direct services to ADES clients until the results of the Central Registry background check are complete and the results indicate the individual has no disqualifying acts that would prohibit him/her from providing services to ADES clients. If the Central Registry background check specifies any disqualifying act, the individual shall be prohibited from providing direct services to ADES clients.
- 5.3 Within thirty (30) days of contract award, the Contractor shall submit the "*Request for Search of Central Registry for Employment*" for each employee and subcontract employee providing direct services to children or vulnerable adults.
- 5.4 At least sixty (60) days prior to the Contract End Date, the Contractor shall submit the "*Request for Search of Central Registry for Employment*" for each employee and subcontract employee providing direct services to children or vulnerable adults.
- 5.5 The Contractor shall maintain the Central Registry Background Check results in a confidential file for five (5) years after termination of the Contract.

**6.0 Certification of Cost or Pricing Data.**

- 6.1 By submittal of the offer, the Contractor is certifying that, to the best of the Contractor's knowledge and belief, any cost or pricing data submitted is accurate, complete and current as of the date submitted or other mutually agreed upon date. Furthermore, the price to the State shall be adjusted to exclude any significant amounts by which the State finds the price was increased because the Contractor-furnished cost or pricing data was inaccurate, incomplete or not current as of the date of certification. Such adjustment by the State may include overhead, profit or fees. The certifying of cost or pricing data does not apply when contract rates are set by law or regulation.

**7.0 Certification Regarding Lobbying.**

- 7.1 The Contractor agrees by submittal of the Certification Regarding Lobbying form, compliance with 49 CFR part 20. (Attachment)

**8.0 Code of Conduct.**

- 8.1 The Contractor shall avoid any action that might create or result in the appearance of having:

1. Inappropriate use or divulging of information gathered or discovered pursuant to the performance of its duties under the contract;
2. Acted on behalf of the State without appropriate authorization;
3. Provided favorable or unfavorable treatment to anyone;
4. Made a decision on behalf of the State that exceeded its authority, could result in partiality, or have a political consequence for the State;
5. Misrepresent or otherwise impeded the efficiency, authority, actions, policies, or adversely affect the confidence of the public or integrity of the State; or,
6. Loss of impartiality when advising the State

**9.0 Competitive Bidding.**

9.1 The Contractor is authorized to purchase the supplies and equipment itemized in the contract for utilization in the delivery of contract services. Contractor shall procure all such supplies and equipment at the lowest practicable cost and shall purchase all non-expendable items having a useful life of more than one year and an acquisition cost of \$1,000 or more, through generally accepted and reasonable competitive bidding processes. Any procurement in violation of this provision shall be considered a financial audit exception.

**10.0 Compliance with Applicable Laws.** In addition to the terms and conditions in section 7.6 of the Uniform Terms and Conditions, the following shall apply:

10.1. in accordance with A.R.S. §36-557 as may be amended (Purchase of community developmental disabilities services; application; contracts; limitation), as applicable, all recipients of contract services shall have all of the same specified rights as they would have if enrolled in a service program operated directly by the State.

10.2 Nothing in this contract shall be construed as a waiver of an Indian tribe's sovereign immunity; nothing shall be construed as an Indian tribe's consent to be sued or as consent by an Indian tribe to the jurisdiction of any State Court.

10.3 The Contractor shall comply with the requirements related to reporting to a peace officer or child protective services incidents of crimes against children as specified in A.R.S. §13-3620 as may be amended .

10.4 The Contractor shall comply with P.L. 101-121, Section 319 (31 U.S.C. section 1352) as may be amended and 29 C.F.R. Part 93 as may be amended which prohibit the use of federal funds for lobbying and which state, in part: Except with the express authorization of Congress, the Contractor, its employees or agents, shall not utilize any federal funds under the terms of this contract to solicit or influence, or to attempt to solicit or influence, directly or indirectly, any member of Congress regarding pending or prospective legislation. Indian tribes, tribal organizations and any other Indian organizations are exempt from these lobbying restrictions with respect to expenditures that are specifically permitted by other federal law.

10.5 The Contractor shall comply with all applicable state and federal statutes and regulations. This shall include A.R.S. § 23-722.01 as may be amended relating to new hire reporting, A.R.S. § 23-722.02 as may be amended relating to wage assignment orders to provide child support, and A.R.S. § 25-535 as may be amended relating to administrative or court-ordered health insurance coverage for children.

**11.0 Confidentiality.**

11.1 The Contractor shall observe and abide by all applicable State and federal statutes, rules and regulations regarding the use or disclosure of information including, but not limited to, information concerning applicants for and recipients of contract services. To the extent permitted by law, the Contractor shall release information to the Department and to the Attorney General's Office as required by the terms of this contract, by law or upon their request.

**12.0 Contract Term and Option to Extend.**

12.1 The term of the resultant contract shall commence upon award and shall remain in effect to the date specified on the Signature Page unless terminated, cancelled, or extended as otherwise provided herein.

12.2 The State has no obligation to extend or renew this contract. However, this contract may be extended or renewed for multiple periods in its entirety or in part at the sole option of the State.

- 12.3 The State shall have the unilateral right to extend the contract period for two (2) additional one-year periods or portions thereof, for a total contract term of the RSA Fee Schedule Service not to exceed five (5) years. The terms and conditions of any such contract extension shall remain the same as the original contract.
- 12.4 Any extension or renewal must be made prior to the end of the contract period specified in this contract.
- 12.5 The Contractor shall not provide services prior to contract term commencing or after the end date of the contract. (No billable activity outside of the effective dates).
- 13.0 Cooperation.**
- 13.1 The Department may undertake or award other contracts for additional work related to the work performed by the Contractor, and the Contractor shall fully cooperate with such other Contractors and State employees, and carefully fit its own work to such other Contractors' work. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other Contractor or by State employees. The Contractor shall cooperate as the State deems necessary, with the transfer of work, services, case records and files performed or prepared by the Contractor to other Contractor(s).
- 14.0 Data Sharing Agreement.**
- 14.1 When determined by the Department that sharing of confidential data will occur with the Contractor, the Contractor shall complete the ADES Data Sharing Request Agreement and submit the completed Agreement to the DES Program Designated Staff prior to any work commencing or data shared. A separate Data Sharing Request Agreement shall be required between the Contractor and each DES Program sharing confidential data.
- 15.0 Equipment.**
- 15.1 If the Contractor is authorized to purchase Equipment, it shall be itemized in the contract for utilization in the delivery of contract services. If Equipment is purchased as authorized by this contract, the Contractor shall maintain complete and up-to-date inventory records for all Equipment purchased hereunder. Equipment specifically designated within this contract, to be purchased in whole or part with the Department funds, shall be reported in accordance with Department inventory policies and procedures. The Contractor shall report Equipment purchased with contract funds to the Department within thirty (30) days of purchase, perform an annual inventory of all Equipment purchased with Department funds and submit the Equipment inventory form to the Department person designated to receive notices.
- 15.2 The Department shall retain an equitable interest equal to the purchase price paid, or a fair estimate or appraisal of current market value, whichever is greater, in all Equipment purchased under this contract. The Department shall be included as a co-insured on any insurance policy which covers Equipment purchased under this contract.
- 15.3 The Contractor shall not dispose of any Equipment purchased under this contract without the prior written consent of the Department during and after the contract term. Such consent, if given, may include direction as to the means of disposition and the utilization of proceeds, including any necessary adjustments to the contract.
- 15.4 Upon termination of this contract, any Equipment purchased under this contract shall be disposed of as directed by the Department and, if sold, the Department shall be compensated in the amount of its equitable interest.
- 15.5 Under a fixed price contract, Section 15.1 through 15.4 do not apply unless specifically required by federal or state law.
- 16.0 Reserved.**
- 17.0 Evaluation.**
- 17.1 The Department may evaluate, and the Contractor shall cooperate in the evaluation of, contract services. Evaluation may assess the quality and impact of contract services, either in isolation or in comparison with

other similar services, and assess the Contractor's progress and/or success in achieving the goals, objectives and deliverables set forth in this contract.

17.2 As requested by the Department, the Contractor shall participate in third party evaluations relative to contract impact in support of Department goals.

**18.0 E-Verify.**

18.1 In addition to the terms and conditions in Section 3.10 of the Uniform Terms and Conditions, the following shall apply :

18.2 The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, subsection A as may be amended. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.")

18.3 A breach of a warrant regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the Contractor may be subject to penalties up to and including termination of the contract.

18.4 Failure to comply with a State audit process to randomly verify the employment records of contractors and subcontractors shall be deemed a material breach of the contract and the Contractor may be subject to penalties up to and including termination of the contract.

18.5 The Department retains the legal right to inspect the papers of any employee who works on the contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph 18.2.

**19.0 Fair Hearings and Service Recipients' Grievances.**

19.1 The Contractor shall advise all applicants for and recipients of contract services of their right, at any time and for any reason, to present to the Contractor and to the Department any grievances arising from the delivery of contract services, including, but not limited to, ineligibility determination, reduction of services, suspension or termination of services, or quality of services. The Department may assert its jurisdiction to hear the grievance or refer the matter to the appropriate authority.

19.2 The Contractor, whenever authorized by law, shall maintain a formal system acceptable to and approved by the Department for reviewing and adjudicating grievances by service recipients or subcontractors arising from this contract.

**20.0 Federal Immigration and Nationality Act.**

20.1 In addition to the terms and conditions in Section 3.9 of the Uniform Terms and Conditions, the following shall apply:

20.2 By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at USCIS.GOV.

20.3 The State may request verification of compliance for any Contractor or subcontractor performing work under the Contract.

**21.0 Fees and Program Income.**

21.1 Unless specifically authorized in the contract, the Contractor shall impose no fees or charges of any kind upon recipients for contract services.

**22.0 Fingerprinting.**

22.1 Contractor shall comply with, and shall ensure that all of Contractor's employees, independent contractors, subcontractors, volunteers and other agents comply with, all applicable (current and future) legal requirements

relating to fingerprinting, fingerprint clearance cards, certifications regarding pending or past criminal matters, and criminal records checks that relate to contract performance.

- 22.2 Applicable legal requirements relating to fingerprinting, certification, and criminal background checks" may include, but are not limited, to the following: A.R.S. §§ 36-594.01, 36-3008, 41-1964, and 46-141. All applicable legal requirements relating to fingerprinting, fingerprint clearance cards, certifications regarding pending or past criminal matters, and criminal records checks are hereby incorporated in their entirety as provisions of this contract. The Contractor is responsible for knowing which legal requirements relating to fingerprinting, fingerprint clearance cards, certifications regarding pending or past criminal matters, and criminal records checks relate to contract performance.
- 22.3 To the extent A.R.S. § 46-141 is applicable to contract performance or the services provided under this contract, the following provisions apply:
- 22.3.1 Personnel who are employed by the Contractor, whether paid or not, and who are required or allowed to provide services directly to juveniles or vulnerable adults shall submit a full set of fingerprints to the Department for the purposes of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544 or shall apply for a fingerprint clearance card within seven working days of employment.
- 22.3.2 Except as provided in A.R.S. § 46-141, this contract may be cancelled or terminated immediately if a person employed by the Contractor and who has contact with juveniles certifies pursuant to the provisions of A.R.S. § 46-141 (as may be amended) that the person is awaiting trial or has been convicted of any of the offenses listed therein in this State, or of acts committed in another state that would be offenses in this State, or if the person does not possess or is denied issuance of a valid fingerprint clearance card.

23.0 **Inclusive Contractor.**

- 23.1 Contractor is encouraged to make every effort to utilize subcontractors that are small, women-owned and/or minority owned business enterprises. This could include subcontractors for a percentage of the administrative or direct service being proposed. Contractor who is committing a portion of its work to such subcontractors shall do so by identifying the type of service and work to be performed by providing detail concerning the Contractor's utilization of small, women-owned and/or minority business enterprises. Emphasis should be placed on specific areas that are subcontracted and percentage of contract utilization and how this effort will be administered and managed, including reporting requirements.

24.0 **Indemnification and Insurance.**

24.1 **Indemnification Clause:**

- 24.1 1. The parties to this contract agree that the State of Arizona and the Department of Economic Security shall be indemnified and held harmless by Contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona and the Department of Economic Security shall be responsible for their own negligence. Each party to this contract is responsible for its own negligence.

*This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.*

24.2 **Insurance Requirements:**

- 24.2.1 Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.
- 24.2.2 The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. **Minimum Scope And Limits Of Insurance:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**  
Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.
- General Aggregate \$2,000,000

- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed to **include coverage for sexual abuse and molestation.**
- b. The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona and the Department of Economic Security shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.***
- c. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

This requirement may be satisfied with a policy combining General and Professional Liability, provided that the General Liability section of the policy is written on an occurrence basis, and includes coverage for contractual liability.

**2. Business Automobile Liability**

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

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

- a. The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona and the Arizona Department of Economic Security shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor”.***
- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

**3. Worker's Compensation and Employers' Liability**

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

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**4. Professional Liability (Errors and Omissions Liability)**

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

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any

retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

- b. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.
- B. **Additional Insurance Requirements:** The policies shall include, or be endorsed to include, the following provisions: The State of Arizona and the Arizona Department of Economic Security, wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
1. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
  2. Coverage provided by the Contractor shall not be limited to the liability assumed under the Indemnification provisions of this Contract.
- C. **Notice Of Cancellation:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to the Arizona Department of Economic Security, Office of Procurement, 1789 W. Jefferson St. Site Code 805Z, Phoenix, AZ 85007 unless the Scope of Work Reporting Requirements specifies otherwise and shall be sent by certified mail, return receipt requested.
- D. **Acceptability Of Insurers:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- If the social services program utilizes the Social Service Contractors Indemnity Pool (SSCIP) or other approved insurance pool for insurance coverage, SSCIP or the other approved insurance pool is exempt from the A.M. Best's rating requirements listed in this contract. If the contractor or subcontractor chooses to use SSCIP or another approved insurance pool as its insurance provider, the contract/subcontract would be considered in full compliance with insurance requirements relating to the A.M. Best rating requirements.
- E. **Verification Of Coverage:** Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract. The Contractor shall retain all certificates and endorsements at its office which shall be available to the Department for review upon request.
- F. **Subcontractors:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- G. **Approval:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
- H. **Exceptions:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

In the event that Contractor determines that it may not be able to comply fully with the insurance requirements set forth above in Section 24.0 of the Arizona Department of Economic Security Special

Terms and Conditions, the Contractor may request that the insurance requirements be modified pursuant to paragraph 24.2.2(G), provided that such request be delivered in writing to ADES at least ten days prior to the solicitation due date or, if not a solicitation, prior to contract execution. Contractor shall include with such request Contractor's justification for the modification with supporting documentation.

As provided in paragraph 24.2.2(G), the Department of Administration, Risk Management Section, shall decide whether such modification may be permitted. If the Department of Administration, Risk Management, decides to grant permission, the ADES Chief Procurement Officer shall then decide whether to approve the modification.

Modifications that are approved will be done so on a case-by-case basis and shall not affect the insurance requirements of other Contractors for whom modifications have not been approved. If a Contractor's request has not been approved or a Contractor fails to deliver its request prior to the applicable deadline, then the Contractor shall be required to comply fully with the insurance requirements set forth in paragraph 24.0 above.

**25.0 IT 508 Compliance.**

25.1 Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this contract shall comply with A.R.S. 41-3531 and 3532 as may be amended and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

**26.0 Levels of Service.**

26.1 If the Contractor determines service recipient eligibility, the Contractor shall maintain and regulate the units or services set forth in this contract to ensure continuity and availability of services to eligible persons during the term of this contract and during any transition to a subsequent Contractor.

26.2 The Department makes no guarantee to purchase specific quantities of goods or services, or to refer eligible persons as may be identified or specified herein. Further, it is understood and agreed that this contract is for the sole convenience of the Department and that the Department reserves the right to obtain like goods or services from other sources when such need is determined necessary by the Department.

26.3 Any administration within the Department may obtain services under this contract.

26.4 Contract services may be moved or expanded to other site locations within the geographic area awarded only by a written contract amendment.

26.5 The Department makes no guarantee to purchase all of the service units authorized or to provide any number of referrals. If quantities of units are specified, they are estimates only and the Department may decrease and/or increase them by providing written notice to the Contractor.

26.6 When the method of compensation for the service is Fixed Price with Price Adjustment, the contract may be amended, by mutual agreement, to purchase additional services by increasing the contract service budget and/or budget summary.

**27.0 Monitoring.**

27.1 The Department may monitor the Contractor and/or subcontractor and they shall cooperate in the monitoring of services delivered, facilities and records maintained and fiscal practices.

**28.0 Non-Discrimination.** In addition to the terms and conditions in section 3.2 of the Uniform Terms and Conditions, the following shall apply:

28.1 Unless exempt under Federal law the Contractor shall comply with Title VII of the Civil Rights Act of 1964 as amended. Contractor shall comply with the Age Discrimination in Employment Act. The Contractor shall comply with the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment or advancement in employment of qualified persons because of physical or mental handicap. The Contractor shall comply with the requirements of the Fair Labor Standards Act of 1938, as amended.

- 28.2. If Contractor is an Indian Tribal Government, Contractor shall comply with the Indian Civil Rights Act of 1968. It shall be permissible for an Indian Tribal Contractor to engage in Indian preference in hiring.
- 28.3 The Contractor shall comply with Title VI of the Civil Rights Act of 1964, which prohibits the denial of benefits of or participation in contract services on the basis of race, color, or national origin. The Contractor shall comply with the requirements of Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of handicap, in delivering contract services; and with Title II of the Americans with Disabilities Act, and the Arizona Disability Act, which prohibit discrimination on the basis of physical or mental disabilities in the provision of contract programs, services and activities.
- 28.4 The following shall be included in all publications, forms, flyers, etc. that are distributed to recipients of contract services:  
 "Under Titles VI and VII of the Civil Rights Act of 1964 (Title VI and VII) and the Americans with Disabilities Act of 1990 (ADA) Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975, *insert Contractor name here* prohibits discrimination in admissions, programs, services, activities or employment based on race, color, religion, sex, national origin, age, and disability. The *insert Contractor name here* must make a reasonable accommodation to allow a person with a disability to take part in a program, service, or activity. Auxiliary aids and services are available upon request to individuals with disabilities. For example, this means that if necessary, the *insert Contractor name here* must provide sign language interpreters for people who are deaf, a wheelchair accessible location, or enlarged print materials. It also means that the *insert Contractor name here* will take any other reasonable action that allows you to take part in and understand a program or activity, including making reasonable changes to an activity. If you believe that you will not be able to understand or take part in a program or activity because of your disability, please let us know of your disability needs in advance if at all possible. To request this document in alternative format or for further information about this policy please contact: *insert Contractor contact person and phone number here*" Para obtener este documento en otro formato u obtener información adicional sobre esta política, *insert Contractor contact person and phone number here*"
- 29.0 **Notices.** In addition to the terms and conditions in section 3.5 of the Uniform Terms and Conditions, the following shall apply:
- 29.1 All notices shall reference the contract number.
- 29.2 The Contractor shall give written notice to the Department of changes to the following, and a written amendment to the contract shall not be necessary:
1. Change of telephone number;
  2. Changes in the name and/or address of the person to whom notices are to be sent;
  3. Changes in contract-related personnel positions of the Contractor which do not affect staffing ratios, staff qualifications or specific individuals required under this contract; or
  4. In a fixed price with price adjustment contract, whenever there is less than a 10% increase in any budget category; any such increase must be offset by an equal value decrease in another budget category or categories.
- 30.0 **Offshore Performance of Work Prohibited.**
- 30.1 Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or overhead services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.
- 31.0 **Order of Precedence.**
- 31.1 In addition to the terms and conditions in section 2.3 Contract Order of Precedence of the Uniform Terms and Conditions, the following shall apply:
1. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
    1. Division/Administration Special Terms and Conditions;

2. ADES Special Terms and Conditions;
3. Uniform Terms and Conditions;
4. Scope of Work or Specification;
5. Attachments;
6. Exhibits;
7. Documents referenced or included in the Solicitation.

**32.0 Pandemic Contractual Performance.**

32.1 The State shall require a written plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The state may require a copy of the plan at anytime prior or post award of a contract. At a minimum, the pandemic performance plan shall include:

1. Key succession and performance planning if there is a sudden significant decrease in contractor's workforce.
2. Alternative methods to ensure there are services or products in the supply chain.
3. An up to date list of company contacts and organizational chart.

32.2 In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights:

1. After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections if the contractor cannot perform to the standards agreed upon in the initial terms.
2. The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director of the Arizona Department of Administration per A.R.S. § 41-2537 as may be amended of the Arizona Procurement Code.
3. Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion may reinstate the temporarily voided contract(s).

33.0 **Payments.** In addition to the terms and conditions in section 4.1 of the Uniform Terms and Conditions, the following shall apply:

33.1 Payments shall be made according to the type of payment defined as follows:

1. Rate (or) Fixed Price- The Contractor is paid a specified amount for each unit of service or deliverable as designated in the contract, not to exceed the maximum number of authorized units if indicated by the Department for each contract service/deliverable. The Department may authorize units throughout the term of the contract by amending the contract or through the process of issuing release orders. A Release Order is a separate document and may be increased or decreased throughout the term of the contract without amending the contract. A client specific referral is considered a form of release order as well as a Purchase Authorization or other similar named document.

33.2 The Contractor shall report to the Department in the manner prescribed by the "Reporting Requirements" section of these terms and conditions. Upon receipt of applicable, accurate and complete reports, the Department will authorize payment or reimbursement in accordance with the type of payment indicated by this contract.

33.3 If the Contractor is in any manner in default in the performance of any obligation under this contract, or if audit exceptions are identified, the Department may, at its option and in addition to other available remedies, either adjust the amount of payment or withhold payment until satisfactory resolution of the default or exception.

33.4 Under no circumstances shall the Department make payment to the Contractor that exceeds the:

1. The units authorized as stated in section 33.1; or
2. The service reimbursement ceiling;
3. Under no circumstances shall the Department make payment to the Contractor for services performed prior to or after the term of the contract without timely extension or renewal of the contract.

33.5 The Contractor may offer a price reduction adjustment at any time during the term of the contract. Any price reduction shall be executed by a contract amendment.

**34.0 Payment Recoupment.**

34.1 The Contractor shall reimburse the Department upon demand or the Department may deduct from future payments the following:

1. Any amounts received by the Contractor from the Department for contract services which have been inaccurately reported or are found to be unsubstantiated;
2. Any amounts paid by the Contractor to a subcontractor not authorized in writing by the Department;
3. Any amount or benefit paid directly or indirectly to an individual or organization not in accordance with the "Substantial Interest" section of these terms and conditions;
4. Any amounts paid by the Department for services which duplicate services covered or reimbursed by other specific grants, contracts, or payments;
5. Any amounts expended for items or purposes determined unallowable by the Department when this contract provides for the reimbursement of costs, see the "Unallowable Costs" section of these terms and conditions;
6. Any amounts paid by the Department for which the Contractor's books, records, and other documents are not sufficient to clearly substantiate that those amounts were used by the Contractor to perform contract services;
7. Any amounts received by the Contractor from the Department which are identified as a financial audit exception;
8. Any amounts paid or reimbursed in excess of the contract or service reimbursement ceiling;
9. Any amounts paid to the Contractor which are subsequently determined to be defective pursuant to the "Certification of Cost or Pricing Data" section of these terms and conditions.
10. Any payments made for services rendered before the contract begin date or after the contract termination date.

**35.0 Personnel.**

35.1 The Contractor's personnel shall satisfy all qualifications, carry out all duties, and work the hours as set forth in this contract.

**36.0 Predecessor and Successor Contracts.**

36.1 The execution or termination of this contract shall not be considered a waiver by the Department of any rights it may have for damages suffered through a breach of this or a prior contract with the Contractor.

**37.0 Professional Standards.**

37.1 The Contractor shall deliver contract services in a humane and respectful manner and in accordance with any and all applicable professional accreditation standards. Levels of staff qualifications, professionalism, numbers of staff and individuals identified by name must be maintained as presented in the contract.

**38.0 Rate Increase.**

38.1 The Contractor may submit a request for a rate increase a minimum of 45 days prior to the contract extension date. The request shall be in writing and include supportive justification for the proposed increase. The rate increase shall only be considered at time of contract extension. The State will review the request and shall determine if the increase shall be granted or if an alternative option is in the best interests of the State. The rate increase adjustment, if approved, will be effective and executed via a contract amendment.

38.2 Any approved rate increase shall be applied to the specific rate(s) in effect prior to the contract extension period.

**39.0. Records.** In addition to the terms and conditions in section 3.1 of the Uniform Terms and Conditions, the following shall apply:

39.1 Contract service records will be maintained in accordance with this contract. Records shall, as applicable, meet the following standards:

1. Adequately identify the service provided and each service recipient's application for contract and subcontract activities;
2. Include personnel records which contain applications for employment, job titles and descriptions, hire and termination dates, a copy of the fingerprint clearance card, wage rates, and effective dates of personnel actions affecting any of these items;
3. Include time and attendance records for individual employees to support all salaries and wages paid;
4. Include records of the source of all receipts and the deposit of all funds received by the Contractor;

5. Include original copies of invoices, statements, sales tickets, billings for services, deposit slips, etc., and a cash disbursement journal and cancelled checks to reflect all disbursements applicable to the contract;
6. Include a complete general ledger with accounts for the collection of all costs and/or fees applicable to the contract; and,
7. Include copies of lease/rental agreements, mortgages and/or any other agreements which in any way may affect contract expenditures.

39.2 Any such records not maintained shall mandate an audit exception in the amount of the inadequately documented expenditures.

39.3 Contractor shall preserve and make available all records for a period of five (5) years from the date of final payment under this contract except as provided in Section 41.0 of the DES Special Terms and Conditions or if subject to Health Insurance Portability & Accountability Act which is six (6) years from the date of final payment:

1. If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of five years from the date of any such termination.
2. Records which related to disputes, litigation or the settlement of claims arising out of the performance of this contract, or costs and expenses of this contract to which exception has been taken by the state, shall be retained by the Contractor until such disputes, litigations, claims or exceptions have been disposed of.

**40.0 Relationship of Parties.**

40.1 In addition to the terms and conditions in Section 2.4 of the Uniform Terms and Conditions, the following shall apply:

1. In the event that the Contractor or its personnel is sued or prosecuted for conduct arising from this contract, the Contractor or their personnel will not be represented by the Department of the Attorney General.
2. Taxes or Social Security payments will not be withheld from a State payment issued hereunder and the Contractor shall make arrangements to directly pay such expenses, if any.

**41.0 Reporting Requirements.**

41.1 Unless otherwise provided in this contract, reporting shall adhere to the following schedule: with the exception of the last month of the contract term, the Contractor shall submit programmatic and financial reports to the Department in the form set forth in the contract no later than the 15th day following the end of each month during the contract term. Failure to submit accurate and complete reports by the 15th day following the end of each month may result, at the option of the Department, in retention of payment. Failure to provide such report within 45 days following the end of a month may result, at the option of the Department, in a forfeiture of such payment.

41.2 Following the end of each contract term, the Contractor shall submit programmatic and financial reports to the Department in the form set forth in the contract no later than the 45th day following the end of the each contract term. The final fiscal report for the contract term shall include all adjustment to prior financial reports submitted for the contract term.

41.3 No later than the 45th day following the termination of this contract, Contractor shall submit to the Department a final program and fiscal report. Failure to submit the final program and fiscal report within the above time period may result, at the option of the Department, in forfeiture of final payment.

41.4 All reports shall reference the contract number and be submitted to the person designated by the Department.

**42.0 Responsibility for Payments Indemnification.**

42.1 The Contractor shall be responsible for issuing payment for services performed by the Contractor's employees, subcontractors, suppliers, or any other third party incurred in the furtherance of the performance or the arising out of the contract and will indemnify and save the Department harmless for all claims whatsoever out of the lawful demands of such parties. The Contractor shall, at the Department's request, furnish satisfactory evidence that all obligations of the nature hereinabove designated have been paid, discharged or waived.

- 43.0 **Reserved.**
- 44.0 **Subcontracts.** In addition to the terms and conditions in section 5.2 of the Uniform Terms and Conditions, the following shall apply:
- 44.1 The Contractor shall provide copies of each contract with a subcontractor relating to the provision of contract services to the Department upon five (5) calendar days of the request.
- 45.0 **Substantial Interest Disclosure.**
- 45.1 Contractor shall not make any payments, either directly or indirectly, to any person, partnership, corporation, trust, or any other organization which has a substantial interest in Contractor's organization or with which Contractor (or one of its directors, officers, owners, trust certificate holders or a relative thereof) has a substantial interest, unless Contractor has made a full written disclosure of the proposed payments, including amounts, to the Department.
- 45.2 Leases or rental agreements or purchase of real property which would be covered by Section 44.1 shall be in writing and accompanied by an independent commercial appraisal of fair market rental, lease, or purchase value, as appropriate.
- 45.3 For the purpose of this Section, "relative" shall have the same meaning as in A.R.S. §38-502 as may be amended.
- 46.0 **Supporting Documents and Information.**
- 46.1 In addition to any documents, reports or information required by any other section of this contract, Contractor shall furnish the Department with any further documents and information deemed necessary by the Department. Upon receipt of a request for information from ADES, the Contractor shall provide complete and accurate information no later than fifteen (15) days after the receipt of the request.
- 47.0 **Suspension or Debarment.**
- 47.1 In addition to the terms and conditions in section 9.3 of the Uniform Terms and Conditions, the Contractor shall submit the Certification Regarding Debarment, Suspension and Voluntary Exclusion Lower Tier Covered Transactions form (Attachment).
- 48.0 **Technical Assistance.**
- 48.1 The Department may, but shall not be obligated to, provide technical assistance to the Contractor in the administration of contract services, or relating to the terms and conditions, policies and procedures governing this contract. Notwithstanding the foregoing, the Contractor shall not be relieved of full responsibility and accountability for the provision of contract services in accordance with the terms and conditions set forth herein.
- 49.0 **Termination for Any Reason.**
- 49.1 In the event the contract is terminated, with or without cause, or expires, the Contractor, whenever determined appropriate by the Department, shall assist the Department in the transition of services or eligible persons to other Contractors. Such assistance and coordination shall include, but not be limited to, the forwarding of program and other records as may be necessary to assure the smoothest possible transition and continuity of services. The cost of reproducing and forwarding such records and other materials shall be borne by the Contractor. The Contractor must make provisions for continuing all management/administrative services until the transition of services or eligible persons is complete and all other requirements of this contract are satisfied.
- 49.2 In the event of termination or suspension of the contract by the Department, such termination or suspension shall not affect the obligation of the Contractor to indemnify the Department and the State for any claim by any other party against the State or Department arising from the Contractor's performance of this contract and for which the Contractor would otherwise be liable under this contract. To the extent such indemnification is excluded by A.R.S. §41-621 et seq. as may be amended or an obligation is unauthorized under A.R.S. §35-154 as may be amended the provisions of this paragraph shall not apply.

- 49.3 In the event of early termination for any reason, any funds advanced to the Contractor shall be returned to the Department within ten (10) days after the date of termination or upon receipt of notice of termination of the contract, whichever is earlier.
- 50.0 **Termination for Default.** In addition to the terms and conditions in section 9.5 of the Uniform Terms and Conditions, the following shall apply:
- 50.1 The Department may immediately terminate this contract if the Department determines that the health or welfare or safety of service recipients is endangered.
- 51.0 **Transfer of Knowledge.**
- 51.1 The Contractor shall, whenever feasible, share strategies and techniques with Department staff to transfer the skills and knowledge acquired in the delivery of the contracted service.
- 52.0 **Transition of Activities.**
- 52.1 In the event that a contract is awarded to a new contractor for services similar to those being performed by Contractor under this contract, there shall be a transition of services period. During this period, the contractor under this contract shall work closely with the new contractor's personnel and/or Department staff to ensure a smooth and complete transfer of duties and responsibilities. The Department's authorized representative will coordinate all transition activities. A transition plan will be developed in conjunction with the existing contractor to assist the new contractor and/or Department staff to implement the transfer of duties. The Department reserves the right to determine which projects/service delivery nearing completion will remain with the current Contractor of record.
- 53.0 **Unallowable Costs.**
- 53.1 The cost principles set forth in the Code of Federal Regulations, 48 CFR, Chapter 1, Subchapter e, Part 31, (October 1, 1991), including later amendments and editions, on file with the Arizona Secretary of State and incorporated by this reference, shall be used to determine the allow ability of incurred costs for the purpose of reimbursing costs under contract provisions that provide for the reimbursement of costs. Those costs which are specifically defined as unallowable therein will not be submitted for reimbursement by the Contractor and may not be reimbursed with Department funds.
- 53.2 In addition, the Contractor shall comply with the following publications (including subsequent revisions), as applicable:
1. OMB Circular A-87 for State, local and Indian Tribal Governments.
  2. OMB Circular A-122 for private non-profit organizations other than institutions of higher education, hospitals or others specified in A-122.
  3. OMB Circular A-21 for educational institutions.
  4. OMB Circular A-133 for audits of institutions of higher education and other non-profit institutions.
- 54.0 **Visitation, Inspection and Copying.**
- 54.1 Contractor's and/or subcontractor's facilities, services and individuals served, books and records pertaining to the contract shall be available for visitation, inspection and copying by the Department and any other appropriate agent of the State or Federal Government. At the discretion of the Department, visitation, inspection and copying may be at any time during regular business hours, announced or unannounced. If the Department deems it to be an emergency situation, it may at any time visit and inspect the Contractor's or subcontractor's facilities, services and individuals served, as well as inspect and copy their contract-related books and records.
- 55.0 **Warranty of Services.**
- 55.1 The Contractor warrants that all services provided under this contract shall conform to the requirements stated herein and any amendments hereto. The Department's acceptance of services provided by the Contractor shall not relieve the Contractor from its obligations under this warranty. In addition to its other remedies, the Department Procurement Officer may, at the Contractor's expense, require prompt correction of any services failing to meet the Contractor's warranty herein. Services corrected by the Contractor shall be subject to all of the provisions of this contract in the manner and to the same extent as the services originally furnished.
- 56.0 **Limited English Proficiency**

56.1 The Contractor shall ensure that all services provided are culturally relevant and linguistically appropriate to the population to be served following the ADES Policy, Limited English Proficiency, DES 1-01-34 (Exhibit 1).

**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**



CHAPTER		POLICY NUMBER	
01 Department of Economic Security		DES 1-01-34 Index	
SUBJECT		ARTICLE	
34 Limited English Proficiency		01 Director	
		EFFECTIVE DATE	REV. NO.
		06-24-09	0

**DES 1-01-34  
Limited English Proficiency**

POLICY STATEMENT	DES 1-01-34.I
AUTHORITY	DES 1-01-34.II
OVERVIEW	DES 1-01-34.III
SCOPE	DES 1-01-34.IV
DEFINITIONS	DES 1-01-34.V
STANDARDS	DES 1-01-34.VI

**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**

CHAPTER	01 Department of Economic Security	
SUBJECT	34 Limited English Proficiency	

POLICY NUMBER		Page 1
DES 1-01-34		
ARTICLE		
01 Director		
EFFECTIVE DATE	REV. NO.	
06-24-09	0	

**DES 1-01-34  
Limited English Proficiency**

**I. POLICY STATEMENT**

The policy of the Department of Economic Security (the Department) is to provide quality and timely language assistance services to customers with limited English proficiency (LEP) to ensure meaningful access to programs, services, and activities. Each affected work unit of the Department shall:

1. Develop and adhere to specific written procedures;
2. Perform a needs and capacity assessment;
3. Arrange for oral language assistance, as appropriate;
4. Determine which of the Department documents meet the definition of a vital document;
5. Translate vital documents into languages other than English;
6. Provide notification to customers of the availability of language assistance services;
7. Evaluate current Department Web sites for LEP compliance;
8. Develop and implement standards to ensure LEP compliance on all future Web pages;
9. Train all staff who are likely to have contact with Department customers and the management staff who support them;
10. Develop and incorporate an accessible issue resolution process; and
11. Monitor customer access to language assistance.

**II. AUTHORITY**

**Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq.  
Arizona Constitution, Article 28**

Section 601 of Title VI of the Civil Rights Act of 1964, 42 U.S.C. Section 2000d *et seq.* states, "No person in the United States shall on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

Regulations implementing Title VI provide in part at 45 C.F.R. Section 80.3 (b):

- "(1) A recipient [the Department is a 'recipient' under this law] under any program to which this part applies [generally any program that receives federal funds] may not, directly or through contractual or other arrangements, on ground of race, or color, or national origin:
- (i) Deny an individual any service, financial aid, or other benefit provided under the program;
  - (ii) Provide any service, financial aid, or other benefit to an individual which is different, or is provided in a different manner, from that provided to others in the program;

- (2) A recipient, in determining the types of services, financial aid, or other benefits, or facilities which will be provided under any such program or the class of individuals to whom, or the situations in which such services, financial aid or other benefits, or facilities will be provided ... *may not directly, or through contractual or other arrangements, utilize criteria or methods of administration which have the effect of subjecting individuals to discrimination, because of their race, color or national origin, or have the effect of defeating or substantially impairing accomplishments of the objectives of the program with respect to individuals of a particular race, color, or national origin.*" (emphasis added)

### III. OVERVIEW

Title VI of the Civil Rights Act of 1964, as amended, requires that agencies take reasonable steps to ensure meaningful access to their programs and activities for persons with limited English proficiency. For the purposes of this Policy, individuals with limited English proficiency (LEP) are defined as individuals who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English.

The Department's LEP Policy ensures that the Department, and all Department services regardless of funding source, comply with the requirements of Title VI of the Civil Rights Act of 1964 by setting out standards for its work units to follow. Title VI of the Civil Rights Act of 1964 prohibits discrimination based on race, color, or national origin by any entity receiving federal financial assistance. The Department prohibits administrative methods or procedures that have the effect of subjecting individuals to discrimination or defeating the objectives of these regulations.

In order to avoid discrimination on the grounds of national origin, all programs or activities administered by the Department shall take adequate steps to ensure that their procedures do not deny, or have the effect of denying, individuals with LEP equal access to benefits and services for which such persons qualify. This Policy defines Departmental responsibilities to ensure that individuals with LEP can communicate effectively.

### IV. SCOPE

This LEP Policy, in its entirety, applies to all Department entities and contractors who provide direct Department services to Department customers. The Department and all work units who provide services, information, or assistance to Department customers shall be responsible for development of procedures to ensure compliance with the Department LEP Policy. Areas that do not provide services, information, or assistance to Department customers are not responsible for developing procedures but, at a minimum shall designate an LEP contact to ensure compliance.

The DES Director's Office of Equal Opportunity (DOEO) and the DES Policy and Planning Administration's (PPA) Policy Unit are responsible for review and approval of work unit LEP procedures. This review will be limited to ensuring the work unit LEP procedure is consistent and in compliance with the Department LEP Policy.

### V. DEFINITIONS

Customer: Any applicant, claimant, or recipient of Department services, including LEP customers.

Executive Leader: The Director, Deputy Director, or Assistant Director or their designee with authority over a programmatic or administrative work unit.

Interpret: Providing a verbal translation between two or more persons in a language other than English. This may be done by on-site trained Department staff, contractors, or through commercially available resources, including but not limited to telephonic interpretation services.

Language Used Significantly: A language, other than English, that is used by five percent or 1,000 persons (whichever is smaller) who are eligible for a Department service or are likely to be directly affected by a Department program or activity in a specific geographic area.

Limited English Proficiency (LEP) Contact: The person within a work unit who is responsible for ensuring their program or administrative work unit is LEP compliant.

Limited English Proficient (LEP) Customer: Any prospective, potential, or actual recipient of benefits or services from the Department who cannot speak, read, write, or understand the English language at a level that permits effective interaction with the Department. This includes LEP parents or guardians of minor children who are customers or LEP customers.

Non-Vital Documents: Documents that are not critical to access Department benefits and services.

Translate: Providing a written document in a language other than English.

Vital Document: A document that conveys information that affects the ability of the customer to make decisions about his or her participation in the program. The decision of whether a document is vital may depend upon the importance of the program information, encounter, or service involved, and the consequence to the LEP person if the information is not provided accurately or in a timely manner.

Work Unit: A program or administrative area within the Department. Work unit includes all Department work units as well as its contractors that provide direct service to Department customers.

## VI. STANDARDS

1. All Department staff shall provide services to Department customers in a manner that ensures the customer has meaningful access to their programs and activities for all persons, including those persons who have limited English proficiency.
2. **Compliance and Enforcement**: It is the responsibility of each Executive Leader overseeing a Department work unit, program, or administrative area to ensure that activities within the Executive Leader's work unit are conducted consistent with both the Department LEP Policy and the specific work unit LEP procedure.
3. **Work unit Procedures**: Each work unit identified as warranting language assistance services shall develop specific written procedures related to language assistance services applicable to its program activities. These procedures must be consistent with the standards listed in the Department LEP policy. Written procedures shall address the following areas:
  - a. Provision of language services generally;
  - b. Identification and assessment of language needs;
  - c. Oral language assistance services;
  - d. Written translations;
  - e. Oral and written notification of the availability of language services;
  - f. Issue resolution rights;

- g. Staff training on language service provision; and
  - h. Monitoring access to language assistance.
4. **Needs and capacity assessment:** The Department shall employ a four-step process to determine the need and capacity for LEP services. Specifically, each work unit shall determine and indicate in writing if it has direct contact with Department customers. If work unit determines that it does, then:
- Determine the number or proportion of LEP customers served;
  - Determine the frequency of contact between LEP customers and the program;
  - Assess the nature and importance of the program; and
  - Assess available resources.
- a. *Each work unit shall identify the steps in their service delivery process and identify the anticipated number of customer interactions that occur at each of these steps.* These steps could include points of contact with Department staff where customers get information or staff take an action that affects a customer's ability to meaningfully participate in a Department program or activity. These points of contact include Department offices, telephone numbers regularly used by the public, outreach activities, informational and operational Web sites, and written notices. These contacts may be face-to-face, telephonic, written, or electronic.
  - b. *The Department shall identify the languages used by the populations it serves. Both the Department and each work unit shall use this information to determine the incidences in which the Department and work unit expect to interact with customers in various languages other than English.* The Department shall use the most recent census data to determine overall language trends in Arizona. Other demographic data sources include information from other state agencies, commercial marketing data, school systems, community organizations, national ethnic organizations, the Internet, and internally gathered Department data. These trends will be used to determine the LEP population's alternative language needs. The Department will update this information with the issuance of new census data.
  - c. *Each work unit shall annually assess the language assistance needs of its LEP customers and the capacity of its programs to meet these needs.* Work unit procedures shall include the methods used to conduct this assessment, including areas where it intends to use Departmentally-produced data, and the frequency with which it will complete the assessment.
  - d. *Each work unit shall implement a process for gathering and recording LEP customer language preferences:*
    - i. The work unit procedures shall include sufficient detail to identify how the work unit gathers language preference information, where it stores the information, and how it will make the information readily available for future contact with LEP customers and for statistics-gathering purposes;
    - ii. Each work unit procedure shall include the use of language preference posters in each local office. These posters are designed to provide an opportunity for LEP persons to self-declare their language preference during local office contacts. The Department shall prominently display posters in all its offices in which customer interaction is anticipated. These posters are developed, transmitted, and maintained as a Departmental function.

5. **Oral language assistance:**

- a. ***Each component, program, or administrative work unit of the Department shall arrange for oral language assistance to LEP customers in face-to-face and telephone contact:***

Work unit procedures shall identify the processes for providing oral language assistance and the method for obtaining these services. The oral language assistance portion of the work unit procedures for identifying individuals with LEP shall be consistent with those outlined in this policy. LEP services shall be provided free of charge upon the request of the customer. Work units may identify approaches specific to their work unit, but all procedures shall include the minimum Department standard of ensuring that the provision of bilingual/interpretive services is prompt and without undue delays. Necessary timeframes may vary based upon the nature and importance of the service. For example, timeframes for emergency services may be different from those timeframes for non-emergency services. In most circumstances, this requires language services to be available within reasonable timeframes during all operating hours by:

  - i. Establishing interpreter service contracts. The Department maintains contracts with multiple vendors to provide verbal interpretation. The Office of Procurement shall provide direction to all work units on how to access and use contracts for interpreter services. Work units shall, in their procedures, identify how they shall request and coordinate these services. In addition, services through commercially available telephonic interpretation services shall be available when needed;
  - ii. Implementing a means to compensate bilingual staff. Subject to the availability of funds, the Department has a bilingual stipend program in place that operates under DES 1-26-26, *Bilingual Stipend for Certified Employees*. This program compensates bilingual staff who meet required standards for performing verbal interpretation services. Work unit procedures shall identify the offices in which a need for bilingual staff has been established and which languages are needed;
  - iii. Orally translating vital documents into languages other than English for LEP customers.
- b. ***Location and Accessibility of LEP Services:*** Work units shall ensure that their procedures include provisions that respond to the language needs of the populations in each area in which the work unit provides services. Each work unit shall determine the most efficient and effective means to meet these needs. Accommodations such as translations of commonly requested documents, bilingual staff, and telephone interpreter services should be made available at locations that are readily accessible to the public, such as information desks, security checkpoints, and public information telephone lines.
- c. ***Use of Bilingual Staff:*** *The Department will make reasonable efforts to recruit and have bilingual staff employed in programs and activities where the number or percentage of LEP customers or potential LEP customers is statistically significant, or where the frequency of contact with such persons makes the employment of bilingual staff a more cost effective, efficient, and effective mode for communication:*
  - i. Each work unit shall make a decision to employ bilingual staff after a needs assessment, with due consideration given to the budgetary, personnel, and other constraints of the work unit;

- ii. Bilingual staff or contractors must be assessed for bilingual proficiency. Work units should ensure that individuals providing interpretative services possess a level of fluency and comprehension appropriate to the specific nature, type, and purpose of information at issue.
- d. ***Unacceptable Practices:*** Work units should only use family members or friends to interpret for LEP customers if the LEP customer insists on using the friend or family member after Department-provided language services have been offered. Minor children should never be used to interpret, except in emergencies. If additional services are required, any information obtained utilizing a minor child as the interpreter shall be verified through an approved interpreter after the emergency situation has closed.
6. **Translation of written materials:** Each work unit must identify its vital documents. Vital documents include, but are not limited to, the following for any service, benefit, program, or administrative work unit provided by or contracted with the Department:
- Applications;
  - Recertification or renewal applications;
  - Documents that require a response;
  - Letters or other written documents that contain information regarding participation in a program;
  - Notices of eligibility criteria, authorization or denial, applicant or participant rights, benefit or service changes, hearings, and actions affecting parental custody or child support;
  - Consent and complaint forms;
  - Appeal rights and grievance procedures;
  - Written tests that do not assess English language competency but test competency for a particular license, job, or skill for which knowing English is not required; and
  - Notices advising LEP persons of free language assistance.
  - Any other document that the work unit deems vital due to the importance of the program, information, encounter, or service involved and the consequence to the LEP person if the information in question is not provided accurately or in a timely manner.
- a. ***Each work unit shall translate its vital documents into languages used significantly by its LEP customers.*** The Department maintains two approved processes for having written material, including required posters and signs, translated to languages other than English: The Department Office of Graphics and Design or a state-approved translation contract. Using one of these two processes ensures the quality of the translation activity. Department documents for official public use may not be translated using any other method. Work unit procedures shall identify which method for translation will be used within the work unit. The work unit procedure shall also include a listing of the documents that meet the definition of a vital document.
- b. ***Each work unit shall respond to written communications from LEP customers in a manner that is consistent with the Department policy.*** Work unit procedures shall address a process to ensure that LEP customer case records are noted as LEP when work unit staff receive information from a customer in a language other than English. Work unit staff shall interact with the individual in a manner consistent with the Department LEP policy unless the customer indicates otherwise.

- c. *Each work unit should be sensitive to the literacy levels of the LEP public.* There are situations in which the use of translated written material may not meet the needs of some Department LEP customers. Some languages are historically unwritten or some LEP customers may be illiterate in their native language. Work unit procedures must ensure that staff use the most effective means to communicate with LEP individuals. This may include either verbal or written communication.

7. **Institutional Considerations for Translation:**

- a. *Each work unit shall ensure that the public is aware of available interpretation and translation assistance.* Each work unit shall include on all documents that are not translated into a language other than English a statement in each significantly used language indicating that all persons have the right to free language assistance and how the assistance can be obtained. This notification shall be included on all documents that are routinely disseminated to the public, including electronic text. This language shall be placed near the front of the document in a format that brings attention to it.
- b. *Each work unit shall ensure that its electronic sources for providing vital information are LEP compliant.* The Department and each work unit shall ensure that its Web sites and other electronic sources for vital information or documents provide this information in significantly used languages other than English. Web sites shall prominently display access to non-English versions of this information on any page that may be used as the initial point of contact for LEP individuals. Web sites shall also identify methods to access language assistance free of charge.
- c. *The Department shall produce and each work unit shall readily make available to its customers, an LEP Rights pamphlet in English and all other significantly used languages.* The pamphlet shall explain that LEP services are available from the Department free of charge and shall explain procedures for accessing these services.
- d. *Each work unit may translate non-vital documents into languages other than English, except to the extent prohibited by the Arizona Constitution, Article 28, English as the Official Language.*

8. **Training:** Training shall include a consistent message explaining why it is important for the Department to ensure that LEP customers are served in a manner consistent with the Department policy. Persons with specific knowledge of Title VI of the Civil Rights Act and the requirements contained therein shall develop this training. Training shall include, but not be limited to:
- a. *General training* for all staff on the importance of providing services for individuals with LEP;
  - b. *Work unit-specific training* to ensure that work unit staff that deal with or are likely to have contact with Department customers are trained on the LEP policies and procedures. This includes, but is not limited to, specific training for staff who have LEP customer contact to work effectively with in-person and telephone interpreters;
  - c. *Technical assistance training* for LEP contact staff;
  - d. *Management level training* for supervisors and administrative staff assisting staff with direct customer contact.

9. **Providing notice to LEP Customers of the availability of language assistance services and outreach:** Work unit procedures shall identify how to inform LEP customers of the availability of free language assistance services. The work unit shall make the notification at the first point of contact. Notification includes signs in intake areas or other customer entry points, outreach documents such as brochures or booklets, LEP posters and pamphlets, and telephone menus in significantly used languages:
- a. The work unit shall provide the notification of free language assistance in the language of the LEP customer. LEP persons should also be advised that they may use an interpreter of their own choosing at their own expense;
  - b. Consistent with its commitment to partnership and outreach, the Department engages in comprehensive outreach to ensure awareness by LEP persons of its programs and activities. Outreach includes the use of ethnic media such as radio, television, newspapers, magazines, Web sites, faith-based organizations, community-based organizations at local levels that provide social services, healthcare, and classes. Work unit procedures shall acknowledge its commitment to support Department outreach efforts in relation to the programs it administers and the services it provides;
  - c. Work unit procedures shall include provisions to ensure that Web pages accessible to members of the general public include information on the availability of language assistance;
  - d. The Department shall maintain copies of written documents such as flyers or pamphlets intended to be used to notify persons of language assistance. Pamphlets shall be maintained in locations in which direct service to Department customers is provided and shall be readily available to customers without the need of Department staff intervention.
10. **Monitor access to language assistance:**
- a. *Each work unit shall institute procedures to monitor the accessibility and quality of language assistance activities for LEP customers.* Work unit procedures shall include specific time frames and methods to reassess language assistance activities to ensure that the services provided by the work unit address the actual needs of the LEP customers based on actual experiences of the work unit. Work unit procedures shall ensure that such monitoring is completed no less than every 12 months. Work unit procedures should include a process for obtaining community and customer feedback in this activity through surveys, questionnaires, or other means. Data collection and record keeping are key to an effective monitoring and compliance system. In order to determine the validity of any language assistance complaints, it may be necessary to analyze and review data that reflect how the work unit provides services to LEP customers. Data collection also allows the work unit to obtain an overview of how their services are provided. The work unit procedure shall include data collection and record keeping requirements to ensure that these assessments are fact-based and reflect actual current activity. The work unit shall assess the effectiveness of its LEP policies based on:
    - i. Current LEP populations in service areas or population or specific populations encountered;
    - ii. Frequency of encounters with LEP customers;
    - iii. Nature and importance of activities to LEP customers;
    - iv. Availability of resources, including technological advances, additional resources, and the costs imposed;

- v. Whether existing assistance is meeting the needs of the LEP customers;
- vi. Whether staff know and understand the LEP procedures; and
- vii. Whether identified sources for assistance are still available and viable.

Work units shall utilize the Departmental monitoring survey instrument. This tool identifies all mandatory points of review for each work unit. Work units shall forward this information and the completed survey to the DOEO and the Department's Office of Policy no less than annually for review. The DOEO will report the results to the Director.

- b. *Each work unit shall develop and maintain a data collection system that ensures the availability of data that includes the race and ethnicity of, customers served in its programs, the frequency of contact, and the primary language of those persons.* Work unit procedures shall require the collection of data on which the work unit has based language needs assessment; the number of LEP customers, by language group, who received language services; names and classifications of staff receiving training and dates of training. Work unit procedures shall include activities that are designed to ensure that the work unit:
  - i. Has up-to-date information on language needs in the communities it serves;
  - ii. Has an adequate number of oral translators to ensure timely compliance with LEP needs;
  - iii. Translates vital written documents into the languages needed by the communities being served;
  - iv. Has adequate supplies of translated materials;
  - v. Trains those staff required to be trained in LEP activities; and
  - vi. Keeps notification material up-to-date.

Work unit procedures shall also reflect those activities that it must perform in order to comply with overall Department monitoring practices.

- 11. **Provision of Technical Assistance:** *Each work unit shall identify an LEP contact for work unit staff. Work unit procedures shall include a process to ensure that LEP-related questions that arise are addressed in a timely and efficient manner.* The LEP contact shall be available to coordinate efforts towards compliance with the Department's LEP Policy and the work unit's LEP Procedures. Work unit procedures shall, at a minimum, include a process for direct service staff to elevate LEP questions to their LEP contact. The work unit procedure shall also include timeframes for the LEP contact to respond or to elevate the question to the Director's Office of Equal Opportunity (DOEO). The DOEO shall provide technical assistance to the LEP contact or solicit additional assistance from the Director's Office or the Office of the Attorney General.
- 12. **Issue Resolution**
  - a. **Work unit Level Process:** Work units shall create a procedure outlining an LEP issue-resolution process that shall be used to resolve a concern or dispute arising from any action or inaction taken by Department staff in administering programs or providing services. The work unit process shall be the Level I Resolution Process.

- i. The Level I procedure shall require that Department customers are advised in writing of the appropriate procedure to raise an LEP-related concern. This notification also advises the customer of their right to file a complaint at any point in time with the federal agency responsible for the program for which they are applying;
- ii. Work units shall ensure that any forms needed to request review of LEP-related decisions are available at any location in which work unit customers may receive services;
- iii. The work unit shall conduct the Level I procedure in a language that is understandable by the person raising the concern. The work unit shall make appropriate use of interpreter services, contracted provider services, or other resources needed to facilitate the dispute resolution process.
- iv. The Level I process shall include the following:

The manager in charge at the site where an LEP related concern is filed or his or her designee will review the complaint with the assistance of the work unit LEP contact. Staff shall reduce oral complaints to writing and shall place them in the appropriate case record. At any point in the process, the manager is empowered to resolve the complaint using methods and practices outlined in the Department LEP Policy and the work unit LEP Procedures. It is the intention of the Department and the work unit that most LEP issues will be resolved at this level. The Level I resolution process shall be completed no later than three days following the day of receipt of the complaint unless the LEP customer requests a delay in the process. The manager shall ensure that all reasonable measures are pursued to immediately verbally notify the LEP customer of the outcome of the issue resolution. The Department shall provide a written confirmation of the decision within five business days.

- b. **Department Level Process:** The Department process is initiated whenever a LEP customer expresses in writing to the Department that the work unit attempt to resolve the issue at the Level I process has not met their need. This LEP issue escalation process ensures the rights of LEP customers to have concerns resolved in their preferred language. Inherent in this process is the availability of the Department Office of Equal Opportunity to assist either the Department or the LEP customer in resolving a concern. This process conforms to other issue resolution/grievance processes in regard to required timeframes, based upon the program(s) from which the LEP customer is seeking service.
  - i. **Level II:** If no resolution can be reached at Level I, the notification to the LEP customer shall include the right to pursue the grievance, the timeframes, and the process request verbally or in writing an Executive Leader (EL) review and decision. The EL may request assistance from the Director's Office of Equal Opportunity (DOEO) with the cooperation of the work unit LEP contact. Level II action shall occur within five working days of receipt of the request for review of the Level I decision from the LEP customer. The Executive Leader shall ensure that the LEP customer receives written notice of the outcome of the Level II review and advise the LEP customer of the method and time frame to obtain a Level III review.
  - ii. **Level III:** In the rare instances where no resolution can be accomplished at the Level II review, the LEP customer may request a final decision from DOEO. If the LEP customer is not satisfied with the DOEO-proposed resolution, the DOEO will again inform the LEP customer of their rights to file with the appropriate federal agency. This process will be completed within five working days of receipt of the request for review of the Level II decision from the LEP customer.

**SCOPE OF WORK  
DISABILITY RELATED EMPLOYMENT SERVICES**

**1.0 MISSION AND VISION STATEMENTS**

- 1.1 **ADES Mission:** The Arizona Department of Economic Security (ADES) promotes the safety, well being, and self sufficiency of children, adults, and families.
- 1.2 **ADES Vision:** Every child, adult, and family in the State of Arizona will be safe and economically secure.
- 1.3 **Arizona Rehabilitation Services Administration (RSA) Mission for Vocational Rehabilitation (VR) Program:** To assist individuals with disabilities to achieve economic self-sufficiency through meaningful and sustained employment.

**2.0 PURPOSE**

- 2.1 The purpose of this contract is to purchase Disability Related Employment Services that will assist RSA clients in preparing for, obtaining, and maintaining competitive employment in integrated work environments consistent with the client's selected vocational goal, abilities, capabilities, interests, and informed choice. These services were previously contracted as Job Development and Placement, Supported Employment and Performance Based Employment Services.
- 2.2 Legal Authority. A.R.S. § 41-1954. A.6 provides ADES the authority to contract and incur obligations within the general scope of its activities and operations. RSA is authorized to provide these services under the Rehabilitation Act of 1973, as amended, and its implementing regulations (34 CFR 361.48 Scope of Vocational Rehabilitation Services for Individuals with Disabilities), and A.R.S. § 23-503 Duties and Powers of Vocational Rehabilitation Division (i.e. Administration). RSA is authorized to purchase this service based on the RSA Fee Schedule in accordance with Arizona Revised Statute 41-1954 G. 6.
- 2.3 Projected Utilization. These services are provided on an as needed basis. There is no guarantee of the number of referrals to be issued by RSA.

**3.0 SERVICE DESCRIPTION**

- 3.1 Arizona Taxonomy. Employment Services provide activities and assistance in support of finding, entering or retaining a job for individuals or groups.
- 3.2 Definitions (Exhibit A)
- 3.3 Disability Related Employment Services include the following:
  - 1. **Client Service Planning** service includes development of a Client Service Plan that identifies the service objectives with regards to outcome achievement.
  - 2. **Track A: Job Development and Placement and Job Retention (Non-Supported Employment) services** are intended for clients who require a full range of job readiness, job development, job placement and job retention services with minimal job coaching. Depending upon the specific needs of the client, services may include job seeking skills training, assistance with self-directed job search techniques, employer expectations, resume writing, interview skills/mock interviews, job site development specific to the chosen career goal, activities to discover and develop employment opportunities for clients, selective job placement through job analysis, work site analysis for needed accommodations, direct job placement, job coaching and other follow up services with the client (on-site and/or off-site support) to ensure the client's successful employment retention.
  - 3. **Track B: Job Development and Placement and Job Retention (Supported Employment) services** are intended for clients who are eligible for Extended Supported Employment services following the vocational rehabilitation program. Track B services include a full range of job readiness, job development, job placement and job coaching and job retention support. Depending upon the specific needs of the client, services may include job seeking skills training, assistance with self-directed job search techniques, employer expectations, resume writing, interview skills/mock interviews, job site development specific to the chosen career goal, activities to discover and develop employment opportunities for clients, selective job placement through job analysis, work site analysis for needed accommodations, direct job placement, job

coaching and other follow up services with the client (on-site and/or off-site support) to ensure the client's successful employment retention. Post placement job coaching support is provided on an individual basis.

4. **Track C: Enclave Employment Support and Retention** services are intended for clients who are eligible for Extended Supported Employment services following the vocational rehabilitation program and who require more intensive support than is provided by individual placement approaches. Services involve direct work supervision in a group work setting that includes two or more individuals and any support needed to sustain employment stability.
  5. **Post Employment** services are intended for clients whose cases have previously been successfully closed by RSA, but have returned for short-term job replacement or job coaching assistance. Depending upon the specific needs of the client, services may include: job replacement, job coaching and follow ups with the client.
- 3.4 The Contractor shall provide services under one or all Tracks as indicated by the Contractor on the RSA Fee Schedule Application (Attachment 1).
- 3.5 Disability Related Employment Services are not intended to:
1. Assess the client's vocational skills or conduct a situational assessment;
  2. Teach specific vocational skills;
  3. Provide therapeutic or other counseling interventions to address significant behavioral or psychological issues;
  4. Provide extended supported employment services.
- 3.6 **Service Eligibility.** Eligibility for these services is determined by RSA Counselors (hereafter referred to as Counselor). RSA purchases Disability Related Employment Services only when RSA Counselors or other public resources (such as the Arizona Job Services and Workforce Investment, Comprehensive One Stop Centers, etc.) are unable to meet the needs of those individuals. Referral for Disability Related Employment Services is made only if the client and the Counselor agree that:
1. The client has selected a vocational goal and is ready for employment;
  2. Additional Disability Related Employment Services are needed, and
  3. The Departmental resources are not adequate to meet the client's needs.
- 3.7 **Background Information.** The Rehabilitation Services Administration is the administration within ADES that provides Vocational Rehabilitation (VR) services to individuals with physical, mental, or emotional disabilities to assist them in achieving permanent, integrated, and competitive employment consistent with their strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choice.
- 4.0 **SERVICE REQUIREMENTS**  
The Contractor shall:
- 4.1 Ensure that all services provided are culturally relevant and linguistically appropriate to the population to be served.
- 4.2 Schedule a **service planning** meeting within ten (10) business days upon receipt of a written RSA Purchase Authorization and a referral for services packet from a Counselor. This face to face meeting is required and includes the client, the Counselor and the Contractor. The purposes of the service planning meeting are to determine and document:
1. The extent of the client's job readiness skills and his/her ability to meet the varied requirements of the occupation that is chosen by the client in his/her Individualized Plan for Employment (IPE) ;
  2. Whether the client and the Contractor choose to work together as a team;
  3. Potential client specific job site accommodations needed;
  4. The results of Social Security benefit counseling if any;
  5. The Client Service Plan (Exhibit B).
- 4.3 Initiate **service provision** for services listed in the Client Service Plan within ten (10) business days after receipt of a written RSA Purchase Authorization. RSA Purchase Authorizations will be issued for each service and/or outcome. Verbal authorizations are not permitted.

- 4.4 Utilize modified equipment, fixtures, material or any other aids deemed necessary in order to meet the physical, mental or sensory needs of the client and in respect to cultural, gender, and lifestyle differences.
- 4.5 Notify the referring RSA staff verbally within one business day if the client is encountering serious difficulties and problems that interfere with successful completion of the agreed upon objective(s).

## 5.0 QUALIFICATION REQUIREMENTS

The Contractor shall ensure that its personnel meet the following requirements:

- 5.1 Personnel who supervise the services provided under this contract and prepare progress reports shall meet the following criteria:
  - 1. A Master's Degree in a related field (e.g., Rehabilitation Counseling, Psychology, Sociology, Education, etc.) and documentation of one (1) year of full time employment working with individuals with disabilities; or
  - 2. A Bachelor's degree in a related field (e.g. Rehabilitation Counseling, Psychology, Sociology, Education, etc.) and documentation of three (3) years full time employment in working with individuals with disabilities; or
  - 3. A high school diploma or GED and documentation of seven (7) years full time employment in working with individuals with disabilities.
- 5.2 Personnel who provide direct client services which are considered less technical in nature shall meet the following criteria:
  - 1. Have a high school diploma or G.E.D., and
  - 2. Have one (1) year of documented experience, preferably working with individuals with disabilities and involved in the provision of vocational rehabilitation services including job development and/or coaching, and
  - 3. Have knowledge and competency by evidence of documented training and/or work experience, gained within one year of their hiring date, in the following areas:
    - a. Work Behavior-Support Training
    - b. Development and use of "Natural Supports" in the workplace
    - c. Job Analysis, Job Development and Marketing to employers of RSA clients' abilities
    - d. Ethics and Boundaries
    - e. Disability awareness
  - 4. Be under the direction and supervision of personnel who meet the criteria in 5.1 above.
- 5.3 Meet a variety of needs of RSA clients, including clients with intensive behavioral, physical, and medical challenges.
- 5.4 Communicate, either directly or through the assistance of professional services, in the native language of clients who have limited speaking ability or English is not their primary language and use all other appropriate and effective modes of communications used by clients (e.g., Spanish language, American Sign Language, etc.).
  - 1. Arrange for and purchase, if applicable, qualified professional interpreting services. The only exception to this is that RSA will purchase and arrange for qualified professional interpreting services for the service planning meetings and client job interviews.

## 6.0 ADMINISTRATIVE REQUIREMENTS

The Contractor shall:

- 6.1 Ensure that client case records include the RSA Referral for Services, RSA Purchase Authorization, Client Service Plan, other applicable reports, records of services provision, date(s) of follow-up meetings(s) with the RSA staff, notes from meetings, personnel time log of service provision, client's attendance logs, and client's satisfaction surveys.
- 6.2 Ensure that its personnel records include:
  - 1. Copies of all current licenses and/or certifications,
  - 2. A current organizational chart that outlines the functional structure of the organization, including all program areas and staff positions, and
  - 3. Current written job descriptions, which include minimum qualifications for training and experience, for each position that shall be utilized in the provision of a service under the contract, and current résumés/applications for each person who will provide direct client services.

- 6.3 Maintain a quality management plan in order to continuously monitor the delivery of services and to ensure that the service provision meets the client's objectives.
1. Have the management plan on file and make the plan available to ADES upon request. The management plan shall contain elements that address the following:
    1. Incident management, corrective action and preventions;
    2. Complaints and grievances;
    3. Monitoring and evaluation of the service provision (i.e., measurement of outcomes as it relates to the client's objectives) and the improvement of the quality of services;
    4. Routine monitoring of its personnel and subcontractors to ensure the effectiveness of the relationship between the client and direct service personnel; and
    5. Soliciting input from clients to evaluate the effectiveness of the service provision by providing each client with a client satisfaction survey. The survey shall measure client satisfaction with services provided, goals obtained, and staff interaction, and their role in decision making process.

6.4 Adhere to the Contractor Code of Conduct (Exhibit C).

6.5 Adhere to the requirements of the Rehabilitation Act and its implementing regulations 34 CFR 361.51 Standards for facilities and providers of services.  
[http://www.access.gpo.gov/nara/cfr/waisidx\\_02/34cfr361\\_02.html](http://www.access.gpo.gov/nara/cfr/waisidx_02/34cfr361_02.html)

6.6 Adhere to Client Transportation Requirements (Exhibit D) if a client is being transported by the Contractor during the service provision.

## 7.0 SERVICE OUTCOMES

7.1 **Client Service Planning.** The outcome for this service includes a signed Client Service Plan that identifies the service objectives and agreements with regards to outcome achievement. The Client Service Plan is negotiated and developed during the initial face-to-face service planning meeting and is signed by the client, the Counselor and the Contractor.

### 7.2 Track A: Job Development, Placement and Retention (Non-Supported Employment)

1. The required outcomes for Track A are:
  1. Job Placement which meets the following criteria:
    1. The client is competitively employed in a job, for minimum of three (3) days , that is consistent with his/her vocational goal as specified in the client's current Individualized Plan for Employment (IPE); and
    2. Successful Employment Retention which meets the following criteria:
      1. The client is working successfully at a job that is consistent with his/her vocational goal as specified in the client's current IPE and maintains the agreed-upon minimum work hours without supplemental job coaching supports, and;
      2. The client is determined to be stable, as evidenced by maintaining successful employment consistent with the vocational goal as specified in the client's current IPE for a period of at least 90 days after job placement outcome has been achieved, and;
      3. The client, the Counselor, and the Contractor consider the employment outcome to be satisfactory and agree that the client is performing well on the job.
  2. If a client is referred for Employment Retention ONLY (already has a job) then the required outcome for Track A is:
    1. Successful Employment Retention which meets the following criteria:
      1. The client is working successfully at a job that is consistent with his/her vocational goal as specified in the client's current IPE and maintains the agreed-upon minimum work hours without supplemental job coaching supports, and;
      2. The client is determined to be stable, as evidenced by maintaining successful employment consistent with the vocational goal as specified in the client's current IPE for a period of at least 90 days after job placement, and;
      3. The client, the Counselor, and the Contractor consider the employment outcome to be satisfactory and agree that the client is performing well on the job.

### 7.3 Track B: Job Development, Placement and Retention (Supported Employment)

1. The required outcomes for Track B are:

1. Job Placement which meets the following criteria:
  1. The client is competitively employed in a job, for minimum of three (3) days, that is consistent with his/her vocational goal as specified in the client's current Individualized Plan for Employment (IPE); and
  2. Successful Employment Retention which meets the following criteria:
    1. The client has successfully transitioned to extended supported employment services as agreed by the VR Counselor, the client, the extended supported employment services funder, and the Contractor, and;
    2. The client has maintained successful employment consistent with the vocational goal as specified in the client's current IPE for a period of at least 90 days after the job placement outcome has been achieved, and;
    3. The client, the Counselor, and the Contractor consider the employment outcome to be satisfactory and agree that the client is performing well on the job.
2. If a client is referred for Employment Retention ONLY (already has a job) then the required outcome for Track B is:
  1. Successful Employment Retention which meets the following criteria:
    1. The client has successfully transitioned to extended supported employment services as agreed by the VR Counselor, the client, the extended supported employment services funder, and the Contractor, and;
    2. The client has maintained successful employment consistent with the vocational goal as specified in the client's current IPE for a period of at least 90 days after the job placement outcome has been achieved, and;
    3. The client, the Counselor, and the Contractor consider the employment outcome to be satisfactory and agree that the client is performing well on the job.

**7.4 Track C: Enclave Employment Support and Retention**

The outcomes for Track C include:

1. Successful Employment Retention which meets the following criteria:
  1. The client successfully transitioned to extended supported employment services, and;
  2. The client has maintained successful employment consistent with the vocational goal as specified in the client's current IPE for a period of at least 90 days after placement in the group setting.
  3. The client, the Counselor, and the Contractor consider the employment outcome to be satisfactory and agree that the client is performing well on the job.

**7.5 Post Employment Services**

The outcomes for this service include:

1. The client is successfully employed; and
2. The client, the Contractor and the Counselor agree that the client is stable at work and that the outcomes stated in the Client Services Plan have been achieved.

**8.0 CONTRACTOR PERFORMANCE EVALUATION**

8.1 ADES will monitor and evaluate the Contractor's performance in achieving the service outcomes and compliance with the terms and conditions of this contract through on-site visits and through data gathered from the Contractor's claims for payment and required forms documenting achievement of outcomes and provision of service.

8.2 The Contractor shall meet the following minimum acceptable performance standards during a contract year:

1. **Performance Standard #1: Acceptance Rate:** At a minimum, 80% of referrals for service (as measured by the issuance of an RSA authorization to the Contractor for a Client Service Plan which is included in the client referral packet) will result in a signed Client Service Plan.
2. **Performance Standard # 2: Successful Employment Retention:** At a minimum, 60% of clients whose cases have closed to the Contractor will have achieved the Successful Employment Retention Outcome with that contractor.

8.3 Clients served under Post Employment (refer to Section 7.5), will not be included when calculating the performance standards.

8.4 If the Contractor becomes the employer of record for the client:

1. The service provision stops at job placement and no further payment will be issued to the Contractor beyond Job Placement Outcome but these clients will be included when calculating the performance standards.
2. This requirement does not apply to Track C – Enclave Support and Retention (refer to Section 7.4).

## 9.0 PAYMENT

9.1 Payment for Disability Related Employment Services will be made in accordance with the RSA Fee Schedule . The fees indicate the maximum payment rates.

9.2 Payment rates are all inclusive, which means they include the Contractor's staff time, administrative cost, research, report preparation, travel time and mileage, time lost due to client missed appointment ("no shows") and other cost associated with the service provision. RSA will not pay for these costs separately.

9.3 Payment rates available under this contract include:

### 9.3.1 Outcome Rates

1. Outcome rates are available for the following services:
  1. Client Service Plan (Track A, Track B, Track C and Post Employment Services);
  2. Job Placement Outcome (Track A, Track B);
  3. Successful Employment Retention Outcome (Track A, Track B and Track C).
2. Payment for an outcome will be made as follows:
  1. After the client achieves each authorized outcome and the required documentation (as stated in Section 10. Reporting Requirements) has been submitted following outcome completion and accepted by the Counselor.
  2. Payment for the Job Placement and Successful Employment Retention Outcomes will be made only once to the Contractor per client case.
  3. Payment for the Client Service Plan Outcome may be made more than once.

### 9.3.2 Hourly Rate

1. Hourly rates are available for the following services:
  1. Job Development and Placement and Job Retention Services—Individual Setting (Track A and Track B)
  2. Job Development and Placement Services—Group Setting (Track A and Track B)
  3. Post Employment services.
2. Hourly Rate means One (1) Hour or sixty (60) minutes of time or increment thereof spent in providing services to one client. The Contractor may round the total time spent with the client to the nearest quarter of an hour (15 minutes). Example: 22 hours and 15 minutes = 22.25 hours; 22 hours and 30 minutes = 22.5 hours; 22 hours and 45 minutes = 22.75 hours
3. Individual setting means that Job Development and Placement and Job Retention services are provided to one RSA client and this includes:
  1. Direct contacts with clients, employers and/or Counselors, either face to face or using other communication methods (e.g. phone calls) provided that service provision lasted longer than fifteen (15) minutes.
  2. Routine follow up calls lasting less than fifteen (15) minutes. are not billable.
  3. Client Service Planning meetings are not billable on an hourly basis.
4. Group setting means that Job Development and Placement service are provided to one RSA client who may be in a group of two (2) or more clients simultaneously receiving same service (e.g. classes for resume and interview skills development, etc.) These services do not include Track C Supported Employment- Group Placement setting (see Section 9.3.3)
5. For authorized hourly compensated services, invoices shall be submitted on a monthly calendar basis for services provided and reports attached as per Section 10. Reporting Requirements.

### 9.3.3 Daily Rate

1. Daily rate is available for Enclave Support services (Track C).
2. Daily rate means that one RSA client receives more than 3 consecutive hours of support services in a work setting with two or more individuals that are part of the same cluster/enclave. The Contractor shall bill for half day increments (0.5 units) when a client is in attendance in a group setting for three hours or less on a given calendar day. The daily rate is the same for whole or half days. At the end of the reporting period, the Contractor shall add up all WHOLE days and HALF days of the client's attendance. The days shall not be rounded.
3. For authorized daily compensated services, invoices shall be submitted on a monthly calendar basis for services provided and reports attached as per Section 10. Reporting Requirements.

## 10.0 REPORTING REQUIREMENTS

10.1 The Contractor shall submit the following program reports along with a Contractor Invoice Form (Exhibit J) to RSA Payment and Billing Unit; PO BOX 6877 Phoenix AZ 85005 within fifteen (15) calendar days after an outcome is achieved or within fifteen (15) calendar days following the month in which authorized services were provided:

1. Client Service Planning
  1. *Client Service Plan* (Exhibit B).
2. Track A: Job Development, Placement and Retention (Non-Supported Employment)
  1. For Job Development, Placement or Retention hours provided (either Individual or Group): *Monthly Service Report* (Exhibit E).
  2. For Job Placement Outcome: *Job Placement Report* (Exhibit F). The Contractor shall also submit a copy of the completed report to the Counselor within five (5) calendar days following job placement.
  3. For Successful Employment Retention Outcome: *Successful Employment Retention Report* (Exhibit G).
3. Track B: Job Development, Placement and Retention (Supported Employment)
  1. For Job Development, Placement or Retention hours provided (either individual or group): *Monthly Service Report* (Exhibit E).
  2. For Job Placement Outcome: *Job Placement Report* (Exhibit F). The Contractor shall also submit a copy of the completed report to the Counselor within five (5) calendar days following job placement.
  3. For Successful Employment Retention Outcome: *Successful Employment Retention Report* (Exhibit G).
4. Track C: Enclave Employment Support and Retention
  1. For Enclave Support days provided: *Monthly Service Report* (Exhibit E).
  2. For Successful Employment Retention Outcome: *Successful Employment Retention Report* (Exhibit G).
5. Post Employment
  1. For Post Employment hours provided: *Monthly Service Report* (Exhibit E).
  2. For Job Placement Outcome: *Job Placement Report* (Exhibit F). The Contractor shall also submit a copy of the completed report to the Counselor within five (5) calendar days following job placement.
6. Service Closure (Client no longer being served by the Contractor)
  1. *Service Closure Report* (Exhibit H) within five (5) calendar days of the client's case closure including the reasons for closure after services are terminated for any reason. Contractor service closure may occur at any point after the Client Services Plan is signed and it can be initiated by Contractor, Client or Counselor.
7. Counselor Communication  
Provide updates of client progress either verbally or in writing as requested by the Counselor.
8. Unusual Incidents
  1. Report unusual incidents verbally within one (1) business day of the occurrence and a written report of the unusual incident shall be submitted within three (3) business days to the referring Counselor. Unusual incidents include, but are not limited to:
    - a. Death of a client;
    - b. Alleged neglect, abuse, mistreatment or exploitation of a client (by anyone);
    - c. When the Contractors suspects that a client may be missing;
    - d. Suicide attempts by the client;
    - e. Client might pose a threat to the physical or emotional well-being of an individual or Contractor's staff.

10.2 The Contractor shall submit *Quarterly Reports* (Exhibit I) to the RSA Contracts Unit Manager within fifteen (15) days following the end of each calendar quarter along with a copy of *Service Closure Report* (Exhibit H) for each client. The *Quarterly Report* is in an Excel spreadsheet format and all data must be entered directly by the Contractor. Completed *Quarterly Reports* shall be submitted by email.

### 10.3 Other Reports

1. RSA reserves the right to request the Contractor to submit additional or revised reports related to the service provision and contract performance.
2. Reporting Requirements may change during the contract term. The Contractor will be notified about any change in reporting forms by mail.
3. The Contractor shall submit current certificates of insurance as required in the ADES Special Terms and Conditions to:  
Arizona Department of Economic Security  
RSA Contracts Unit Manager  
PO BOX 6123 Site Code 930A, Phoenix, AZ 85005

10.4 Any form referenced in this contract may be revised by RSA.

11.0 RSA Fee Schedule

11.1 RSA Fee Schedule  
For Years 1 and 2 Effective July 1, 2011 and Ending June 30, 2013

**Track A: Job Development, Placement and Retention (Non-Supported Employment)**

Service/Outcome	Payment Unit	Rate	Reporting Requirements
Client Service Plan	One Client Service Plan	\$100	Client Service Plan
Job Development and Placement Services – Individual Setting	One Hour	\$30	Monthly Services Report
Job Retention Services – Individual Setting	One Hour	\$30	Monthly Services Report
Job Development and Placement Services – Group Setting	One Hour	\$10	Monthly Services Report
Job Placement Outcome	One Job Placement	\$750	Job Placement Report
Successful Employment Retention Outcome	One Successful Employment Retention	\$1,000	Successful Employment Retention Report

**Track B: Job Development, Placement and Retention (Supported Employment)**

Service	Payment Unit	Rate	Reporting Requirements
Client Service Planning	One Client Service Plan	\$100	Client Service Plan
Job Development and Placement Services – Individual Setting	One Hour	\$30	Monthly Services Report
Job Retention Services – Individual Setting	One Hour	\$30	Monthly Services Report
Job Development and Placement Services – Group Setting	One Hour	\$10	Monthly Services Report
Job Placement Outcome	One Job Placement	\$1,100	Job Placement Report
Successful Employment Retention Outcome	One Successful Employment Retention	\$1,350	Successful Employment Retention Report

**Track C: Enclave Employment Support and Retention**

Service	Payment Unit	Rate	Reporting Requirements
Client Service Planning	One Client Service Plan	\$100	Client Service Plan
Enclave Employment Support and Retention	One Day	\$25	Monthly Services Report
Successful Employment Retention Outcome	One Successful Employment Retention	\$1,200	Successful Employment Retention Report

**Post Employment Services**

Service	Payment Unit	Rate	Reporting Requirements
Client Service Planning	One Client Service Plan	\$100	Client Service Plan
Job Replacement	One Hour	\$50	Post Employment Report

11.2 RSA Fee Schedule  
For Year 3 Effective July 1, 2013 and Ending June 30, 2014

**Track A: Job Development, Placement and Retention (Non-Supported Employment)**

Service/Outcome	Payment Unit	Rate	Reporting Requirements
Client Service Plan	One Client Service Plan	\$100	Client Service Plan
Job Development and Placement Services – Individual Setting	One Hour	\$20	Monthly Services Report
Job Retention Services – Individual Setting	One Hour	\$20	Monthly Services Report
Job Development and Placement Services – Group Setting	One Hour	\$10	Monthly Services Report
Job Placement Outcome	One Job Placement	\$1250	Job Placement Report
Successful Employment Retention Outcome	One Successful Employment Retention	\$1,500	Successful Employment Retention Report

**Track B: Job Development, Placement and Retention (Supported Employment)**

Service	Payment Unit	Rate	Reporting Requirements
Client Service Planning	One Client Service Plan	\$100	Client Service Plan
Job Development and Placement Services – Individual Setting	One Hour	\$20	Monthly Services Report
Job Retention Services – Individual Setting	One Hour	\$20	Monthly Services Report
Job Development and Placement Services – Group Setting	One Hour	\$10	Monthly Services Report
Job Placement Outcome	One Job Placement	\$1,600	Job Placement Report
Successful Employment Retention Outcome	One Successful Employment Retention	\$1,850	Successful Employment Retention Report

**Track C: Enclave Employment Support and Retention**

Service	Payment Unit	Rate	Reporting Requirements
Client Service Planning	One Client Service Plan	\$100	Client Service Plan
Enclave Employment Support and Retention	One Day	\$25	Monthly Services Report
Successful Employment Retention Outcome	One Successful Employment Retention	\$1,200	Successful Employment Retention Report

**Post Employment Services**

Service	Payment Unit	Rate	Reporting Requirements
Client Service Planning	One Client Service Plan	\$100	Client Service Plan
Job Replacement	One Hour	\$50	Post Employment Report

**Disability Related Employment Services  
DEFINITIONS**

1. **Competitive Employment:** Work in the competitive labor market that is performed on a full-time or part-time basis in an integrated setting and for which an individual is compensated at or above the minimum wage, but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by individuals who are not disabled. Wages are paid by the employer, not the Contractor.
2. **Extended Supported Employment:** Ongoing services needed to support and maintain an individual with a disability in employment after the VR program terminates employment support services.
3. **Individualized Plan for Employment (IPE):** An individualized plan is developed and implemented with each eligible client to whom the RSA is able to provide services. Services are provided in accordance with the provisions of the IPE. The IPE is designed to achieve a specific employment outcome that is selected by the client consistent with the individual's unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.
4. **Informed Choice** as defined by the Rehabilitation Act of 1973, as amended, and its implementing regulations (34CFR 361.52). See link below:  
[http://www.access.gpo.gov/nara/cfr/waisidx\\_02/34cfr361\\_02.html](http://www.access.gpo.gov/nara/cfr/waisidx_02/34cfr361_02.html)
5. **Integrated Employment:** Employment in which individuals with disabilities interact with non-disabled individuals (other than support staff) to the same extent that non-disabled individuals in comparable positions interact with other persons.
6. **Integrated Setting:**
  - (i) With respect to the provision of services, means a setting typically found in the community in which applicants or eligible individuals interact with non-disabled individuals other than non-disabled individuals who are providing services to those applicants or eligible individuals;
  - (ii) With respect to an employment outcome, means a setting typically found in the community in which applicants or eligible individuals interact with non-disabled individuals, other than non-disabled individuals who are providing services to those applicants or eligible individuals, to the same extent that non-disabled individuals in comparable positions interact with other persons. (34 CFR 361.5(b)(33))
7. **Successful Employment:** A client is considered to be successfully employed when they have entered or retained full-time or, if appropriate, part-time competitive employment in the integrated labor market, in supported employment, or any other type of employment, including self-employment, telecommuting, or business ownership, that is consistent with an individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.
  1. When a client, who is in *competitive employment*, has been placed on the employer's payroll:
    1. The employment shall be consistent with the client's abilities, capabilities, interests, and informed choice;
    2. The employment shall be in the most integrated setting possible, consistent with the client's informed choice;

**Disability Related Employment Services  
DEFINITIONS**

3. The client is no longer dependent on Vocational Rehabilitation for payment of supported employment services.
2. *Successful Employment* does NOT include: employment of an inmate within a correctional facility; employment in a non-integrated or sheltered setting; work under an On the Job Training (OJT) contract; involvement in a Work Experience Program or volunteer program; involvement in Job Corps; work for a Temporary Employment Agency unless this type of employment setting is the pre-identified client's goal.
8. *Successful Employment Retention* means:
  1. The client maintains successful employment for a period of at least 90 days after placement in successful employment.
  2. The client and the VR counselor consider the employment outcome to be satisfactory and agree that the client is performing well on the job.
  3. When a client's employment is different from what was planned on the Individualized Plan for Employment, the counselor must agree that all closure criteria have been met.

Disability Related Employment Services  
**CLIENT SERVICE PLAN**

**Section I: Basic Information**

Date of Service Plan Meeting:	
Client Name: Last:	
First:	
Client's Guardian/Representative Name (if applicable):	
Contractor's Name:	
Contract Number:	RSA Purchase Authorization Number
Contractor's Representative Present at Service Plan Meeting:	
Counselor Present at Service Plan Meeting:	

**Section II: Assessment Summary**

Client's vocational goal(s):
Is client seeking full or part-time employment? <input type="checkbox"/> Full-time <input type="checkbox"/> Part-time
If part-time work is the goal, provide explanation?
Work schedule preference (i.e. weekdays, weeknights, weekends, etc) :
Will the client require special accommodations or supports on the job? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If "Yes", please describe:</i>
Are there significant barriers that need to be addressed to ensure successful employment? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If "Yes", please describe:</i>
Client has received benefits counseling, if applicable: <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If "No", when will this be done and by whom?</i>

**Section III: Planned Services**

Check applicable service type to be provided to the client:

- Track A: Job Development, Placement and Retention (Non-Supported Employment)
- Track B: Job Development, Placement and Retention (Supported Employment)
- Track C: Enclave Employment Support and retention
- Post Employment

Anticipated start date of service:

**Disability Related Employment Services  
CLIENT SERVICE PLAN**

<b>Track A and B Outcome/Service</b>	<b>Activities</b>	<b>Anticipated Number of Hours</b>	<b>Expected Completion Date</b>
Job Development and Placement	<input type="checkbox"/> Job market and wage analysis <input type="checkbox"/> Job search skill development <input type="checkbox"/> Identification of employers and job sites <input type="checkbox"/> Negotiate position modifications (carve-out) with employer in order to accommodate client's needs <input type="checkbox"/> Assistive technology and worksite modifications analysis and plan development <input type="checkbox"/> Other ( Specify):		
Successful Employment Retention	<input type="checkbox"/> Maintain on-going contact with client and employer to ensure job satisfaction and to assist in issue resolution as needed to achieve employment stability <input type="checkbox"/> Other ( Specify):		

<b>Track C Outcome/Service</b>	<b>Activities</b>	<b>Anticipated Number of Days</b>	<b>Expected Completion Date</b>
Enclave Support	<input type="checkbox"/> Support in a group setting with 2 or more clients supervised by contractor staff. <input type="checkbox"/> Training and coaching support to achieve employment stability <input type="checkbox"/> Other ( Specify):		

<b>Post Employment Outcome/Service</b>	<b>Activities</b>	<b>Anticipated Number of Hours</b>	<b>Expected Completion Date</b>
Post Employment Services	<input type="checkbox"/> Job Replacement <input type="checkbox"/> Job Retention Support <input type="checkbox"/> Other ( Specify):		

**Section IV: Signatures**

By signing this form:

- The Client and/or their guardian/representative, the Contractor and the Counselor, agree to work together as a team to achieve the client's successful employment specified in this document
- The Client and/or their guardian/representative, confirm that they fully understand the following :
  1. The Client's needs to be actively involved and working toward successful employment.
  2. The possible impact of employment on their SSI/SSDI benefits, and that it is their responsibility to report their earnings to the Social Security Administration (SSA) each month.

Client Signature (If not available, explain):	Date:
Client's Guardian/Representative Signature (If applicable):	Date:
Counselor Signature:	Date:
Contractor Representative Signature:	Date:

Exhibit C

**CODE OF CONDUCT**

The Contractor, its personnel, subcontractors and any other individuals on the Contractor's premises shall adhere to the following:

1. Represent himself/herself accurately to RSA clients and shall not mislead the clients regarding the Contractor's relationship with ADES/RSA, or mislead the clients regarding the Contractor's skills, capabilities or credentials.
2. Collaborate with RSA staff and other service providers (if applicable) in the best interest of the clients and, to the extent possible, avoid disagreements that might have adverse effects on the clients. When collaborating with other community agencies that serve the same client(s), abide by the decisions that were agreed upon by all of the involved parties and assist in implementing such decisions which are consistent with applicable laws, regulations, rules and policies.
3. Ensure at all times that client information is used only for the purpose of fulfilling contractual responsibility and is not released to any other individual, agency, or organization. Confidential information and reports obtained, purchased, and paid for under this contract shall never be shared without the expressed permission from the RSA client and the RSA staff assigned to the client's case.
4. Develop and maintain confidentiality policy statement and establish procedures that restrict access to confidential client records and information. This provision shall not be construed to limit the right of RSA staff or other authorized representative(s) to access client case records and information pertinent to the provision of the contracted service.
5. Ensure that RSA clients are safeguarded and supervised by the Contractors' personnel assigned to provide the contracted service at all times when on the Contractor's premises.
6. Always act in a professional manner, honor commitments, treat RSA clients with respect, dignity, and courtesy, and project a positive attitude.
7. NEVER:
  - i. Engage in any form of intimate and sexual activity with an RSA client.
  - ii. Enter into any business partnership with an RSA client.
  - iii. Employ authority or influence with RSA clients for the benefit of third parties, including the client's family or friends.
  - iv. Exploit the client's trust in the Contractor or its personnel for any purpose.
  - v. Accept any commission, rebates, or any other form of remuneration when serving RSA clients, except payment for service provided from RSA.

### CLIENT TRANSPORTATION REQUIREMENTS

- 1.1 The Contractor may provide transportation for the client, dependent(s) and/or care-givers for the purpose of the client's participation in service provision;
- 1.2 Transposition cost is the responsibility of the Contractor.
- 1.3 If the Contractor and/or its personnel provides its own vehicular transportation of clients, their dependents and/or care-givers, or uses a private provider or volunteer-driven vehicles to transport clients, their dependents and/or care-givers, in addition to the requirements specified in A.C.C. R9-20-212 and 213, and all applicable Federal, State and local laws, rules and regulations, the following shall apply:
  1. No client, dependent and/or care-giver shall be transported in portions of the vehicles not constructed for the purpose of transporting people, such as truck beds, campers, or any trailered attachment to a motor vehicle;
  2. Assist the client, dependent(s) and/or care-giver(s) to enter and exit the vehicle as is necessary;
  3. Ensure that all individuals are properly seated and seat belts are securely fastened by means of age- and weight-appropriate restraints when the vehicle is in operation;
  4. Child safety restraint seats shall be used in accordance with ARS § 28-907.
  5. Ensure that client, dependent(s) and/or care-giver(s) do not stand or sit on the floor while the vehicle is in motion; Vehicle doors shall remain locked at all times when the vehicle is in motion;
  6. Provide a safe vehicle loading and unloading area, away from moving traffic and hazardous obstructions;
  7. Provide adapted vehicles for clients and/or care-givers with special mobility;
  8. Escort all persons, under the age of 18 and without an adult in accompaniment, to their final destination and not leave them unattended.
  9. Report any traffic accident involving any client, dependent and/or care-giver being transported by the Contractor, its transport contractor or contractor personnel, volunteers, or interns utilizing personal vehicles; The accident shall be verbally reported the same day of the occurrence to the referring ADES staff. A legible, written report of the accident shall be submitted within three (3) business days.
- 1.4 All vehicles used for this service shall:
  1. Have valid registration and license plates.
  2. Have at least the minimum level of insurance required by the State of Arizona.
  3. Be constructed for the safe transportation of persons. All seats shall be securely fastened to the body of the vehicle.
- 1.5 Vehicles used to transport clients in wheelchairs shall be equipped with floor-mounted seat belts and wheelchair lock-downs for each wheelchair that it transports.
- 1.6 Ensure the following:
  1. Individuals providing transportation shall be a minimum of eighteen (18) years of age and possess a valid Operator's License or Chauffeur's License.
  2. Verification of the driving record for any individual who will be providing transportation services to assure no revocation or suspension of his or her license within the last three (3) to five (5) years.
  3. Provide an Identification Card to all persons providing transportation, whether paid or volunteer;
- 1.7 Contractor may utilize public transportation services for transporting the client alone, depending upon the age and developmental ability of the client to utilize this service on his/her own.
  1. Payment for the public transportation service is the responsibility of the Contractor. The referring ADES staff must be in agreement with the use of public transportation prior to this occurring.

Disability Related Employment Services  
**MONTHLY SERVICE REPORT**

**SECTION I: BASIC INFORMATION**

<b>Report Date:</b>	<b>Report Date:</b> Month	Year
<b>Client Name: Last:</b>		<b>First:</b>
<b>Contractor Name:</b>		
<b>Contract Number:</b>	<b>RSA Purchase Authorization Number:</b>	
<b>Counselor Name:</b>		
<b>Check applicable service:</b>	<b>Track A</b>	<b>Track B</b>
	<b>Track C</b>	<b>Post Employment Services (PES)</b>
Job Development and Retention (Track A & B or PES) – Individual hours	# of hours authorized	
Job Development and Placement (Track A & B) – Group hours	# of hours authorized	
Enclave Employment Support and Retention (Track C)	# of days authorized	

**SECTION II: CLIENT PROGRESS UPDATE**

Describe client progress in achieving Service Plan objectives. Include specific examples of progress:

Identify any issues that client is encountering or any concerns and/or recommendations:

**Section II: Signatures**

<b>Client Signature (If not available, explain):</b>	<b>Date:</b>
<b>Client's Guardian/Representative Signature (If applicable):</b>	<b>Date:</b>
<b>Contractor's Signature:</b>	<b>Date:</b>

Disability Related Employment Services  
**MONTHLY SERVICE REPORT**

**SECTION III: SERVICE PROVISION**

Date	Activities /Services Provided	Number of units
<b>Job Development and Placement Services - Individual Hourly</b>		
	<b>Total</b>	
<b>Job Development and Placement Services - Group Hourly</b>		
	<b>Total</b>	
<b>Job Retention Services - Individual Hourly</b>		
	<b>Total</b>	
<b>Enclave Employment Support and Retention - Day</b>		
	<b>Total</b>	
<b>Post Employment - Individual Hourly</b>		
	<b>Total</b>	

Disability Related Employment Services  
**JOB PLACEMENT REPORT**

**SECTION I: BASIC INFORMATION**

**Report Date:**

Client Name: Last:	First:
Contractor Name:	
Contract Number:	RSA Purchase Authorization Number:
Counselor Name:	

**SECTION II: EMPLOYMENT INFORMATION**

Check applicable box : <input type="checkbox"/> Individual Placement <input type="checkbox"/> Group Placement	
Check applicable box : <input type="checkbox"/> Original Placement <input type="checkbox"/> Change in Placement	
Employment Start Date:	Date Job Placement Outcome Achieved (3 <sup>rd</sup> day on job):
Job Title:	
Employer Name:	
Employer Contact Name and Title:	
Employer Address:	
Employer Phone:	
Hours worked per week:	Hourly Rate of Pay:
Benefits Available: <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please indicate: <input type="checkbox"/> Health Insurance <input type="checkbox"/> Sick Leave <input type="checkbox"/> Vacation <input type="checkbox"/> Retirement/Pension Plan	Are the wages and level of benefits the same or more than that paid by the employer for same or similar work performed by non-disabled individuals? <input type="checkbox"/> Yes <input type="checkbox"/> No Specify verification source:
Job Duties:	
Job modifications? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable If yes, please describe:	

**SECTION III: SIGNATURES**

Client Signature (If not available, please explain):	Date:
Client's Guardian/Representative Signature (If applicable):	Date:
Contractor's Signature:	Date:

Disability Related Employment Services  
**SUCCESSFUL EMPLOYMENT RETENTION REPORT**

**Section I: Basic Information**

**Report Date:**

Client Name: Last:	First:
Contractor Name:	
Contract Number:	RSA Authorization Number
Counselor Name:	

**Section II: Employment Information**

Employment Start Date:	Date Successful Employment Retention Outcome Achieved:
Job Title:	
Employer Name:	
Employer Contact Name and Title:	
Employer Address: Employer Phone:	
Hours worked per week:	Hourly Rate of Pay:
Benefits Available: <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please indicate: <input type="checkbox"/> Health Insurance <input type="checkbox"/> Sick Leave <input type="checkbox"/> Vacation <input type="checkbox"/> Retirement/Pension Plan	Are the wages and level of benefits the same or more than that paid by the employer for same or similar work performed by non-disabled individuals? <input type="checkbox"/> Yes <input type="checkbox"/> No Specify verification source:
Job Duties:	
Job modifications? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable If yes, please describe:	
Client is receiving ongoing Extended Supported Employment Services: <input type="checkbox"/> Yes <input type="checkbox"/> No If "yes", please indicate : Date services started Provider Name	

Client confirms that he/she has been successfully working in a job consistent with his/her selected vocational goal, abilities, capabilities, interests, and informed choice, for at least 90 days, that their employment goal has been reached, and that they are satisfied with their job/career.  Yes  No

**Section III: Signatures**

Client Signature (If not available, explain):	Date:
Client's Guardian/Representative Signature (If applicable):	Date:
Contractor's Signature:	Date:

Disability Related Employment Services  
**SERVICE CLOSURE REPORT**

**SECTION I: BASIC INFORMATION**

Client Name: Last:	First:
Contractor Name:	
Contract Number:	RSA Purchase Authorization Number:
Counselor Name:	
Client Received Services Under (check one):	
Track A: <input type="checkbox"/>	Track B: <input type="checkbox"/> Track C: <input type="checkbox"/> Post Employment: <input type="checkbox"/>

**SECTION II: REASON FOR SERVICE CLOSURE**

Date Case Closed to Contractor:
Reason services are ending and case is closing to contractor:
Services were successful: <input type="checkbox"/> Client achieved successful employment retention
Services were unsuccessful or not completed: <input type="checkbox"/> Client was not satisfied with the service provision and requested another contractor <input type="checkbox"/> Client moved out of service area <input type="checkbox"/> Client dropped out of services due to health issues <input type="checkbox"/> Client was incarcerated <input type="checkbox"/> Contractor lost contact with client <input type="checkbox"/> Client circumstances have changed and they no longer wish to pursue employment services <input type="checkbox"/> Contractor can no longer serve client due to organization or business changes <input type="checkbox"/> Contractor no longer willing to work with client <input type="checkbox"/> RSA determined services no longer appropriate <input type="checkbox"/> Other reason for closure (specify):
Comments:

**SECTION III: SIGNATURES**

Client Signature (If not available, please explain):	Date:
Client's Guardian/Representative Signature (If applicable):	Date:
Contractor Representative Signature:	Date:



Exhibit J

**CONTRACTOR INVOICE FORM**

Date:

Calendar month covered in this billing: \_\_\_\_\_ to \_\_\_\_\_

If billing for an outcome, indicate specific date outcome achieved:

Contractor's name and address:	
Contractor's Phone Number:	Contractor's Fax Number:
Contract Number:	
Contractor's FEI or SSN Number:	
RSA client's name:	

RSA Authorization Number:

Service *	Service Unit	Number of Service Units	RSA Fee per Service Unit \$	Total Billing Amount

\* Attach all required reports

*"This invoice is a true and accurate account of the services listed on this statement for the time period specified; this invoice constitutes the full and complete charge for the services described above; that no further invoices for payment of these services will be made; these services have been provided without discrimination based on age, race, color, creed, gender, religion or national origin and that this statement is subject to federal and state audit review." The invoice shall be signed and dated by the person authorized to submit invoices for the Contractor.*

Name, title, phone number and address of the Contractor has designated person who prepared this form:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Signature: \_\_\_\_\_

Arizona Department of Economic Security  
 Rehabilitation Services Administration  
**RSA FEE SCHEDULE APPLICATION**

**PROVIDER INFORMATION**

Legal Business Name <i>Gila County</i>		
Doing Business As <i>Gila Employment and Special Training</i>	Tax Identification Number <i>86-6000444</i>	
Mailing Address (City State Zip Code) <i>5575 S. Apache Ave. Suite 200 Globe, AZ - 85301</i>		
Remit To/ Billing Address (City State Zip Code), if different than mailing address		
Contact Name and Title <i>David B. Caddell, Program Manager</i>		
Phone Number <i>928-402-8664</i>	Fax Number <i>928-425-9468</i>	E-mail <i>daddella@co.gila.az.us</i>
Video Phone <i>N/A</i>	Website <i>www.gilacountyaz.gov</i>	TTY Number <i>7-1-1</i>
Name and Title of Authorized Signatory: <i>Michael A. Paster, Chairman, Gila County Board of Supervisors</i>		

**SERVICE INFORMATION**

Check service type you propose to provide:

- Track A: Job Development, Placement and Retention (Non-Supported Employment)
  - Job Development, Placement and Retention-Individual
  - Job Development, Placement-Group
  
- Track B: Job Development, Placement and Retention (Supported Employment)
  - Job Development, Placement and Retention-Individual
  - Job Development, Placement-Group
  
- Track C: Enclave Support and Retention
  
- Post Employment Services

**Arizona Department of Economic Security  
Rehabilitation Services Administration  
RSA FEE SCHEDULE APPLICATION**

**FACILITY LOCATION AND STAFFING CHART**

Indicate geographic areas in which you provide services. The service shall be provided in the entire county you selected.

<input type="checkbox"/> Statewide	<input type="checkbox"/> Apache	<input type="checkbox"/> Cochise	<input type="checkbox"/> Coconino	<input checked="" type="checkbox"/> Gila	<input type="checkbox"/> Graham	<input type="checkbox"/> Greenlee	<input type="checkbox"/> La Paz
<input type="checkbox"/> Navajo	<input type="checkbox"/> Maricopa	<input type="checkbox"/> Mohave	<input type="checkbox"/> Pima	<input type="checkbox"/> Pinal	<input type="checkbox"/> Santa Cruz	<input type="checkbox"/> Yavapai	<input type="checkbox"/> Yuma

Service Location is a physical location where client intake and other employment services are conducted. This does not include enclave/work sites. If you provide services in one or more service locations, please complete a Facility Location and Staffing Chart for each location.

Service Location Address (City State Zip Code County) 5515 S. Apache Ave. Suite 200 Globe, Az. 85301		
Telephone Number 928-407-8664	Fax Number 928-425-9468	Email address davidbell@gila.az.us
Contact Person's Name David B. Caddell		
Days And Hours Of Operation Monday to Friday (except legal holidays) 8AM to 5PM		

Does this Facility Location meet minimum accessibility requirements as required by the American with Disability Act of 1990 (ADA) and the Architectural Barriers Act of 1968 (ABA). Yes  No

List the Staff and/or Subcontractors who provide direct client services at this location:

First and Last name	Employee Subcontractor	Years of experience	License /certificate Number
David B. Caddell	<input checked="" type="checkbox"/> E	17	
Phillis Weaver	<input checked="" type="checkbox"/> E	17	
Carol Turner	<input checked="" type="checkbox"/> E	3	
Wyni Root	<input checked="" type="checkbox"/> E	7	
Helene Lopez	<input checked="" type="checkbox"/> E	20	
Carolyn Hara	<input checked="" type="checkbox"/> E	15	
	<input type="checkbox"/> E		

**Arizona Department of Economic Security  
Rehabilitation Services Administration  
RSA FEE SCHEDULE APPLICATION**

**FACILITY LOCATION AND STAFFING CHART**

Indicate geographic areas in which you provide services. The service shall be provided in the entire county you selected.

<input type="checkbox"/> Statewide	<input type="checkbox"/> Apache	<input type="checkbox"/> Cochise	<input type="checkbox"/> Coconino	<input checked="" type="checkbox"/> Gila	<input type="checkbox"/> Graham	<input type="checkbox"/> Greenlee	<input type="checkbox"/> La Paz
<input type="checkbox"/> Navajo	<input type="checkbox"/> Maricopa	<input type="checkbox"/> Mohave	<input type="checkbox"/> Pima	<input type="checkbox"/> Pinal	<input type="checkbox"/> Santa Cruz	<input type="checkbox"/> Yavapai	<input type="checkbox"/> Yuma

Service Location is a physical location where client intake and other employment services are conducted. This does not include enclave/work sites. If you provide services in one or more service locations, please complete a Facility Location and Staffing Chart for each location

Service Location Address (City State Zip Code County) <i>107 E. Frontier St. Suite C Payson, AZ 85541</i>		
Telephone Number <i>928-402-8664</i>	Fax Number <i>928-425-9465</i>	Email address <i>ckadell@co.gila.az.us</i>
Contact Person's Name <i>Dawn B. Celli</i>		
Days And Hours Of Operation <i>Monday to Friday (except legal holidays) 8am-5pm</i>		

Does this Facility Location meet minimum accessibility requirements as required by the American with Disability Act of 1990 (ADA) and the Architectural Barriers Act of 1968 (ABA). Yes  No

List the Staff and/or Subcontractors who provide direct client services at this location:

First and Last name	Employee Subcontractor	Years of experience	License /certificate Number
<i>LEONA BOWMAN</i>	<input type="checkbox"/> S <input checked="" type="checkbox"/> E	<i>17</i>	
	<input type="checkbox"/> S <input type="checkbox"/> E		
	<input type="checkbox"/> S <input type="checkbox"/> E		
	<input type="checkbox"/> S <input type="checkbox"/> E		
	<input type="checkbox"/> S <input type="checkbox"/> E		
	<input type="checkbox"/> S <input type="checkbox"/> E		
	<input type="checkbox"/> S <input type="checkbox"/> E		
	<input type="checkbox"/> S <input type="checkbox"/> E		
	<input type="checkbox"/> S <input type="checkbox"/> E		
	<input type="checkbox"/> S <input type="checkbox"/> E		
	<input type="checkbox"/> S <input type="checkbox"/> E		

---

**Certification Regarding:**

**Debarment, Suspension, Ineligibility and Voluntary Exclusion**

**Lower Tier Covered Transactions**

---

This certification is required by the regulations implementing Executive Order 12549-Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participant's responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

(BEFORE COMPLETING CERTIFICATION, READ ATTACHED INSTRUCTIONS WHICH ARE AN INTEGRAL PART OF THE CERTIFICATION)

- (1) The prospective recipient of federal assistance funds certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by a federal department or agency.
- (2) Where the prospective recipient of federal assistance funds is unable to certify any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Gila County DBA Gila Employment Special Training

Name of Agency /Organization

Michael A. Pastor, Chairman, Gila County Board of Supervisors

Name and Title of Authorized Representative



Signature

4/19/11

Date

Certification Regarding Lobbying

**ATTACHMENTS TO DES SPECIAL TERMS AND CONDITIONS**

**CERTIFICATION REGARDING LOBBYING**

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

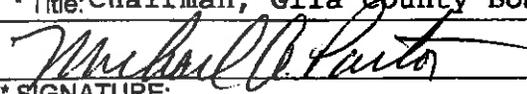
(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

<b>APPLICANT'S ORGANIZATION</b>	
<b>* PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE</b>	
Prefix: Mr.	
* First Name: Michael Middle Name: A.	* Last Name: Pastor Suffix:
* Title: Chairman, Gila County Board of Supervisors	
	4/19/11
<b>* SIGNATURE:</b>	<b>* DATE:</b>



## **GILA COUNTY ATTORNEY**

*Bradley D. Beauchamp*

Re: County Attorney's Office approval of IGA pursuant to A.R.S. § 11-952(D).

To whom it may concern:

The County Attorney's Office has reviewed the Intergovernmental Agreement attached to this agenda item and has determined that it is in its "proper form" and "is within the powers and authority granted under the laws of this state to such public agency or public procurement unit" pursuant to A.R.S. § 11-952(D).

### **Explanation of the Gila County Attorney's Office Intergovernmental Agreement (IGA) Review**

A.R.S. § 11-952(D) requires that

every agreement or contract involving any public agency or public procurement unit of this state . . . before its execution, shall be submitted to the attorney for each such public agency or public procurement unit, who shall determine whether the agreement is in proper form and is within the powers and authority granted under the laws of this state to such public agency or public procurement unit.

In performing this review, the County Attorney's Office reviews IGAs to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the IGA. That approval is solely the province of the public agency through its elected body.

Likewise, this approval is not a certification that the IGA has been properly executed. Proper execution can only be determined after all the entities entering into the IGA have taken legal action to approve the IGA. There is no statutory requirement for the County Attorney's Office to certify that IGAs are properly executed.

Nonetheless, it is imperative for each public agency to ensure that each IGA is properly executed because A.R.S. § 11-952(F) requires that "[a]ppropriate action ... applicable to the governing bodies of the participating agencies approving or extending the duration of the ... contract shall be necessary before any such agreement, contract or extension may be filed or become effective." This can be done by ensuring that the governing body gives the public proper notice of the meeting wherein action will be taken to approve the IGA, that the item is adequately described in the agenda accompanying the notice, and that the governing body takes such action. Any questions regarding whether the IGA has been properly executed may be directed to the County Attorney's Office.

Proper execution of IGAs is important because A.R.S. § 11-952(H) provides that "[p]ayment for services under this section shall not be made unless pursuant to a fully approved written contract." Additionally, A.R.S. § 11-952(I) provides that "[a] person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment."

The public agency or department submitting the IGA for review has the responsibility to read and understand the IGA in order to completely understand its obligations under the IGA if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the IGA as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor IGA compliance. Hence the public entity or submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the IGA will be necessary to monitor compliance.

Before determining whether an IGA contract "is in proper form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the IGA for review to ask any specific questions or address any concerns it has about the IGA to the County Attorney's Office at the same time they submit the IGA for review. Making such an inquiry also helps improve the County Attorney's Office review of the IGA because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the IGA.

**ARF-1894**

**Consent Agenda Item 4- M**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Kendall Rhyne, Court Administrator  
Submitted By: Sylvia Hernandez, Probation Officer Manager, Superior Court

Department: Superior Court Division: Probation Department

Fiscal Year: FY 2013-2014 Budgeted?: Yes

Contract Dates 07/01/2013 - Grant?: No

Begin & End: 06/30/2014

Matching Yes Fund?: Renewal

Requirement?:

---

Information

Request/Subject

Resolution No. 13-06-04 for Probation Department's participation in the FY 2013-2014 Family Counseling Program

Background Information

For the past twelve years, Gila County has been providing a matching fund requirement for the Gila County Probation Department to participate in the Family Counseling Program through the Arizona Supreme Court, Administrative Office of the Courts, Juvenile Justice Services Division.

Evaluation

As provided for in A.R.S. §8-264, a county may elect to participate in the family counseling program by resolution of the county's board of supervisors. The supreme court shall then certify a list of counties which have elected to participate and shall inform those counties of the amounts of funding available to them.

The court shall certify that the amount expended by the county for purposes of determining matching funds has been utilized to supplement, not supplant, county or state funds that would otherwise be available for family counseling services.

The court shall certify that the amount of aid provided by the state and county to a family counseling program does not exceed seventy percent of the program's annual operating budget.

Conclusion

The monies for this program provide services for strengthening family relationships and prevention of juvenile delinquency.

In the past, when the Board of Supervisors has adopted this resolution the County Finance Department has allocated the cash match requirement to be taken from the Probation General Fund under line item 4340-45 -Miscellaneous matching funds expense.

#### Recommendation

The Gila County Probation Department recommends the adoption of Board Resolution No. 13-06-04 certifying that the Board of Supervisors will provide \$2,269 in matching funds for the participation in the Family Counseling Program.

#### Suggested Motion

Approval to adopt Resolution No. 13-06-04 authorizing Gila County Probation Department's participation in the FY 2013-2014 Family Counseling Program through the Arizona Supreme Court, Administrative Office of the Courts, Juvenile Justice Services Division, and certifying that a matching fund requirement of \$2,269 for the Program will be provided by the County.

---

#### Attachments

Family Counseling Resolution



**RESOLUTION NO. 13-06-04**

**A RESOLUTION AUTHORIZING GILA COUNTY PROBATION DEPARTMENT'S PARTICIPATION IN THE FY 2013-2014 FAMILY COUNSELING PROGRAM THROUGH THE ARIZONA SUPREME COURT, ADMINISTRATIVE OFFICE OF THE COURTS, JUVENILE JUSTICE SERVICES DIVISION, AND CERTIFYING THAT A MATCH FUND REQUIREMENT OF \$2,269 FOR THE PROGRAM WILL BE PROVIDED BY THE COUNTY.**

**WHEREAS**, the Gila County Board of Supervisors hereby elects to have the county participate in the Family Counseling Program as provided for in A.R.S. §8-261 through §8-265 for fiscal year 2013-2014; and

**WHEREAS**, the Gila County Board of Supervisors resolves that \$2,269 in matching funds will be provided by this county's Board of Supervisors for Gila County, Arizona.

**PASSED AND ADOPTED** this 25<sup>th</sup> day of June 2013, at Globe, Gila County, Arizona

Attest:

**GILA COUNTY BOARD OF SUPERVISORS**

\_\_\_\_\_  
Marian Sheppard  
Clerk of the Board

\_\_\_\_\_  
Michael A. Pastor, Chairman

Approved as to form:

\_\_\_\_\_  
Bryan Chambers  
Deputy Attorney Principal

**ARF-1886**

**Consent Agenda Item 4- N**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Marian Sheppard,  
Clerk, BOS

Submitted By: Laurie Kline, Deputy Clerk, Clerk of the Board of Supervisors

Department: Clerk of the Board of Supervisors

---

Information

Request/Subject

Fireworks Display Application for Freeport-McMoRan Copper & Gold, Inc.-Miami Operations

Background Information

For many years a local copper mining company, presently known as Freeport-McMoRan Copper & Gold, Inc.-Miami Operations, has provided the local community with a 4th of July fireworks display at the location of the mine in Claypool.

Evaluation

All applications are submitted to the Clerk of the Board of Supervisors, which are ultimately presented to the Board of Supervisors for approval. Fireworks Productions of Arizona has submitted an application on behalf of Freeport-McMoRan for its July 4th 2013 fireworks display.

Conclusion

The required certificate of insurance is attached to the application; Sheriff, Adam Shepherd, has signed the application; and Tri-City Fire District Battalion Chief, AJ Howell, has submitted a letter approving of this fireworks display; therefore, all of the required information is attached for the Board of Supervisors' review/decision.

Recommendation

The Board of Supervisors' approval of this application is recommended by the Clerk of the Board.

Suggested Motion

Approval of an Application for Fireworks Display submitted by Fireworks Productions of Arizona on behalf of Freeport-McMoRan Copper & Gold, Inc.-Miami Operations to provide a fireworks display on July 4th at Freeport-McMoRan's mine site in Claypool.

---

Attachments

Fireworks Productions of Arizona Fireworks Display Application

Approval Letter from Tri-City Fire District

# Fireworks Productions of Arizona

May 28, 2013

Gila County Board of Supervisors  
1400 E. Ash Street  
Globe, AZ 85501

To Whom It May Concern:

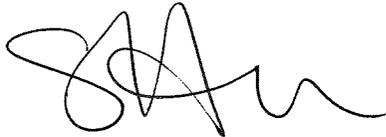
Enclosed is the permit request for a fireworks display hosted by Freeport-McMoran Copper & Gold of Miami scheduled for July 4, 2013.

Once the permit has been approved please send a copy to:

Fireworks Productions of Arizona  
Attn: Sarah Harris  
17034 S. 54<sup>th</sup> Street  
Chandler, AZ. 85226  
480-423-5430 fax

If you have any questions regarding the show or need any additional information please do not hesitate to contact me at the number listed below or via email ([sarah@fireworksaz.com](mailto:sarah@fireworksaz.com)). Thank you.

Pyrotechnically Yours,



Sarah Harris  
Pyro Office Manager  
Pyrotechnician

Encl: Permit Request

**APPLICATION FOR FIREWORKS DISPLAY**

To: **Gila County Board of Supervisors**

Application is hereby made for the granting of a permit to conduct a supervised fireworks display on (Date) 07/04/11 at (Address) #1 Tailings, to be sponsored by (Name of Organization) Freeport McMoran.

Applicant states that Ernie Baca will be in charge of this display and responsible for the acts performed thereby; and person to direct this display in such a manner that it will not be hazardous to property or endanger any person.

Sarah Harris Director of Display Ernie Baca w/ Fireworks Productions of Arizona Person in charge of premises where display is located.

Attached hereto is a surety bond or certificate of liability insurance in a principal amount of \$ 10,000,000.00, but not less than \$1,000,000, conditioned upon payment of all damages which may be caused to persons or property by reason of the display, as provided by law.

\*\*\*\*\*  
**APPROVAL OF FIREWORKS DISPLAY BY FIRE DISTRICT**

LETTER OF APPROVAL FROM LOCAL FIRE DISTRICT ENCLOSED

\*\*\*\*\*  
**APPROVAL OF FIREWORKS DISPLAY BY SHERIFF**

I have investigated the premises described by the applicant and found them to be satisfactory and found him to be a competent operator.

[Signature]  
Sheriff

\*\*\*\*\*  
**PERMIT FOR FIREWORKS DISPLAY**

The application of the \_\_\_\_\_, having been filed with the undersigned Board of Supervisors, pursuant to A.R.S. §36-1603, together with proper bond as provided by law and same having been approved by the Sheriff.

Permission is heretofore and hereby granted to \_\_\_\_\_ to conduct a fireworks display at (Address) \_\_\_\_\_, AND IN THE EVENT OF POSTPONEMENT OF SAID SHOW, said display be given not later than one week from date specified above. The permit granted hereunder shall not be assignable.

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

GILA COUNTY BOARD OF SUPERVISORS

By: \_\_\_\_\_

**MERCHANTS**  
**BONDING COMPANY**

2100 FLEUR DRIVE • DES MOINES, IOWA 50321-1158  
(515) 243-8171 • (515) 243-3854 FAX

**FIREWORKS DISPLAY BOND**

Bond No. AZ 423907

KNOW ALL PERSONS BY THESE PRESENTS, that we

Fireworks Productions of Arizona

as Principal, and MERCHANTS BONDING COMPANY (MUTUAL), a corporation organized under the laws of the State of Iowa, with its home office in the City of Des Moines, Iowa, and duly authorized and licensed to do business in the State of Arizona, as Surety, are firmly bound unto \_\_\_\_\_

Gila County State of Arizona  
in the sum of One Thousand Dollars DOLLARS (\$\$1,000.00)

lawful money of the United States, to the payment of which sum, well and truly to be made, the Principal and Surety bind themselves, their and each of their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the above bounden Principal Fireworks Productions of Arizona desires to have a permit for Fireworks Display and in order to have such display it is necessary for said \_\_\_\_\_

Fireworks Productions of Arizona LTD

to execute a surety bond in the amount of One Thousand Dollars Dollars (\$ \$1,000.00 ) conditioned for the payment of all damages which may be caused to persons or property by reason of the permitted display as provided in Chapter 46, Arizona Legislative Session Laws of 1941.

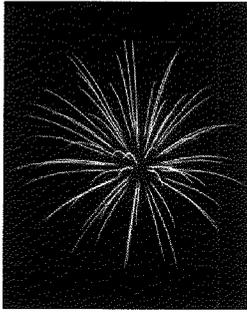
NOW, THEREFORE, if the said Fireworks Productions of Arizona well and truly observe, carry out, perform and comply with all requirements, terms and provisions of the Ordinances of the Board of Supervisors of Gila County, State of Arizona, conditioned for the payment of all damages which may be caused to persons or property by reason of the permitted display as provided in Chapter 46, Arizona Legislative Session Laws of 1941, for a period from 12:01 A.M. May 17, 2013 to 12:01 A.M. May 17, 2014 then this obligation to be void, and of no effect.

SIGNED, sealed and dated this 6th day of May, 2013.

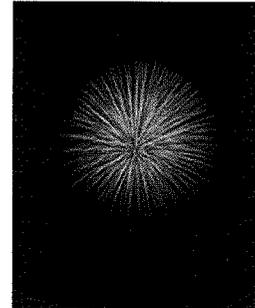
Fireworks Productions of Arizona  
Principal

MERCHANTS BONDING COMPANY (MUTUAL)  
By Xiao M. Mink  
Attorney-in-fact

## Exhibit A



# **FREEPORT – MCMORAN Copper & Gold MIAMI**



**Thursday, July 4, 2013**

**TOTAL AERIAL EFFECTS 663**

**Opening:** *Your show begins with: 25 – 3” Titanium Salutes*

**Aerial Display:**

*A large assortment of brilliantly-colored shells, including Chrysanthemums, Rings, Various Shapes, Waves, Crowns, Peonies, Strobes, Double Rings, Brocade Crowns, Diadems, and Crossettes in gorgeous Reds, Yellows, Blues, Greens, Silvers, and Golds.*

Your Aerial Display will contain a total of 564 aerial shells.

- 2.5” - 2 36 Shot Color or Titanium Salute Finale Box
- 3” - 72 Chinese Fancy’s & Specials
- 4” - 180 Chinese Fancy’s & Specials  
72 Designer Cylinder Specials
- 5” - 72 Chinese Fancy’s & Specials  
18 Designer Pattern Specials
- 6” - 45 Chinese Fancy’s & Specials  
18 Designer Pattern Specials
- 8” - 15 Chinese Fancy’s & Specials

**GRANDE FINALE:**

*Your celebration will close in spectacular excitement with multiple styles of brilliantly-colored shells.*

Your Grande Finale consists of 74 aerial shells:

Your Grande Finale: 49 - 3” shells, 20 – 4” shells, 3 - 6” shells and 2 – 8” shells.

*Designed by: Fireworks Productions of Arizona*

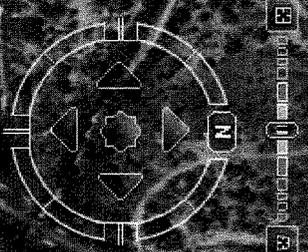


1.3 g

Shooting Site

60 ft.

580 ft.



Specialtor

©2009 Tele Atlas  
Image ©2009 DigitalGlobe

Freeport McMoran

Pointer 33°24'52.70" N 100°50'16.75" W elev 3417 ft

Streaming 100%

Eye alt 0227 ft

Marco R. Olsen  
Fire Chief

Dan L. Goar  
Sec/Treasurer



4280 E. Broadway  
P.O. Box 83  
Claypool, AZ 85532

Phone (928) 425-0815  
Fax (928) 425-5392

May 22, 2013

Gila County Board of Supervisors  
1400 E. Ash St.  
Globe, AZ 85501

Chairperson of the Board,

The Tri-City Fire District in partnership with Freeport-McMoRan Miami and Fireworks Products of Arizona, will again work together to provide the community 4<sup>th</sup> of July show. We will have personnel and equipment on hand, as we have for over twenty years, to minimize the possibility of fire impacting our community during this wonderful event.

We are in contact with and support of the FMI and the Pyrotechnician's from the planning stage through the show itself.

I thank you in advance for any support of this community project and if I can be of any assistance, please don't hesitate to contact me by email ([chf13@hotmail.com](mailto:chf13@hotmail.com)) or by phone (928-812-2991).

Sincerely,

AJ Howell, Battalion Chief  
Tri-City Fire District

**ARF-1870**

**Consent Agenda Item 4- O**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Submitted For:** Robert Gould, Community  
Development Division Director

**Submitted By:** Beverly Valenzuela, Executive  
Administrative Assistant, Community  
Development Division

**Department:** Community Development Division **Division:** Community Development Administration

---

Information

Request/Subject

Gila County Building Safety Advisory & Appeals Board Membership Changes

Background Information

Peter Havens submitted his letter of resignation from the Gila County Building Safety Advisory and Appeals Board on March 23, 2013. A copy of his resignation letter is attached to this agenda item. Mr. Havens' term of office expires December 31, 2016.

Evaluation

A vacancy now exists on said Board due to the resignation of Peter Havens. Mr. Walter Del Campo is willing to serve on this Board to serve out the unexpired term of office previously held by Mr. Havens.

ARS 11-862 and the Gila County Building Code Ordinance require that the Advisory Board consist of members who are Gila County residents and who have work experience in certain categories. Mr. Del Campo is a Registered Electrical Contractor.

Conclusion

If approved, Mr. Walter Del Campo will be completing the term vacated by Peter Havens whose resignation became effective March 23, 2013.

Recommendation

Bob Gould, Gila County Community Development Division Director, recommends that the Board of Supervisors acknowledge the resignation of Peter Havens from the Gila County Building Safety Advisory and Appeals Board, and appoint Walter Del Campo to fulfill the unexpired term of office through December 31, 2016.

Suggested Motion

Acknowledgment of Peter Havens' resignation from the Gila County Safety Advisory and Appeals Board effective March 23, 2013, and approval to appoint Walter Del Campo to fill Mr. Havens' unexpired term of office, from June 25, 2013, through December 31, 2016.

---

Attachments

GC Building Safety Advisory and Appeals Board Membership List

Peter Havens letter of resignation

Walter Del Campo biography

ARS 11-862

GILA COUNTY BUILDING SAFETY ADVISORY AND APPEALS BOARD  
(Proposed to the BOS on 6/25/13 and if approved, the list will be as follows)

NAME OF MEMBER  *This Board was created on 10/23/07 and these members were appointed on 3/4/08.	TYPE OF APPOINTMENT  Mark with A, B, C, D or E – see below	NEW APPOINTMENT OR REAPPOINTMENT (Include BOS approval date next to letter) <u>New Appointment</u> : Choose “A” or “B” A -for existing vacancy or B -to fill a vacancy created by (provide name) or <u>Reappointment</u> : Mark with a “C” and include number of years served <u>prior to most recent appointment</u>		DATES OF TERM (Put the month, day and year both beginning & ending dates)	LENGTH OF TERM (# of years)
Perry Schall – Plumber	D	B (05/22/12)	(Bernie Lieder)	05/22/12-12/31/13	1 year, 7 months
Clint Miller – Architect	D	B (12/04/12)	(Richard Franco)	12/04/12-12/31/13	13 months
Mike Hanich-Architectural Draftsman	D	C (01/24/12)	3 years, 9 months	01/01/12-12/31/15	4
<del>Peter Havens-Electrician</del>	<del>D</del>	<del>C (02/05/13)</del>	<del>4 years, 9 months</del> Resigned 3/23/13	<del>01/01/13-12/31/16</del>	4
Walter Del Campo-Electrical Contractor	D	B (06/25/13) Peter Havens	-	06/25/13-12/31/16	3 ½ years
Bruce Binkley-Architect	D	B (04-16-13)	(John Marcanti)	04/16/13-12/31/14	1 year, 8 months
Bob O’Connor-HVAC Contractor	D	C (03/15/11)	2 years, 9 months	01/01/11-12/31/14	4
Pete Oddonetto-General Contractor	D	C (01/24/12)	3 years, 9 months	01/01/12-12/31/15	4

Appointment Designation Definitions:

A) Statutory District Appointment: Member must reside within the supervisorial district boundary from which he/she is appointed.

B) Supervisor Appointment: Member unrestricted by district.

C) Joint Appointment: Membership is comprised of appointments from different jurisdictions. Appointments made by other entities are acknowledged by the Board of Supervisors.

D) County at Large: Members are unrestricted by district and can be recommended by appointment by any supervisorial district or by the committee.

E) Alternate Members: As defined by individual committee criteria.

## Mendoza, Joe

---

**From:** Peter Havens [pjhavens1968@gmail.com]  
**Sent:** Saturday, March 23, 2013 4:55 AM  
**To:** Mendoza, Joe  
**Subject:** Unavailable  
#

Joe: I am presently in New York with my family back here, as our father is in the hospital with terminal brain cancer. I do not know how long I will be. Our hope is to relocate our mother to Payson to be with us. This could take some time, as it will require preparing their house for sale, etc, and will be the primary focus of our attention. I regret that this present situation will necessitate my request that the board seek a replacement for my position. Please accept my apology.

Respectfully yours,  
Peter Havens

# MDC Electrical Contractor

1280 E Saguaro Dr Globe, AZ 85501

[mdcelectrical@cableone.net](mailto:mdcelectrical@cableone.net)

[www.mdcelectricalcontractor.net](http://www.mdcelectricalcontractor.net)

(928) 425-0071 Office (928) 812-2708 Mobile

Walter Martin Del Campo – Electrical Contractor (ROC C-11 235849 / ROC L-11 271316)

Owner of MDC Electrical Contractor LLC an Industrial / Commercial / Residential Electrical Company established in 2007. With over 14 years experience in the electrical field. MDC Electrical Contractor LLC has been involved in several large projects throughout the state of Arizona thanks to this knowledge and experience. As a member of the Better Business Bureau (A+ Rating), MDC Electrical is proud to have a clean slate and high standards when it comes to the safety of its employees and those working around us as well as the successful and timely completion of projects.

Accredited through the Better Business Bureau and member of the Independent Electrical Contractors Association of Arizona, MDC Electrical Contractor LLC provides employment to knowledgeable and experienced electricians and provides training and supervision to apprentices. All employees are MSHA/OSHA certified with special training in Mining Safety. MDC Electrical is also a part of the Drug Free Workplace Act and enforces these policies. We are commercial and industrial insured providing protection and workman's compensation to all employees.

MDC Electrical Contractor LLC has been a part of several industrial projects with mining and drilling companies here in Arizona such as Major Drilling, Freeport McMoran and other commercial companies throughout the state, for additional information or a list of projects please refer to our website. All projects have been completed successfully and accident free since establishment.

If you need additional information please feel free to contact me. Thank you.

Sincerely,

Walter Martin Del Campo

Business Owner

MDC Electrical Contractor LLC

[ARS TITLE PAGE](#) [NEXT DOCUMENT](#) [PREVIOUS DOCUMENT](#)

**11-862. Advisory board; appointment; terms; duties**

A. Any code adopted pursuant to this article shall contain a provision for an advisory board consisting of at least five members in order to determine the suitability of alternative materials and construction and to permit interpretations of the provisions of such code. The advisory board shall consist of at least five but not more than seven members and shall include at least members from the following categories, to the extent the persons meeting the qualifications are available within the county and are residents of such county:

1. An architect duly licensed in the state of Arizona.
2. A professional engineer duly licensed in the state of Arizona.
3. A general contractor duly licensed in the state of Arizona.
4. A person representing the public and a resident of the county.
5. A person engaged in the electrical, mechanical or plumbing trade.

B. If the advisory board consists of more than five members, the additional members may be engaged in the construction and design industry.

C. The county official charged with the enforcement of the code shall serve, without vote, as an ex officio member of the board and shall act as secretary.

D. Each appointee shall have substantial experience in the field covered by the particular code. Except as provided in subsection F of this section, members of the advisory board shall be appointed by the board of supervisors. Members shall be appointed for a term of four years, staggered so that at least one but no more than two terms expire each year. Vacancies shall be filled for an unexpired term in the manner in which original appointments are required to be made.

E. The functions and duties of the advisory board may be specified by regulation by the board of supervisors.

F. If the county and a city or town contract to provide for enforcement of codes pursuant to section 11-863, by intergovernmental agreement pursuant to chapter 7, article 3 of this title, the manner in which appointments are made to the advisory board may be specified in the agreement.

A letter of Certification (duplicate certification) may be for other than the original issue.

4. Certificate of Fitness (for hazards and safety). A document issued by the Building Officials authorizing by permit to maintain, store or handle materials or to conduct processes, which produce conditions hazardous to life and property or to install equipment used in connection with such activities in accordance with the provision of this Ordinance. It shall not be transferable and any change in use or occupancy of premises shall require a new permit.

May be used when new construction “fitness” is a change of use and occupancy.

I. Building Safety Department

The Building Safety Department shall administer this Ordinance. The official in charge thereof shall be known as the Chief Building Official of Gila County.

J. Administrative Provisions

The administrative rules for administering this Ordinance, are as noted in the respective codes or as otherwise hereinafter provided.

Nothing contained in this Ordinance shall prevent, restrict or otherwise regulate the use or occupation of land or improvements for railroad, mining, metallurgical, grazing or general agricultural purposes, if the tract concerned is five or more contiguous commercial acres.

K. For the purpose of this Ordinance, the following definitions shall apply:

Plot Plan – a plat showing the property size and shape with the location of the building or buildings shown. Required yard setback from front, back and side property lines shall be shown, in addition to required distances between buildings, and location of approved sanitary system.

Plans and Specifications – simple buildings (i.e., cabanas, trailer covers, sheds, barns, and additions to dwellings from 145 to 1,000 square feet) a drawing with data showing floor plan, at least two elevations and sufficient information to allow the plan check officer to determine if the building will meet Code standards.

## **SECTION 4. ADVISORY AND APPEALS BOARD**

A. Authority and Purpose

1. Pursuant to Arizona Revised Statutes, Title 11, Chapter 6, Article 3, § 11-862 there shall be and is hereby created the Building Safety Advisory and Appeals

Board. Whenever the terms “Board”, “Advisory Board”, “Board of Appeals” or “Advisory and Appeals Board” appear in the Building Code or the Building Code Ordinance, they shall mean the Building Safety Advisory and Appeals Board.

2. This Advisory and Appeals Board is established to hear and decide appeals of orders, decisions, or determinations made by the Building Official relative to the application and interpretation of the Building Code and to determine the suitability of alternative materials and construction methods.
3. The Advisory and Appeals Board shall also provide technical advice to the Building Official to assist in the formation and adoption of revisions or amendments to the Building Code and the Building Code Ordinance.
4. The functions, duties and rules of procedure for conducting the business of the Advisory and Appeals Board shall be as specified in this section.

B. Members and Qualifications

1. The Advisory and Appeals Board shall consist of seven (7) members appointed by and serving at the pleasure of the Board of Supervisors. Initial appointments shall be made as follows:
  - a. Two members shall be appointed to four year terms.
  - b. Two members shall be appointed for three year terms.
  - c. Two members shall be appointed for two year terms.
  - d. One member shall be appointed to a one year term.

Thereafter, members shall be appointed for a term of four (4) years, staggered so that at least one but not more than two terms expire each year.

The Building Official shall serve as a non-voting ex officio member of the Board and shall act as secretary to the Board.

2. Members of the Advisory and Appeals Board must be residents of Gila County but cannot be employees of Gila County government. This Board shall include members from the following categories to the extent that persons meeting the qualifications are available and willing to serve:
  1. An architect duly licensed in the state of Arizona.
  2. A professional engineer duly licensed in the state of Arizona.
  3. A general contractor duly licensed in the state of Arizona
  4. A person representing the public
  5. A person engaged in the electrical, mechanical or plumbing trade.
3. Each member of this Board shall have substantial experience in at least one of the fields covered by the Building Code and must be qualified by experience and training to decide on matters pertaining to building construction.
4. Members of this Board shall serve without compensation except for reimbursement of expenses as approved by the Board of Supervisors. This Board

shall not be empowered to incur debts, nor make any purchases nor enter into any contracts or agreements binding Gila County.

C. Vacancies

1. A vacancy shall be filled in the same manner in which original appointments are made. An appointment made to fill an unexpired term shall be made for the remainder of that unexpired term only.
2. Board members may resign from their appointed position at any time for any reason. However, a thirty (30) day written notice of resignation should be provided to the Secretary of the Board.
3. The Board of Supervisors may remove any member who is absent from more than three (3) consecutive Board meetings or 50% or more of all Board meetings held during any one calendar year or for other due cause as determined by the Board of Supervisors. Written notice of removal shall be delivered to the member being removed and a copy shall be furnished to the Secretary of the Board who will provide the Chairman of the Board with a copy.
4. Members shall give advance notice of any anticipated absence to the Secretary of the Board to allow the Secretary to assure the presence of a quorum.

D. Duties of the Board

1. The Board shall hear and decide appeals of orders, decisions, or determinations made by the Building Official relative to the application and interpretation of the Building Code and to determine the suitability of alternative materials and construction methods. The Board shall also provide technical advice to the Building Official to assist in the formation and adoption of revisions or amendments to the Building Code and the Building Code Ordinance.
2. The Board shall elect from its members a Chairman and Vice-Chairman by majority vote of the members at the first meeting of each calendar year to serve for a term of one calendar year.
3. Legal Counsel shall be provided by the Gila County Attorney or a Deputy County Attorney.
4. The Chairman shall preside at all meetings, shall conduct all hearings, and shall exercise and perform such other duties as may be required or assigned by the Board. The Chairman shall rule on procedure or on order of presentation at all Board meetings or hearings.

5. In the absence of the Chairman, the Vice-Chairman shall assume the duties of the Chairman and, when so acting, has the same powers and is subject to the same restrictions as the Chairman.
6. In the absence of both the Chairman and the Vice-Chairman, a Chairman pro-tempore shall be elected by majority vote from among the members present. In the absence of the Chairman and the Vice-Chairman, the Chairman pro-tempore shall assume the duties of the Chairman and, when so acting, has the same powers and is subject to the same restrictions as the Chairman.
7. All members present at a hearing or meeting of the Board shall vote unless abstaining due to a conflict of interest. In the event of a tie, the Chairman shall call for an additional or amended motion in an attempt to resolve the tie. If the tie cannot be resolved, the vote shall be reflected in the minutes.
8. Any member of the Board who has a conflict of interest in any matter brought before the Board shall make known such interest in the record of the proceeding and shall refrain from voting upon or otherwise participating in the deliberations and decisions regarding such matter.
9. The Secretary of the Board shall keep or cause to be kept minutes of the proceedings of the Board and shall provide an agenda to each Board member prior to the time set for any Board hearing or meeting.
10. The Secretary of the Board shall be custodian of the records of the Board.

E. Hearings and Meetings

1. The Board shall meet at the call of the Chairman or at the request of the Building Official but at least two times in any calendar year.
2. All Board meetings and hearings are subject to the Arizona Open Meeting Law and shall be conducted per Robert's Rules of Order. However, the Board has the option of waiving any portion of those rules that they choose.
3. Notice of the date, time and place of any regular or special meeting or hearing of the Board, including an agenda of the matters to be addressed, shall be given at least seven (7) days prior to the meeting by posting notice to the general public.
4. The Board may approve, approve with conditions and/or stipulations, deny or continue any issue brought before them.
5. The Board shall be the judge of the qualifications of a person appearing as an expert witness. The Board shall determine the extent of consideration to be given to the testimony or evidence presented by a person appearing as an expert witness.
6. During any hearing or meeting of the Board, The Building Official may be called upon to clarify the Code requirement(s) and/or support the position of the

Building Safety Department on any particular order, decision or determination currently held or being enforced.

F. Quorum and Voting

1. Four members constitute a quorum. If a quorum cannot be obtained, the meeting shall be rescheduled.
2. Any vote of the Board shall be recorded in the minutes. If the vote is not unanimous, each member's vote will be recorded individually.
3. An approval of a motion shall be accomplished by an affirmative vote of a majority of members present. The motion is then considered to have carried or been passed.
4. Any motion that fails to obtain a majority vote of the members present shall be considered a denial of the motion. The motion is considered to have failed or been denied.
5. The Board may reconsider a motion which has passed if a member who voted in favor of the original motion makes a motion to reconsider within the same meeting and the motion to reconsider passes.

G. Appeals

1. Any person(s) may initiate an appeal of an order, decision, or determination made by the Building Official relative to the application and interpretation of the Building Code. A Notice of Appeal must be filed within thirty (30) days after receipt of such an order, decision, or determination. The Board may refuse to grant a hearing of any case in which the appellant requests a waiver of any provision of the Building Code.
2. A Notice of Appeal must be filed with the secretary of the Advisory and Appeals Board specifying the reasons and circumstances for the appeal. Appeals of orders, decisions, or determinations made by the Building Official relative to the applications and interpretation of the Building Code shall be made in writing and shall be directed to a specific order, decision or determination of the Building Official. The Board shall limit their consideration of the appeal to that specific order, decision or determination.
3. The Secretary of the Board shall furnish copies of all records pertaining to the appeal to each member of the Board. Appeals must be based on a claim that the true intent of the code or adopted rules has been incorrectly interpreted, that the provisions of the code do not apply or that the proposed form or method of construction is equal to or better than required by Code. A self-imposed or financial hardship does not constitute grounds for an appeal. The appellant must bear the cost of any tests or research required to substantiate appellant's claim(s).

4. The Advisory and Appeals Board shall hold a public hearing for an appeal within fifteen (15) days of receipt of the Notice of Appeal. Public notice of the hearing shall be posted (7) days prior to the hearing date. An appeal stays all proceedings against the appellant in the matter appealed, unless the Building Official notifies the Board in writing that, in the Building Official's opinion, a stay creates imminent danger to life or property. Under these circumstances, proceedings shall not be stayed except by court order or by determination of the Advisory and Appeals Board as a result of a properly noticed public meeting specifically called for that purpose.
5. If the appellant fails to appear at a hearing, the Board may choose to continue the hearing to a later date at which the appellant can be present.
6. In any hearing for appeal, the Building Official may be called upon to clarify the Code requirement(s) and/or to support the position of the Building Safety Department on the particular order, decision or determination being appealed.
7. The Advisory and Appeals Board shall make a decision within fifteen (15) days of the date of the meeting called to decide the appeal. A decision in favor of the appellant shall be in the form of a written directive to the Building Official to carry out the decision of the Board subject to any conditions and/or stipulations required by the Board. In any case where the Board denies an appeal, the Board reserves the right to refuse to consider another appeal on the same subject matter and like circumstances for one year from the date of the hearing in question.
8. Appeals will be heard at special meetings called and noticed pursuant to the requirements of this section. Hearing dates will be scheduled to allow for noticing and posting requirements to be met.
9. In their written request for a hearing, appellants shall disclose any evidence, witness(es) or testimony, other than their own, that they intend to present at the hearing. Failure to disclose may be cause for the Board to delay the presentation of such evidence, witness(es) or testimony.
10. The Board may request that the County Attorney or Deputy County Attorney be present at appeal hearings. In their written request for a hearing, appellants shall disclose their intent to be represented by an attorney. The Board may choose to continue a hearing where an appellant is represented by an attorney and, for whatever reason, the County Attorney or Deputy County Attorney is unable to appear on behalf of the Board.
11. Findings and decisions of the Advisory and Appeals Board shall be binding upon the Building Official and the appealing party subject to appeal to the Board of Supervisors. Only the appellant or the Building Official may appeal a decision of the Board to the Board of Supervisors. All findings, decisions and rulings made by the Board shall be reported in writing to the Board of Supervisors.

H. Limitation of Authority

The Advisory and Appeals Board shall have no authority relative to interpretation of the administrative provisions of the Building Code nor shall the Board be empowered to waive requirements of the Building Code.

## **SECTION 5. CONTINUITY**

The International Code Council and other organizations identified in Section 1 of this Ordinance publish the books that constitute the Building Code and periodically issue supplements and amendments. In order that this Ordinance maintains its continuity, it shall be the responsibility of the Building Official to insure that all such supplements and amendments to the codes are properly implemented.

## **SECTION 6. ADMINISTRATION**

All department officials and public employees of the County of Gila, vested with the duty or authority to issue permits or licenses, shall comply with the provisions of this Ordinance and shall issue no permit or license for any use, building or purpose in conflict with the provisions of this Ordinance. Any permit or license so issued in conflict with the provisions of this Ordinance shall be null and void and of no effect whatsoever.

Filing Plans. Every application for a building permit shall be accompanied by two copies of plans and specifications. Plans shall include plot plans. One copy of such accepted plans shall be returned to the owner when plans are approved by the Building Official.

Plans and Specifications. With each application for a building permit and also when otherwise required by the Building Official for enforcement of any provision of this Ordinance, two (2) sets of specifications and plans shall be submitted. The Building Official may, where the complexity of the plans clearly warrant (that is, any building requiring engineering computations i.e., public buildings, etc.), require plans and specifications to be prepared and designed by an engineer or architect licensed by the State to practice as such. The Building Official may further require that plans for new construction indicate existing and finished grade elevations based on County data with existing and finished drainage flow patterns in areas subject to flooding.

One copy of submitted plans shall be returned to the applicant when approved. Approval shall normally be received within ten (10) working days after submission. If there is any delay beyond fifteen (15) days, a letter of explanation shall be sent to the applicant.

**ARF-1893**

**Consent Agenda Item 4- P**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Mike Pastor,  
Member, Board  
of Supervisors

Submitted By: Sherry Grice, Executive Assistant,  
Board of Supervisors-District 2

Department: Board of Supervisors-District 2

---

Information

Request/Subject

Appoint Michael Pastor of the Board of Supervisors to the Allied Health Care Advisory Committee.

Background Information

Each year, members of the Board of Supervisors are provided the opportunity to serve on other boards, committees and organizations by virtue of their membership on the Board of Supervisors. They are elected/appointed by their peers to represent the interests of Gila County on the Allied Health Care Advisory Committee.

Gila Community College District continues its commitment to providing relevant training in the field of Allied Health Care throughout Gila County. There are six programs currently being offered through Gila Community College District. The key role of the Advisory Committee is to provide the College with input and feedback on program development as well as providing the college with input on program evaluation.

Evaluation

It is important for the Board of Supervisors to be represented on this Committee.

Conclusion

N/A

Recommendation

It is recommended that the Board discuss appointing Supervisor Michael Pastor to serve on the Allied Health Care Advisory Committee.

Suggested Motion

Approval to appoint Michael Pastor to the Allied Health Care Advisory Committee beginning June 25, 2013, and to serve until further determined by the Board of Supervisors.

---

Attachments

Allied Health Care Advisory Committee-Proposed Membership List

Allied Health Care Advisory Ltr.

ALLIED HEALTH CARE ADVISORY COMMITTEE  
 (Proposed to BOS on 6/25/13 and if approved the list will be as follows)

NAME OF MEMBER	TYPE OF APPOINTMENT  Mark with A, B, C, D or E – see below	NEW APPOINTMENT OR REAPPOINTMENT (Include BOS approval date next to letter) <u>New Appointment:</u> Choose “A” or “B” A -for existing vacancy or B -to fill a vacancy created by (provide name) or <u>Reappointment:</u> Mark with a “C” and include number of years served <u>prior to most recent appointment</u>		DATES OF TERM  (Put the month, day and year both beginning and ending dates)	LENGTH OF TERM FOR CURRENT APPOINTMENT  (# of years)
Michael Pastor	B	A (06/25/13)	-	06/25/13-No term limit	Upon BOS review

- A) Statutory District Appointment: Member must reside within the supervisorial district boundary from which he/she is appointed.
- B) Supervisor Appointment: Member unrestricted by district.
- C) Joint Appointment: Membership is comprised of appointments from different jurisdictions. Appointments made by other entities are acknowledged by the Board of Supervisors.
- D) County at Large: Members are unrestricted by district and can be recommended by appointment by any supervisorial district or by the committee.
- E) Alternate Members: As defined by individual committee criteria.



Gila Pueblo Campus  
8274 S. Six Shooter Canyon Rd.  
P.O. Box 2656  
Globe, Arizona 85502-2656  
Phone: 928-425-8481  
Fax: 928-425-8492

Payson Campus  
201 North Mud Springs Road  
P.O. Box 359  
Payson, Arizona 85547-0359  
Phone: 928-468-8039  
Fax: 928-468-8043

San Carlos Campus  
Tonto Street & Mesa Drive  
P.O. Box 152  
San Carlos, Arizona 85550-0152  
Phone: 928-475-5981  
Fax: 928-475-5983

B. Stephen Cullen  
Senior Dean

May 20, 2013

Michael Pastor, Chairman  
Board of Supervisors  
1400 E. Ash Street  
Globe, AZ 85501

RECEIVED

MAY 23 2013

GILA COUNTY - DISTRICT II  
BOARD OF SUPERVISORS

cc: D. McDaniel  
M. Sheppard  
T. Martin  
J. Marcanti

Dear Supervisor Pastor,

As I am sure you are aware, Gila Community College District continues its commitment to providing relevant training in the field of Allied Health Care throughout Gila County and Central Arizona. Currently, we have six programs offered through Gila Community College District.

The key to providing successful, quality programs is in partnerships with industry leaders who are willing to contribute their expertise and vision through an advisory committee. We are writing to you today asking for your consideration in accepting an appointment as a member of our Allied Health Care Advisory Committee. The key role of the advisory committee will be to provide the college with input and feedback on program development as well as providing the college with input on program evaluation.

Serving on the committee would require only a minimum demand on your time. We are hopeful that you will consider our request. Please feel free to contact me at any time should you have any questions.

Thank you for your consideration.

Sincerely,

B. Stephen Cullen, Ph.D.  
Senior Dean

**ARF-1917**

**Consent Agenda Item 4- Q**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

Submitted For: Marian Sheppard,  
Clerk, BOS

Submitted By: Laurie Kline, Deputy Clerk, Clerk of the Board of Supervisors

Department: Clerk of the Board of Supervisors

---

Information

Request/Subject

Flying Grizzly - Application for a Temporary Extension of Premises/Patio Permit for June 29, 2013

Background Information

Any establishment that has been issued a liquor license must submit an Application for Extension of Premises/Patio Permit to the local governing body of the city, town or county where the establishment is located. The application can be submitted to temporarily or permanently extend the premises/patio where serving liquor is permitted by the Arizona Department of Liquor Licenses and Control (Department). The local governing body usually has established internal procedures for review and approval of the application. The Department has final approval of all recommendations submitted by the local governing body. Alexander MacLean submitted an application to temporarily extend the premises/patio where liquor is permitted to be served at the Flying Grizzly in order to have a special event on June 29, 2013. The Flying Grizzly is located in Strawberry.

Evaluation

The application has been reviewed by the Clerk of the Board. Staff from the Community Development Division also reviewed the application. Both departments have no objections with regard to this application.

Conclusion

This application is ready to be presented to the Board of Supervisors for a decision. The Board's recommendation will then be sent to the Department for a final decision.

Recommendation

It is recommended that the Board of Supervisors issue an approval recommendation to the Department.

Suggested Motion

Approval of an Application for Extension of Premises/Patio Permit submitted by Alexander MacLean to temporarily extend the premises/patio where liquor is permitted to be served at the Flying Grizzly on June 29, 2013.

---

Attachments

Grizzly Extension Application

Grizzly Comm. Dev. Approval

# ARIZONA DEPARTMENT OF LIQUOR LICENSES & CONTROL

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

Date payment received _____
CSR Initials _____

## APPLICATION FOR EXTENSION OF PREMISES/PATIO PERMIT

THIS APPLICATION MUST BE RETURNED TO THE DEPARTMENT OF LIQUOR

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

Temporary change for date(s) of: 6/29/13 through 6/29/13 List specific purpose for change: Modified Motorcycle Association, Charitable Bikini Bike Wash

- Licensee's Name: Maclean Alexander Douglas
- Mailing Address: HCI Box 212 Strawberry AZ 85544
- Business Name: FLYING GRIZZLY LICENSE #: 07070008
- Business Address: 5079 Hwy 87 Strawberry GILA AZ 85544
- Business Phone: ( ) \_\_\_\_\_ Residence Phone: 970 970-6718
- Do you understand Arizona Liquor Laws and Regulations?  YES  NO Fax #: ( ) \_\_\_\_\_
- Have you received approved Liquor Law Training?  NO  YES If so, when does your Certificate expire? 03/15/2017
- What security precautions will be taken to prevent liquor violations in the extended area? Fencing and Security Personnel
- Does this extension bring your premises within 300 feet of a church or school?  YES  NO
- IMPORTANT: ATTACH THE REVISED FLOOR PLAN CLEARLY DEPICTING YOUR LICENSED PREMISES AND WHAT YOU PROPOSE TO ADD.**

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: \_\_\_\_\_

Investigation Recommendation  Approval  Disapproval by: \_\_\_\_\_ Date: 1/1

\*\*\*\*After completing sections 1-10, 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.

This change in premises is RECOMMENDED by the local Board of Supervisors, City Council or Designate:

(Authorized Signature)

(Title)

(Agency)

I, Alexander Douglas Maclean being first duly sworn upon oath, hereby depose, swear and declare, under penalty of perjury, that I am the APPLICANT making the foregoing application. I have read this application and the contents and all statements are true, correct and complete.

Alexander Douglas Maclean State of AZ County of GILA  
 (Signature of Owner or Agent) SUBSCRIBED IN MY PRESENCE AND SWORN TO before me this date

My commission expires on: 5/30/2015  
Debra J. Varnath Day Month Year  
 (Signature of NOTARY PUBLIC)

Investigation Recommendation  Approval  Disapproval by: \_\_\_\_\_ Date: 1/1

Director Signature required for Disapprovals \_\_\_\_\_ Date: 1/1





Arizona Department of Liquor Licenses and Control  
800 West Washington, 5th Floor  
Phoenix, Arizona 85007  
www.azliquor.gov  
602-542-5141

**CERTIFICATE OF TITLE 4 TRAINING COMPLETION**

Do Not Duplicate This Form

Certificates must be completed by a state-approved training course provider, in black ink, on an original form.

**JAMES MACLEAN**

Full Name (please print)

Signature

**20 March 2012**

Training Completion Date

**March 19, 2017**

Certificate Expiration Date

(MANAGEMENT - 5 years from completion date)  
(BASIC - 3 years from completion date)

Type of Training Completed (check Yes or No)

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	BASIC	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	ON SALE
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	MANAGEMENT	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	OFF SALE
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	BOTH	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	OTHER

If Trainee Is Employed By A Licensee

Name of Licensee

Business Name

Liquor License #

Alcohol Training Program Provider Information

**Arizona Alcohol Traffic & Firearms**

Company or Individual Name (please print)

**P.O. Box 6252**

Address

**Chandler, AZ 85246**

City

State

Zip

**(480) 664-0389**

Daytime Contact Phone #

I certify the above named individual has successfully completed the training specified above in accordance with Arizona Revised Statute, Arizona Administrative Code, and the training course curriculum approved by the Department of Liquor Licenses and Control:



**Jared Repinski**

Name of Trainer (please print)

**20 March 2012**

Date

Pursuant to A.R.S. 4-112(G)(2), mandatory Title 4 liquor law training is required prior to the issuance of all new liquor license applications submitted after November 1, 1997.

The persons(s) required to attend both the BASIC and MANAGEMENT Title 4 liquor law training, on- or off-sale, will include all of the following:  
Owner(s)  
Licensee/agent or manager(s) actively involved in daily business operation

A valid (not expired) Certificate of Title 4 Training Completion must be submitted to the Department of Liquor Licenses and Control before a liquor license application is considered complete.

Before acceptance of a manager's questionnaire and/or agent change for an existing liquor license, proof of attendance for the BASIC and MANAGEMENT Title 4 liquor law training (on- or off-sale) is required.

Arizona Department of Liquor Licenses and Control  
800 West Washington, 5th Floor  
Phoenix, Arizona 85007  
www.azliquor.gov  
602-542-5141

**CERTIFICATE OF TITLE 4 TRAINING COMPLETION**

Do Not Duplicate This Form

Certificates must be completed by a state-approved training course provider, in black ink, on an original form.

**DOUGLAS MACLEAN**

Full Name (please print)

*[Handwritten Signature]*  
Signature

**16 March 2012**

Training Completion Date

**March 15, 2017**

Certificate Expiration Date

(MANAGEMENT - 5 years from completion date)  
(BASIC - 3 years from completion date)

Type of Training Completed (check Yes or No)

- |   |                             |            |   |  |          |
|---|-----------------------------|------------|---|--|----------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | BASIC      | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | ON SALE  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | MANAGEMENT | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | OFF SALE |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | BOTH       | <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | OTHER    |

If Trainee Is Employed By A Licensee

Name of Licensee

Business Name

Liquor License #

Alcohol Training Program Provider Information

**Arizona Alcohol Traffic & Firearms**

Company or Individual Name (please print)

**P.O. Box 6252**

Address

**Chandler, AZ 85246**

City

State

Zip

**(480) 664-0389**

Daytime Contact Phone #

I certify the above named individual has successfully completed the training specified above in accordance with Arizona Revised Statute, Arizona Administrative Code, and the training course curriculum approved by the Department of Liquor Licenses and Control:

*[Handwritten Signature]*  
Trainer Signature

**Jared Repinski**

Name of Trainer (please print)

**16 March 2012**

Date

Pursuant to A.R.S. § 4-112(G)(2), mandatory Title 4 liquor law training is required prior to the issuance of all new liquor license applications submitted after November 1, 1997.

The persons(s) required to attend both the BASIC and MANAGEMENT Title 4 liquor law training, on- or off-sale, will include all of the following:  
Owner(s)  
Licensee/agent or manager(s) actively involved in daily business operation

A valid (not expired) Certificate of Title 4 Training Completion must be submitted to the Department of Liquor Licenses and Control before a liquor license application is considered complete.

Before acceptance of a manager's questionnaire and/or agent change for an existing liquor license, proof of attendance for the BASIC and MANAGEMENT Title 4 liquor law training (on- or off-sale) is required.



**INTEROFFICE MEMORANDUM**

**DATE:** June 12, 2013  
**TO:** Joe Mendoza, Community Development Division  
**FROM:** Marian Sheppard, Clerk of the Board of Supervisors Department *MS*  
**SUBJECT:** APPLICATION FOR EXTENSION OF PREMISES/PATIO PERMIT

Please be advised that an application for an extension of premises/patio permit has been submitted to Gila County by Alexander MacLean to temporarily extend the liquor license service area on June 29, 2013, for a special event at the Flying Grizzly located in Strawberry.

A.R.S. §4-207.01 (B) states, "No licensee shall alter or change the physical arrangement of his licensed premises so as to encompass greater space or the use of different or additional entrances, openings or accommodations than the space, entrance or entrances, openings or accommodations offered to the public at the time of issuance of the licensee's license or a prior written approval of the licensed premises, without first having filed with the director floor plans and diagrams completely disclosing and designating the proposed physical alterations of the licensed premises, including the addition of a drive-through or other physical feature to the licensed premises that allows a customer to purchase spirituous liquor without leaving the customer's vehicle, and shall have secured the written approval by the director. This subsection shall apply to any person to person transfer of the licensed premises. Until January 1, 2015, the director may charge a fee for review of floor plans and diagrams submitted by a licensee pursuant to this section."

I have attached a copy of the application which includes a floor plan of the licensed premises and requested extended areas. Please indicate (below) if this request meets with your approval, and return this memorandum to me. Thank you.

PLEASE CIRCLE YOUR APPROVAL OR DISAPPROVAL, SIGN AND DATE.  
\*\*\*\*\*  
THIS ESTABLISHMENT DOES / DOES NOT (circle one) MEET THE BUILDING CODE REQUIREMENTS FOR A TEMPORARY EXTENSION OF PREMISES/PATIO PERMIT.

Community Development Division:  
*[Signature]*  
Joe Mendoza, Chief Building Official

Date:  
6/12/13

*OK BUT cannot block access to Handicap Parking Space and accessible route*

**ARF-1927**

**Consent Agenda Item 4- R**

**Regular BOS Meeting**

<b>Meeting Date:</b>	06/25/2013		
<u>Submitted For:</u>	Lorraine Dalrymple, Health Services Program Manager	<u>Submitted By:</u>	Lorraine Dalrymple Health Services Program Manager Health & Emergency Services Division
<u>Department:</u>	Health & Emergency Services Division	<u>Division:</u>	Health Services
<u>Fiscal Year:</u>	2013	<u>Budgeted?:</u>	Yes
<u>Contract Dates Begin &amp; End:</u>	No dates - revalidation	<u>Grant?:</u>	No
<u>Matching Requirement?:</u>	No	<u>Fund?:</u>	Replacement

Information

Request/Subject

Revalidation of Gila County's Medicare Agreement per the requirements of the Affordable Care Act.

Background Information

Gila County has been a Medicare Part B roster biller for flu vaccine since 1999. The Affordable Care Act requires that Medicare Part B providers submit a new application to the Department of Health and Human Services Centers for Medicare & Medicaid Services (Department).

The current agreement is ongoing and it does not have an expiration date unless notified by the Department.

Evaluation

Gila County's agreement with Medicare allows the County to provide its citizens with Medicare Part B with flu vaccines without any out-of-pocket expenses for the client. This agreement allows the Gila County Health Department to bill Medicare for this service.

This application must be received by the Department by no later than July 5th; however, the Department has requested that it be submitted at least a week prior to the deadline in order to review the applications to request any needed corrections. The Gila County Health Department will be notified by the Department once the application has been approved. The notification may be issued in a letter or an Intergovernmental Agreement. In either case, the Board of Supervisors will be notified.

Conclusion

Upon approval of this renewal, the Gila County Health Department will be able to continue to provide flu vaccines at no out-of-pocket costs to our residents with Medicare Part B.

Recommendation

The Gila County Division of Health Director recommends that the Board of Supervisors approve the Medicare Enrollment Application allowing revalidation of our Medicare Contract.

Suggested Motion

Approval of the Medicare Enrollment Application for revalidation, as required by the Affordable Care Act, to continue to provide roster billing for individuals with Medicare Part B.

Attachments

Medicare Enrollment Application

Legal Explanation

**ARF-1927**

**Consent Agenda Item 5.0.**

**Special Meeting**

**Meeting Date:** 07/16/2013

**Submitted For:** Lorraine Dalrymple, Health Services Program Manager

**Submitted By:** Lorraine Dalrymple  
Health Services Program Manager  
Health & Emergency Services Division

**Department:** Health & Emergency Services Division **Division:** Health Services

**Fiscal Year:** 2013 **Budgeted?:** Yes

**Contract Dates:** No dates - revalidation **Grant?:** No

**Begin & End:**

**Matching:** No **Fund?:** Replacement

**Requirement?:**

Information

Request/Subject

Revalidation of our Medicare Agreement per the requirements of the Affordable Act.

Background Information

Gila County has been a Medicare Part B roster biller for flu vaccine since 1999. This is the application for revalidation required by the Affordable Care Act.

Evaluation

Our agreement with Medicare allows us to provide our citizens with Medicare Part B with flu vaccines without any out-of-pocket expenses for the client. This agreement allows us to bill Medicare for this service.

Conclusion

Upon approval of this renewal, the Gila County Office of Health will be able to continue to provide flu vaccines at no out-of-pocket costs to our residents with Medicare Part B.

Recommendation

The Gila County Office of Health recommends to the Board of Supervisors that they approve the Medicare Enrollment Application allowing revalidation of our Medicare Contract.

Suggested Motion

Approval of the Medicare Enrollment Application for revalidation, as required by the Affordable Care Act, to continue to provide roster billing for individuals with Medicare Part B.

Attachments

Medicare Revalidation Agreement



---

# MEDICARE ENROLLMENT APPLICATION

**Clinics/Group Practices  
and Certain Other Suppliers**

---

**CMS-855B**

SEE PAGE 1 TO DETERMINE IF YOU ARE COMPLETING THE CORRECT APPLICATION.

SEE PAGE 2 FOR INFORMATION ON WHERE TO MAIL THIS APPLICATION.

SEE PAGE 35 TO FIND A LIST OF THE SUPPORTING DOCUMENTATION THAT MUST BE SUBMITTED WITH THIS APPLICATION.

**CMS**  
CENTERS for MEDICARE & MEDICAID SERVICES

---

## WHO SHOULD SUBMIT THIS APPLICATION

---

Clinics and group practices can apply for enrollment in the Medicare program or make a change in their enrollment information using either:

- The Internet-based Provider Enrollment, Chain and Ownership System (PECOS), or
- The paper enrollment application process (e.g., CMS 855B).

For additional information regarding the Medicare enrollment process, including Internet-based PECOS, go to <http://www.cms.gov/MedicareProviderSupEnroll>.

Clinics and group practices who are enrolled in the Medicare program, but have not submitted the CMS 855B since 2003, are required to submit a Medicare enrollment application (i.e., Internet-based PECOS or the CMS 855B) as an initial application when reporting a change for the first time.

The following suppliers must complete this application to initiate the enrollment process:

- Ambulance Service Supplier
- Ambulatory Surgical Center
- Clinic/Group Practice
- Independent Clinical Laboratory
- Independent Diagnostic Testing Facility (IDTF)
- Intensive Cardiac Rehabilitation Supplier
- Mammography Center
- Mass Immunization (Roster Biller Only)
- Part B Drug Vendor
- Portable X-ray Supplier
- Radiation Therapy Center

If your supplier type is not listed above, contact your designated fee-for-service contractor before you submit this application.

Complete and submit this application if you are an organization/group that plans to bill Medicare and you are:

- A medical practice or clinic that will bill for Medicare Part B services (e.g., group practices, clinics, independent laboratories, portable x-ray suppliers).
- A hospital or other medical practice or clinic that may bill for Medicare Part A services but will also bill for Medicare Part B practitioner services or provide purchased laboratory tests to other entities that bill Medicare Part B.
- Currently enrolled with a Medicare fee-for-service contractor but need to enroll in another fee-for-service contractor's jurisdiction (e.g., you have opened a practice location in a geographic territory serviced by another Medicare fee-for-service contractor).
- Currently enrolled in Medicare and need to make changes to your enrollment data (e.g., you have added or changed a practice location). Changes must be reported in accordance with the timeframes established in 42 C.F.R. § 424.516(d). (IDTF changes of information must be reported in accordance with 42 C.F.R. § 410.33.)

---

## BILLING NUMBER INFORMATION

---

The National Provider Identifier (NPI) is the standard unique health identifier for health care providers and is assigned by the National Plan and Provider Enumeration System (NPPES). As a Medicare health supplier, you must obtain an NPI prior to enrolling in Medicare or before submitting a change for your existing Medicare enrollment information. Applying for an NPI is a process separate from Medicare enrollment. As a supplier, it is your responsibility to determine if you have "subparts." A subpart is a component of an organization (supplier) that furnishes healthcare and is not itself a legal entity. If you do have subparts, you must determine if they should obtain their own unique NPIs. Before you complete this enrollment application, you need to make those determinations and obtain NPI(s) accordingly.

**Important:** For NPI purposes, sole proprietors and sole proprietorships are considered to be “Type 1” providers. Organizations (e.g., corporations, partnerships) are treated as “Type 2” entities. When reporting the NPI of a sole proprietor on this application, therefore, the individual’s Type 1 NPI should be reported; for organizations, the Type 2 NPI should be furnished.

To obtain an NPI, you may apply online at <https://NPES.cms.hhs.gov>. For more information about subparts, visit [www.cms.gov/NationalProvdentStand](http://www.cms.gov/NationalProvdentStand) to view the “Medicare Expectations Subparts Paper.”

The Medicare Identification Number, often referred to as a Provider Transaction Access Number (PTAN) or Medicare “legacy” number, is a generic term for any number other than the NPI that is used to identify a Medicare supplier.

---

## INSTRUCTIONS FOR COMPLETING AND SUBMITTING THIS APPLICATION

---

- Type or print all information so that it is legible. Do not use pencil.
- Report additional information within a section by copying and completing that section for each additional entry.
- Attach all required supporting documentation.
- Keep a copy of your completed Medicare enrollment package for your records.
- Send the completed application with original signatures and all required documentation to your designated Medicare fee-for-service contractor.

---

## AVOID DELAYS IN YOUR ENROLLMENT

---

To avoid delays in the enrollment process, you should:

- Complete all required sections.
- Ensure that the legal business name shown in Section 2 matches the name on the tax documents.
- Ensure that the correspondence address shown in Section 2 is the supplier’s address.
- Enter your NPI in the applicable sections.
- Enter all applicable dates.
- Ensure that the correct person signs the application.
- Send your application and all supporting documentation to the designated fee-for-service contractor.

---

## ADDITIONAL INFORMATION

---

For additional information regarding the Medicare enrollment process, visit [www.cms.gov/MedicareProviderSupEnroll](http://www.cms.gov/MedicareProviderSupEnroll).

The fee-for-service contractor may request, at any time during the enrollment process, documentation to support and validate information reported on the application. You are responsible for providing this documentation in a timely manner.

Certain information you provide on this application is considered to be protected under 5 U.S.C. Section 552(b)(4) and/or (b)(6), respectively. For more information, see the last page of this application for the Privacy Act Statement.

---

## MAIL YOUR APPLICATION

---

The Medicare fee-for-service contractor (also referred to as a carrier or a Medicare administrative contractor) that services your State is responsible for processing your enrollment application. To locate the mailing address for your fee-for-service contractor, go to [www.cms.gov/MedicareProviderSupEnroll](http://www.cms.gov/MedicareProviderSupEnroll).

---

## **SECTION 1: BASIC INFORMATION**

---

---

### **NEW ENROLLEES AND THOSE WITH A NEW TAX ID NUMBER**

---

If you are:

- Enrolling in the Medicare program for the first time with this Medicare fee-for-service contractor under this tax identification number.
- Already enrolled with a Medicare fee-for-service contractor but are establishing a practice location in another fee-for-service contractor's jurisdiction.
- Enrolled with a Medicare fee-for-service contractor but have a new tax identification number. If you are reporting a change to your tax identification number, you must complete a new application.
- A hospital or an individual hospital department that is enrolling with a fee-for-service contractor to bill for Part B services.

The following actions apply to Medicare suppliers already enrolled in the program:

---

### **ENROLLED MEDICARE SUPPLIERS**

---

#### **Reactivation**

To reactivate your Medicare billing privileges, submit this enrollment application. In addition, prior to being reactivated, you must be able to submit a valid claim and meet all current requirements for your supplier type before reactivation may occur.

#### **Voluntary Termination**

A supplier should voluntarily terminate its Medicare enrollment when it:

- Will no longer be rendering services to Medicare patients, or
- Is planning to cease (or has ceased) operations.

#### **Change of Ownership**

If a hospital, ambulatory surgical center, or portable X-ray supplier is undergoing a change of ownership (CHOW) in accordance with the principles outlined in 42 C.F.R. 489.18, the entity must submit a new application for the new ownership.

#### **Change of Information**

A change of information should be submitted if you are changing, adding or deleting information under your current tax identification number.

Changes in your existing enrollment data must be reported to the fee-for-service contractor in accordance with 42 C.F.R. § 424.516 (Physician and Non Physician Practitioner Organizations). (IDTF changes of information must comply with the provisions found at 42 C.F.R. § 410.33.)

If you are already enrolled in Medicare and are not receiving Medicare payments via EFT, any change to your enrollment information will require you to submit a CMS-588 form. All future payments will then be made via EFT.

#### **Revalidation**

CMS may require you to submit or update your enrollment information. The fee-for-service contractor will notify you when it is time for you to revalidate your enrollment information. Do not submit a revalidation application until you have been contacted by the fee-for-service contractor.

**SECTION 1: BASIC INFORMATION**

**ALL APPLICANTS MUST COMPLETE THIS SECTION (See instructions for details.)**

**A. Check one box and complete the required sections.**

REASON FOR APPLICATION	BILLING NUMBER INFORMATION	REQUIRED SECTIONS
<input type="checkbox"/> You are a new enrollee in Medicare	Enter your Medicare Identification Number ( <i>if issued</i> ) and the NPI you would like to link to this number in Section 4.	<b>Complete all applicable sections</b> <b>Ambulance suppliers must complete Attachment 1</b> <b>IDTF suppliers must complete Attachment 2</b>
<input type="checkbox"/> You are enrolling in another fee-for-service contractor's jurisdiction	Enter your Medicare Identification Number ( <i>if issued</i> ) and the NPI you would like to link to this number in Section 4.	<b>Complete all applicable sections</b> <b>Ambulance suppliers must complete Attachment 1</b> <b>IDTF suppliers must complete Attachment 2</b>
<input type="checkbox"/> You are reactivating your Medicare enrollment	Enter your Medicare Identification Number ( <i>if issued</i> ) and the NPI you would like to link to this number in Section 4.	<b>Complete all applicable sections</b> <b>Ambulance suppliers must complete Attachment 1</b> <b>IDTF suppliers must complete Attachment 2</b>
	Medicare Identification Number(s) ( <i>if issued</i> ):	
	National Provider Identifier ( <i>if issued</i> ):	
<input type="checkbox"/> You are voluntarily terminating your Medicare enrollment. (This is not the same as "opting out" of the program)	Effective Date of Termination:	<b>Sections 1, 2B1, 13, and either 15 or 16</b>  <b>If you are terminating an employment arrangement with a physician assistant, complete Sections 1A, 2G, 13, and either 15 or 16</b>
	Medicare Identification Number(s) to Terminate ( <i>if issued</i> ):	
	National Provider Identifier ( <i>if issued</i> ):	

**SECTION 1: BASIC INFORMATION (Continued)**

**ALL APPLICANTS MUST COMPLETE THIS SECTION (See instructions for details.)**

**A. Check one box and complete the required sections.**

REASON FOR APPLICATION	BILLING NUMBER INFORMATION	REQUIRED SECTIONS
<input checked="" type="checkbox"/> You are changing your Medicare information	Medicare Identification Number: ZFL528  National Provider Identifier (if issued): 1700941507	Go to Section 1B
<input checked="" type="checkbox"/> You are revalidating your Medicare enrollment	Enter your Medicare Identification Number (if issued) and the NPI you would like to link to this number in Section 4.	Complete all applicable sections  Ambulance suppliers must complete Attachment 1  IDTF suppliers must complete Attachment 2

**SECTION 1: BASIC INFORMATION (Continued)****ALL APPLICANTS MUST COMPLETE THIS SECTION (See instructions for details.)****A. Check one box and complete the required sections.**

REASON FOR APPLICATION	BILLING NUMBER INFORMATION	REQUIRED SECTIONS
<input checked="" type="checkbox"/> You are changing your Medicare information	Medicare Identification Number: ZFL528	Go to Section 1B
	National Provider Identifier (if issued): 1760547566	
<input checked="" type="checkbox"/> You are revalidating your Medicare enrollment	Enter your Medicare Identification Number (if issued) and the NPI you would like to link to this number in Section 4.	Complete all applicable sections Ambulance suppliers must complete Attachment 1 IDTF suppliers must complete Attachment 2

**SECTION 1: BASIC INFORMATION** *(Continued)*

**B. Check all that apply and complete the required sections:**

	<b>REQUIRED SECTIONS</b>
<input type="checkbox"/> Identifying Information	<b>1, 2</b> (complete only those sections that are changing), <b>3, 13</b> , and either <b>15</b> (if you are an authorized official) or <b>16</b> (if you are a delegated official), and <b>6</b> for the signer if that authorized or delegated official has not been established for this supplier
<input type="checkbox"/> Final Adverse Actions/Convictions	<b>1, 2B1, 3, 13</b> , and either <b>15</b> (if you are an authorized official) or <b>16</b> (if you are a delegated official), and <b>6</b> for the signer if that authorized or delegated official has not been established for this supplier
<input checked="" type="checkbox"/> Practice Location Information, Payment Address & Medical Record Storage Information	<b>1, 2B1, 3, 4</b> (complete only those sections that are changing), <b>13</b> , and either <b>15</b> (if you are an authorized official) or <b>16</b> (if you are a delegated official), and <b>6</b> for the signer if that authorized or delegated official has not been established for this supplier
<input type="checkbox"/> Change of Ownership (Hospitals, Portable X-Ray Suppliers & Ambulatory Surgical Centers Only)	<b>Complete all sections and provide a copy of the sales agreement</b>
<input checked="" type="checkbox"/> Ownership Interest and/or Managing Control Information (Organizations)	<b>1, 2B1, 3, 5, 13</b> , and either <b>15</b> (if you are an authorized official) or <b>16</b> (if you are a delegated official), and <b>6</b> for the signer if that authorized or delegated official has not been established for this supplier
<input type="checkbox"/> Ownership Interest and/or Managing Control Information (Individuals)	<b>1, 2B1, 3, 6, 13</b> , and either <b>15</b> (if you are an authorized official) or <b>16</b> (if you are a delegated official), and <b>6</b> for the signer if that authorized or delegated official has not been established for this supplier
<input type="checkbox"/> Billing Agency Information	<b>1, 2B1, 3, 8</b> (complete only those sections that are changing), <b>13</b> , and either <b>15</b> (if you are an authorized official) or <b>16</b> (if you are a delegated official), and <b>6</b> for the signer if that authorized or delegated official has not been established for this supplier
<input checked="" type="checkbox"/> Authorized Official(s)	<b>1, 2B1, 3, 13, 15</b> or <b>16</b> (if you are a delegated official), and <b>6</b> for the signer if that authorized or delegated official has not been established for this supplier
<input type="checkbox"/> Delegated Official(s) (Optional)	<b>1, 2B1, 3, 13, 15, 16</b> , and <b>6</b> for the signer if that delegated official has not been established for this supplier.

**SECTION 1: BASIC INFORMATION (Continued)**

<b>ATTACHMENT 1: AMBULANCE SERVICE SUPPLIERS (ONLY)</b>	<b>REQUIRED SECTIONS</b>
<input type="checkbox"/> Geographic Area	1, 2B1, 3, 13, and 15 if you are the authorized official or 16 if you are the delegated official Attachment 1(A)
<input type="checkbox"/> State License Information	1, 2B1, 3, 13, and 15 if you are the authorized official or 16 if you are the delegated official Attachment 1(B)
<input type="checkbox"/> Paramedic Intercept Services Information	1, 2B1, 3, 13, and 15 if you are the authorized official or 16 if you are the delegated official Attachment 1(C)
<input type="checkbox"/> Vehicle Information	1, 2B1, 3, 13, and 15 if you are the authorized official or 16 if you are the delegated official Attachment 1(D)
<b>ATTACHMENT 2: INDEPENDENT DIAGNOSTIC TESTING FACILITIES (ONLY)</b>	<b>REQUIRED SECTIONS</b>
<input type="checkbox"/> CPT-4 and HCPCS Codes	1, 2B1, 3, 13, and 15 if you are the authorized official or 16 if you are the delegated official Attachment 2(B)
<input type="checkbox"/> Interpreting Physician Information	1, 2B1, 3, 13, and 15 if you are the authorized official or 16 if you are the delegated official Attachment 2(C)
<input type="checkbox"/> Personnel (Technicians) Who Perform Tests	1, 2B1, 3, 13, and 15 if you are the authorized official or 16 if you are the delegated official Attachment 2(D)
<input type="checkbox"/> Supervising Physician(s)	1, 2B1, 3, 13, and 15 if you are the authorized official or 16 if you are the delegated official Attachment 2(E)
<input type="checkbox"/> Liability Insurance Information	1, 2B1, 3, 13, and 15 if you are the authorized official or 16 if you are the delegated official Attachment 2(F)

---

**SECTION 2: IDENTIFYING INFORMATION**

---

**A. Type of Supplier**

Check the appropriate box to identify the type of supplier you are enrolling as with Medicare. If you are more than one type of supplier, submit a separate application for each type. If you change the type of service that you provide (i.e., become a different supplier type), submit a new application.

Your organization must meet all Federal and State requirements for the type of supplier checked below.

**TYPE OF SUPPLIER: (Check one only)**

- |  |  |
|--|--|
| <input type="checkbox"/> Ambulance Service Supplier              | <input checked="" type="checkbox"/> Mass Immunization (Roster Biller Only)       |
| <input type="checkbox"/> Ambulatory Surgical Center              | <input type="checkbox"/> Pharmacy  |
| <input type="checkbox"/> Clinic/Group Practice                   | <input type="checkbox"/> Physical/Occupational Therapy Group in Private Practice |
| <input type="checkbox"/> Hospital Department(s)                  | <input type="checkbox"/> Portable X-ray Supplier                                 |
| <input type="checkbox"/> Independent Clinical Laboratory         | <input type="checkbox"/> Radiation Therapy Center                                |
| <input type="checkbox"/> Independent Diagnostic Testing Facility | <input type="checkbox"/> Other (Specify): _____                                  |
| <input type="checkbox"/> Intensive Cardiac Rehabilitation        |  |
| <input type="checkbox"/> Mammography Center                      |  |

**B. Supplier Identification Information****1. BUSINESS INFORMATION**

---

Legal Business Name (not the "Doing Business As" name) as reported to the Internal Revenue Service

Gila County Board of Supervisors

---

Tax Identification Number

86-6000444

---

Other Name

Gila County Division of Health and Emergency Services

---

Type of Other Name

Former Legal Business Name

Doing Business As Name

Other (Specify): Public Health or Welfare Agency

---

Identify how your business is registered with the IRS. (NOTE: If your business is a Federal and/or State government provider or supplier, indicate "Non-Profit" below.)

Proprietary  Non-Profit

NOTE: If a checkbox indicating Proprietary or non-profit status is not completed, the provider/supplier will be defaulted to "Proprietary."

---

Identify the type of organizational structure of this provider/supplier (Check one)

Corporation  Limited Liability Company  Partnership

Sole Proprietor  Other (Specify): Public Health or Welfare

---

Incorporation Date (mm/dd/yyyy) (if applicable)

State Where Incorporated (if applicable)

---

Is this supplier an Indian Health Facility enrolling with the designated Indian Health Service (IHS) Medicare Administrative Contractor (MAC)?

Yes  No

---

**SECTION 2: IDENTIFYING INFORMATION (Continued)****2. STATE LICENSE INFORMATION/CERTIFICATION INFORMATION**

Provide the following information if the supplier has a State license/certification to operate as the supplier type for which you are enrolling.

State License Not Applicable

License Number OT3426	State Where Issued Arizona
Effective Date (mm/dd/yyyy) 08/01/2012	Expiration/Renewal Date (mm/dd/yyyy) 07/31/2013

**Certification Information**

Certification Not Applicable

Certification Number	State Where Issued
Effective Date (mm/dd/yyyy)	Expiration/Renewal Date (mm/dd/yyyy)

**3. CORRESPONDENCE ADDRESS**

Provide contact information for the entity or person listed in Question 1 of this section. Once enrolled, the information provided below will be used by the fee-for-service contractor if it needs to contact you directly. This address cannot be a billing agency's address.

Mailing Address Line 1 (Street Name and Number)

5515 South Apache Avenue

Mailing Address Line 2 (Suite, Room, etc.)

Suite 100

City/Town Globe	State AZ	ZIP Code + 4 85501-4428
Telephone Number (928) 402-8811	Fax Number (if applicable) (928) 425-0794	E-mail Address (if applicable) Idalrymp@gilacountyaz.gov

**C. Hospitals Only**

This section should only be completed by hospitals that are currently enrolled or enrolling with a fee-for-service contractor (the Part A Medicare contractor), and will be billing a fee-for-service contractor for Medicare Part B services, as follows:

- Hospitals that need departmental billing numbers to bill for Part B practitioner services.
- Hospitals requiring a Part B billing number to provide pathology services.
- Hospitals requiring a Medicare Part B billing number to provide purchased tests to other Medicare Part B billers.
- If the hospital requires more than one departmental Part B billing number, list each department needing a number.

If your organization is not a hospital, and believes it will need a Part B billing number, contact the designated fee-for-service contractor to determine if this form should be submitted.

PROPERTY OF THE  
**ARIZONA DEPARTMENT OF HEALTH SERVICES**



**Gila County Board of Supervisors, dba  
GILA COUNTY DIVISION OF HEALTH AND EMERGENCY SERVICES -  
OFFICE OF HEALTH, GLOBE  
5515 South Apache Avenue, Suite 100  
Globe, Arizona 85501**

**This facility is licensed to operate as an    OUTPATIENT TREATMENT CENTER**

**This license has been issued under the authority of Title 36, Chapter 4, Arizona Revised statutes and pursuant to Department of Health Services' Rules, is not transferable and is valid only for the location identified above.**

**License Effective:**

**From: August 1, 2012**

**To: July 31, 2013**

**Issued: April 10, 2012**

**Number: OTC3426**

*Mary S. ...*  
Recommended By:

*[Signature]*  
Issued By: Assistant Director

**PURSUANT TO A.R.S. §41-1092.11 (A), UPON SUBMITTAL OF A TIMELY AND SUFFICIENT APPLICATION  
THIS LICENSE WILL REMAIN IN EFFECT UNTIL REISSUED OR REVOKED  
TO BE FRAMED AND DISPLAYED IN A CONSPICUOUS PLACE**

**SECTION 2: IDENTIFYING INFORMATION (Continued)**

**2. STATE LICENSE INFORMATION/CERTIFICATION INFORMATION**

Provide the following information if the supplier has a State license/certification to operate as the supplier type for which you are enrolling.

State License Not Applicable

License Number OTC2220	State Where Issued Arizona
Effective Date (mm/dd/yyyy) 08/01/2012	Expiration/Renewal Date (mm/dd/yyyy) 07/31/2013

**Certification Information**

Certification Not Applicable

Certification Number	State Where Issued
Effective Date (mm/dd/yyyy)	Expiration/Renewal Date (mm/dd/yyyy)

**3. CORRESPONDENCE ADDRESS**

Provide contact information for the entity or person listed in Question 1 of this section. Once enrolled, the information provided below will be used by the fee-for-service contractor if it needs to contact you directly. This address cannot be a billing agency's address.

Mailing Address Line 1 (Street Name and Number)

5515 South Apache Avenue

Mailing Address Line 2 (Suite, Room, etc.)

Suite 100

City/Town Globe	State AZ	ZIP Code + 4 85501-4428
Telephone Number (928) 402-8811	Fax Number (if applicable) (928) 425-0794	E-mail Address (if applicable) ldalrymp@gilacountyaz.gov

**C. Hospitals Only**

This section should only be completed by hospitals that are currently enrolled or enrolling with a fee-for-service contractor (the Part A Medicare contractor), and will be billing a fee-for-service contractor for Medicare Part B services, as follows:

- Hospitals that need departmental billing numbers to bill for Part B practitioner services.
- Hospitals requiring a Part B billing number to provide pathology services.
- Hospitals requiring a Medicare Part B billing number to provide purchased tests to other Medicare Part B billers.
- If the hospital requires more than one departmental Part B billing number, list each department needing a number.

If your organization is not a hospital, and believes it will need a Part B billing number, contact the designated fee-for-service contractor to determine if this form should be submitted.

PROPERTY OF THE  
**ARIZONA DEPARTMENT OF HEALTH SERVICES**



Gila County Board of Supervisors, dba  
**GILA COUNTY DIVISION OF HEALTH AND EMERGENCY SERVICES -**  
**OFFICE OF HEALTH, PAYSON**  
107 West Frontier Street, Suite A  
Payson, Arizona 85541

This facility is licensed to operate as an **OUTPATIENT TREATMENT CENTER**

This license has been issued under the authority of Title 36, Chapter 4, Arizona Revised statutes and pursuant to Department of Health Services' Rules, is not transferable and is valid only for the location identified above.

License Effective:

From: **August 1, 2012** To: **July 31, 2013**

Issued: **April 10, 2012**

Number: **OTC2220**

  
Recommended By:

  
Issued By: Assistant Director

PURSUANT TO A.R.S. §41-1092.11 (A), UPON SUBMITTAL OF A TIMELY AND SUFFICIENT APPLICATION  
THIS LICENSE WILL REMAIN IN EFFECT UNTIL REISSUED OR REVOKED  
TO BE FRAMED AND DISPLAYED IN A CONSPICUOUS PLACE

**SECTION 2: IDENTIFYING INFORMATION (Continued)**

**C. Hospitals Only (Continued)**

**NOTE:** If your hospital is enrolling a clinic that is not provider-based, do not complete this section.

Check  "Clinic/Group Practice" in Section 2A and complete this entire application for the clinic.

1. Are you going to:
  - bill for the entire hospital with one billing number? (If yes, continue to Section 2D.)
  - separately bill for each hospital department? (If yes, answer Question 2.)
2. List the hospital departments for which you plan to bill separately:

DEPARTMENT	MEDICARE IDENTIFICATION NUMBER	NPI

**D. Comments/Special Circumstances**

Explain any unique circumstances concerning your practice location, the method by which you render health care services, etc.

---

---

---

---

---

**E. Physical Therapy (PT) and Occupational Therapy (OT) Groups Only**

1. Are all of the group's PT/OT services rendered in patients' homes or in the group's private office space?  YES  NO
2. Does this group maintain private office space?  YES  NO
3. Does this group own, lease, or rent its private office space?  YES  NO
4. Is this private office space used exclusively for the group's private practice?  YES  NO
5. Does this group provide PT/OT services outside of its office and/or patients' homes?  YES  NO

If you responded YES to any of the questions 2-5 above, submit a copy of the lease agreement that gives the group exclusive use of the facilities for PT/OT services.

**F. Accreditation for Ambulatory Surgical Centers (ASCs) Only**

**NOTE:** Copy and complete this section if more than one accreditation needs to be reported.

Check one of the following and furnish any additional information as requested:

- The enrolling ASC supplier is accredited.
- The enrolling ASC supplier is not accredited (includes exempt providers).

Name of Accrediting Organization \_\_\_\_\_

Effective Date of Current Accreditation (mm/dd/yyyy)	Expiration of Current Accreditation (mm/dd/yyyy)
--	--

**SECTION 2: IDENTIFYING INFORMATION (Continued)**

**G. Termination of Physician Assistants (Only)**

Complete this section to delete employed physician assistants from your group or clinic.

EFFECTIVE DATE OF DEPARTURE	PHYSICIAN ASSISTANT'S NAME	PHYSICIAN ASSISTANT'S MEDICARE IDENTIFICATION NUMBER	PHYSICIAN ASSISTANT'S NPI

**H. Advanced Diagnostic Imaging (ADI) Suppliers Only**

This section must be completed by all suppliers that also furnish and will bill Medicare for ADI services. All suppliers furnishing ADI services MUST be accredited in each ADI Modality checked below to qualify to bill Medicare for those services.

Check each ADI modality this supplier will furnish and the name of the Accrediting Organization that accredited that ADI Modality for this supplier.

**Magnetic Resonance Imaging (MRI)**

Name of Accrediting Organization for MRI

Effective Date of Current Accreditation (mm/dd/yyyy)	Expiration Date of Current Accreditation (mm/dd/yyyy)
--	---

**Computed Tomography (CT)**

Name of Accrediting Organization for CT

Effective Date of Current Accreditation (mm/dd/yyyy)	Expiration Date of Current Accreditation (mm/dd/yyyy)
--	---

**Nuclear Medicine (NM)**

Name of Accrediting Organization for NM

Effective Date of Current Accreditation (mm/dd/yyyy)	Expiration Date of Current Accreditation (mm/dd/yyyy)
--	---

**Positron Emission Tomography (PET)**

Name of Accrediting Organization for PET

Effective Date of Current Accreditation (mm/dd/yyyy)	Expiration Date of Current Accreditation (mm/dd/yyyy)
--	---

---

## **SECTION 3: FINAL ADVERSE LEGAL ACTIONS/CONVICTIONS**

---

This section captures information on final adverse legal actions, such as convictions, exclusions, revocations, and suspensions. All applicable final adverse legal actions must be reported, regardless of whether any records were expunged or any appeals are pending.

### **Convictions**

1. The provider, supplier, or any owner of the provider or supplier was, within the last 10 years preceding enrollment or revalidation of enrollment, convicted of a Federal or State felony offense that CMS has determined to be detrimental to the best interests of the program and its beneficiaries.

#### **Offenses include:**

Felony crimes against persons and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pre-trial diversions; financial crimes, such as extortion, embezzlement, income tax evasion, insurance fraud and other similar crimes for which the individual was convicted, including guilty pleas and adjudicated pre-trial diversions; any felony that placed the Medicare program or its beneficiaries at immediate risk (such as a malpractice suit that results in a conviction of criminal neglect or misconduct); and any felonies that would result in a mandatory exclusion under Section 1128(a) of the Act.

2. Any misdemeanor conviction, under Federal or State law, related to: (a) the delivery of an item or service under Medicare or a State health care program, or (b) the abuse or neglect of a patient in connection with the delivery of a health care item or service.
3. Any misdemeanor conviction, under Federal or State law, related to theft, fraud, embezzlement, breach of fiduciary duty, or other financial misconduct in connection with the delivery of a health care item or service.
4. Any felony or misdemeanor conviction, under Federal or State law, relating to the interference with or obstruction of any investigation into any criminal offense described in 42 C.F.R. Section 1001.101 or 1001.201.
5. Any felony or misdemeanor conviction, under Federal or State law, relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance.

### **Exclusions, Revocations, or Suspensions**

1. Any revocation or suspension of a license to provide health care by any State licensing authority. This includes the surrender of such a license while a formal disciplinary proceeding was pending before a State licensing authority.
2. Any revocation or suspension of accreditation.
3. Any suspension or exclusion from participation in, or any sanction imposed by, a Federal or State health care program, or any debarment from participation in any Federal Executive Branch procurement or non-procurement program.
4. Any current Medicare payment suspension under any Medicare billing number.
5. Any Medicare revocation of any Medicare billing number.

**SECTION 3: FINAL ADVERSE ACTIONS/CONVICTIONS (Continued)**

**FINAL ADVERSE HISTORY**

1. Has your organization, under any current or former name or business identity, ever had any of the final adverse actions listed on page 13 of this application imposed against it?

YES—Continue Below     NO—Skip to Section 4

2. If yes, report each final adverse action, when it occurred, the Federal or State agency or the court/administrative body that imposed the action, and the resolution, if any.

Attach a copy of the final adverse action documentation and resolution.

FINAL ADVERSE ACTION	DATE	TAKEN BY	RESOLUTION

---

## **SECTION 4: PRACTICE LOCATION INFORMATION**

---

### **INSTRUCTIONS**

This section captures information about the physical location(s) where you currently provide health care services. If you operate a mobile facility or portable unit, provide the address for the “Base of Operations,” as well as vehicle information and the geographic area serviced by these facilities or units.

Only report those practice locations within the jurisdiction of the Medicare fee-for-service contractor to which you will submit this application. If you have practice locations in another Medicare fee-for-service contractor’s jurisdiction, complete a separate enrollment application (CMS-855B) for those practice locations and submit it to the Medicare fee-for-service contractor that has jurisdiction over those locations.

Provide the specific street address as recorded by the United States Postal Service. Do not provide a P.O. Box. If you provide services in a hospital and/or other health care facility for which you bill Medicare directly for the services rendered at that facility, provide the name and address of the hospital or facility.

### **MOBILE FACILITY AND/OR PORTABLE UNIT**

A “mobile facility” is generally a mobile home, trailer, or other large vehicle that has been converted, equipped, and licensed to render health care services. These vehicles usually travel to local shopping centers or community centers to see and treat patients inside the vehicle.

A “portable unit” is when the supplier transports medical equipment to a fixed location (e.g., physician’s office, nursing home) to render services to the patient.

The most common types of mobile facilities/portable units are mobile IDTFs, portable X-ray suppliers, portable mammography, and mobile clinics. Physicians and non-physician practitioners (e.g., nurse practitioners, physician assistants) who perform services at multiple locations (e.g., house calls, assisted living facilities) are not considered to be mobile facilities/portable units.

**SECTION 4: PRACTICE LOCATION INFORMATION (Continued)**

**A. Practice Location Information**

If you see patients in more than one practice location, copy and complete Section 4A for each location.

To ensure that CMS establishes the correct association between your Medicare legacy number and your NPI, providers and suppliers must list a Medicare legacy number—NPI combination for each practice location. If you have multiple NPIs associated with both a single legacy number and a single practice location, please list below all NPIs and associated legacy numbers for that practice location.

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

If you are enrolling for the first time, or if you are adding a new practice location, the date you provide should be the date you saw your first Medicare patient at this location.

Practice Location Name (*"Doing Business As" name if different from Legal Business Name*)

Gila County Division of Health and Community Services

Practice Location Street Address Line 1 (*Street Name and Number – NOT a P.O. Box*)

5515 S. Apache Avenue

Practice Location Street Address Line 2 (*Suite, Room, etc.*)

Suite 100

City/Town Globe	State AZ	ZIP Code + 4 85501-4428
Telephone Number (928) 402-8811	Fax Number ( <i>if applicable</i> ) (928) 425-0794	E-mail Address ( <i>if applicable</i> ) ldalrymp@gllacountyaz.gov

Date you saw your first Medicare patient at this practice location (mm/dd/yyyy)

05/22/1997

Medicare Identification Number ( <i>if issued</i> ) ZFL528	National Provider Identifier 1700941507
Medicare Identification Number ( <i>if issued</i> )	National Provider Identifier
Medicare Identification Number ( <i>if issued</i> )	National Provider Identifier
Medicare Identification Number ( <i>if issued</i> )	National Provider Identifier
Medicare Identification Number ( <i>if issued</i> )	National Provider Identifier

Is this practice location a:

- Group practice office/clinic                       Skilled Nursing Facility and/or Nursing Facility  
 Hospital     Other health care facility  
 Retirement/assisted living community              (*Specify*): Public Health or Welfare Agency

CLIA Number for this location (*if applicable*)

03D0667955

Attach a copy of the most current CLIA certifications for each of the practice locations reported on this application

FDA/Radiology (Mammography) Certification Number for this location (*if issued*)

n/a

Attach a copy of the most current FDA certifications for each of the practice locations reported on this application.

**SECTION 4: PRACTICE LOCATION INFORMATION (Continued)**

**A. Practice Location Information**

If you see patients in more than one practice location, copy and complete Section 4A for each location.

To ensure that CMS establishes the correct association between your Medicare legacy number and your NPI, providers and suppliers must list a Medicare legacy number—NPI combination for each practice location. If you have multiple NPIs associated with both a single legacy number and a single practice location, please list below all NPIs and associated legacy numbers for that practice location.

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

If you are enrolling for the first time, or if you are adding a new practice location, the date you provide should be the date you saw your first Medicare patient at this location.

Practice Location Name (*"Doing Business As" name if different from Legal Business Name*)

Gila County Division of Health and Community Services

Practice Location Street Address Line 1 (*Street Name and Number – NOT a P.O. Box*)

107 West Frontier

Practice Location Street Address Line 2 (*Suite, Room, etc.*)

Suite A

City/Town Payson	State Arizona	ZIP Code + 4 85541-5397
---------------------	------------------	----------------------------

Telephone Number (928) 474-1210	Fax Number ( <i>if applicable</i> ) (928) 474-7069	E-mail Address ( <i>if applicable</i> ) ldalrymp@gilacountyaz.gov
------------------------------------	---	--

Date you saw your first Medicare patient at this practice location (mm/dd/yyyy)  
05/22/1997

Medicare Identification Number ( <i>if issued</i> ) ZFL528	National Provider Identifier 1760547566
Medicare Identification Number ( <i>if issued</i> )	National Provider Identifier
Medicare Identification Number ( <i>if issued</i> )	National Provider Identifier
Medicare Identification Number ( <i>if issued</i> )	National Provider Identifier
Medicare Identification Number ( <i>if issued</i> )	National Provider Identifier

Is this practice location a:

- Group practice office/clinic
- Hospital
- Retirement/assisted living community
- Skilled Nursing Facility and/or Nursing Facility
- Other health care facility  
(Specify): Public Health or Welfare Agency

CLIA Number for this location (*if applicable*)  
03D0667955

Attach a copy of the most current CLIA certifications for each of the practice locations reported on this application

FDA/Radiology (Mammography) Certification Number for this location (*if issued*)  
n/a

Attach a copy of the most current FDA certifications for each of the practice locations reported on this application.

---

**SECTION 4: PRACTICE LOCATION INFORMATION (Continued)**

---

**B. Where do you want remittance notices or special payments sent?**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

Medicare will issue payments via electronic funds transfer (EFT). Since payments will be made by EFT, the "Special Payments" address should indicate where all other payment information (e.g., remittance notices, special payments) should be sent.

- "Special Payments" address is the same as the practice location (only one address is listed in Section 4A). Skip to Section 4C.
- "Special Payments" address is different than that listed in Section 4A, or multiple locations are listed. Provide address below.

---

"Special Payments" Address Line 1 (PO Box or Street Name and Number)

5515 South Apache Avenue

---

"Special Payments" Address Line 2 (Suite, Room, etc.)

Suite 100

<b>City/Town</b>	<b>State</b>	<b>ZIP Code + 4</b>
Globe	Arizona	85501-4428

**C. Where do you keep patients' medical records?**

If you store patients' medical records (current and/or former patients) at a location other than the location in Section 4A or 4E, complete this section with the address of the storage location.

Post Office boxes and drop boxes are not acceptable as physical addresses where patients' records are maintained. For IDTFs and mobile facilities/portable units, the patients' medical records must be under the supplier's control. The records must be the supplier's records, not the records of another supplier. If this section is not completed, you are indicating that all records are stored at the practice locations reported in Section 4A or 4E.

**SECTION 4: PRACTICE LOCATION INFORMATION (Continued)**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

**First Medical Record Storage Facility (for current and former patients)**

<b>CHECK ONE</b>	<input type="checkbox"/> CHANGE	<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> DELETE
<b>DATE</b> (mm/dd/yyyy)			

Storage Facility Address Line 1 (Street Name and Number)

5891 East Hope Lane

Storage Facility Address Line 2 (Suite, Room, etc.)

City/Town	State	ZIP Code + 4
Globe	Arizona	85501-4428

**Second Medical Record Storage Facility (for current and former patients)**

<b>CHECK ONE</b>	<input type="checkbox"/> CHANGE	<input type="checkbox"/> ADD	<input type="checkbox"/> DELETE
<b>DATE</b> (mm/dd/yyyy)			

Storage Facility Address Line 1 (Street Name and Number)

Storage Facility Address Line 2 (Suite, Room, etc.)

City/Town	State	ZIP Code + 4

**SECTION 4: PRACTICE LOCATION INFORMATION (Continued)**

**D. Rendering Services in Patients' Homes**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> CHANGE	<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> DELETE
DATE (mm/dd/yyyy)			

Furnish the city/town, State and ZIP code for all locations where health care services are rendered in patients' homes. If you provide health care services in more than one State and those States are serviced by different Medicare fee-for-service contractors, complete a separate CMS-855B enrollment application for each Medicare fee-for-service contractor's jurisdiction.

If you are adding or deleting an entire State, it is not necessary to report each city/town. Simply check the box below and specify the State.

Entire State of \_\_\_\_\_

If you are providing services in selected cities/towns, furnish the locations below. Only list ZIP codes if you are not servicing the entire city/town.

CITY/TOWN	STATE	ZIP CODE
Globe	Arizona	85501/85502
Miami	Arizona	85539
Hayden/Winkelman	Arizona	85135/85235/85192/85292
Young	Arizona	85554
Tonto Basin	Arizona	85553
Payson	Arizona	85541
Pine/Strawberry	Arizona	85544/

**SECTION 4: PRACTICE LOCATION INFORMATION (Continued)**

**E. Base of Operations Address for Mobile or Portable Suppliers (Location of Business Office or Dispatcher/Scheduler)**

The base of operations is the location from where personnel are dispatched, where mobile/portable equipment is stored, and when applicable, where vehicles are parked when not in use.

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

Check here  and skip to Section 4F if the "Base of Operations" address is the same as the "Practice Location" listed in Section 4A.

Street Address Line 1 (Street Name and Number)

Street Address Line 2 (Suite, Room, etc.)

City/Town	State	ZIP Code + 4
Telephone Number	Fax Number (if applicable)	E-mail Address (if applicable)

**F. Vehicle Information**

If the mobile health care services are rendered inside a vehicle, such as a mobile home or trailer, furnish the following vehicle information. Do not provide information about vehicles that are used only to transport medical equipment (e.g., when the equipment is transported in a van but is used in a fixed setting, such as a doctor's office) or ambulance vehicles. If more than two vehicles are used, copy and complete this section as needed.

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE FOR EACH VEHICLE</b>	<b>TYPE OF VEHICLE (van, mobile home, trailer, etc.)</b>	<b>VEHICLE IDENTIFICATION NUMBER</b>
<input type="checkbox"/> CHANGE <input type="checkbox"/> ADD <input type="checkbox"/> DELETE		
Effective Date:		
<input type="checkbox"/> CHANGE <input type="checkbox"/> ADD <input type="checkbox"/> DELETE		
Effective Date:		

For each vehicle, submit a copy of all health care related permits/licenses/registrations.

**SECTION 4: PRACTICE LOCATION INFORMATION (Continued)**

**G. Geographic Location for Mobile Or Portable Suppliers Where the Base of Operations and/or Vehicle Renders Services**

Provide the city/town, State, and ZIP Code for all locations where mobile and/or portable services are rendered.

**NOTE:** If you provide mobile or portable health care services in more than one State and those States are serviced by different Medicare fee-for-service contractors, complete a separate enrollment application (CMS-855B) for each Medicare fee-for-service contractor's jurisdiction.

**INITIAL REPORTING AND/OR ADDITIONS**

If you are reporting or adding an entire State, it is not necessary to report each city/town. Simply check the box below and specify the State.

Entire State of \_\_\_\_\_

If services are provided in selected cities/towns, provide the locations below. Only list ZIP codes if you are not servicing the entire city/town.

CITY/TOWN	STATE	ZIP CODE

**DELETIONS**

If you are deleting an entire State, it is not necessary to report each city/town. Simply check the box below and specify the State.

Entire State of \_\_\_\_\_

If services you are deleting are furnished in selected cities/towns, provide the locations below. Only list ZIP codes if you are not servicing the entire city/town.

CITY/TOWN	STATE	ZIP CODE

CENTERS FOR MEDICARE & MEDICAID SERVICES  
CLINICAL LABORATORY IMPROVEMENT AMENDMENTS

CERTIFICATE OF WAIVER

LABORATORY NAME AND ADDRESS	CLIA ID NUMBER
GILA COUNTY DIVISION OF HEALTH AND EME SERVICES 5515 S APACHE AVENUE STE #100 GLOBE, AZ 85501	03D0667955
LABORATORY DIRECTOR	EFFECTIVE DATE
MICHAEL R DURHAM M D.	09/01/2012
	EXPIRATION DATE
	08/31/2014

Pursuant to Section 355 of the Public Health Services Act (42 U.S.C. 263a) as revised by the Clinical Laboratory Improvement Amendments (CLIA), the above named laboratory located at the address shown herein (and other approved locations) may accept human specimens for the purposes of performing laboratory examinations or procedures.

This certificate shall be valid until the expiration date above, but is subject to revocation, suspension, limitation, or other sanctions for violation of the Act or the regulations promulgated thereunder.



*Judith A. Yost*  
Judith A Yost, Director  
Division of Laboratory Services  
Survey and Certification Group  
Center for Medicaid and State Operations

2699 Certs1\_080412\_8

- If this is a Certificate of Registration, it represents only the enrollment of the laboratory in the CLIA program and does not indicate a Federal certification of compliance with other CLIA requirements. The laboratory is permitted to begin testing upon receipt of this certificate, but is not determined to be in compliance until a survey is successfully completed.
- If this is a Certificate for Provider-Performed Microscopy Procedures, it certifies the laboratory to perform only those laboratory procedures that have been specified as provider-performed microscopy procedures and, if applicable, examinations or procedures that have been approved as waived tests by the Department of Health and Human Services.
- If this is a Certificate of Waiver, it certifies the laboratory to perform only examinations or procedures that have been approved as waived tests by the Department of Health and Human Services.

FOR MORE INFORMATION ABOUT CLIA, VISIT OUR WEBSITE AT [WWW.CMS.HHS.GOV/CLIA](http://WWW.CMS.HHS.GOV/CLIA)  
OR CONTACT YOUR LOCAL STATE AGENCY. PLEASE SEE THE REVERSE FOR  
YOUR STATE AGENCY'S ADDRESS AND PHONE NUMBER.  
PLEASE CONTACT YOUR STATE AGENCY FOR ANY CHANGES TO YOUR CURRENT CERTIFICATE.

---

## **SECTION 5: OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION (ORGANIZATIONS)**

---

**NOTE: Only report organizations in this section. Individuals must be reported in Section 6.**

Complete this section with information about all organizations that have 5 percent or more (direct or indirect) ownership interest of, any partnership interest in, and/or managing control of, the supplier identified in Section 2, as well as information on any adverse legal actions that have been imposed against that organization. For examples of organizations that should be reported here, visit our Web site: [www.cms.hhs.gov/MedicareProviderSupEnroll](http://www.cms.hhs.gov/MedicareProviderSupEnroll). If there is more than one organization that should be reported, copy and complete this section for each.

---

### **MANAGING CONTROL (ORGANIZATIONS)**

---

Any organization that exercises operational or managerial control over the supplier, or conducts the day-to-day operations of the supplier, is a managing organization and must be reported. The organization need not have an ownership interest in the supplier in order to qualify as a managing organization. For instance, it could be a management services organization under contract with the supplier to furnish management services for the business.

---

### **SPECIAL TYPES OF ORGANIZATIONS**

---

#### **Governmental/Tribal Organizations**

If a Federal, State, county, city or other level of government, or an Indian tribe, will be legally and financially responsible for Medicare payments received (including any potential overpayments), the name of that government or Indian tribe should be reported as an owner. The supplier must submit a letter on the letterhead of the responsible government (e.g., government agency) or tribal organization that attests that the government or tribal organization will be legally and financially responsible in the event that there is any outstanding debt owed to CMS. This letter must be signed by an appointed or elected official of the government or tribal organization who has the authority to legally and financially bind the government or tribal organization to the laws, regulations, and program instructions of the Medicare program.

#### **Non-Profit, Charitable and Religious Organizations**

Many non-profit organizations are charitable or religious in nature, and are operated and/or managed by a board of trustees or other governing body. The actual name of the board of trustees or other governing body should be reported in this section. While the organization should be listed in Section 5, individual board members should be listed in Section 6. Each non-profit organization should submit a copy of a 501(c)(3) document verifying its non-profit status.



**GILA COUNTY DIVISION of HEALTH and EMERGENCY SERVICES**

5515 South Apache Ave., Suite 100, Globe, AZ 85501  
PHONE: (928) 425-3231 ext. 8811 FAX: (928) 425-0794  
*"Improving the Quality of Life for all Residents"*

---

June 17, 2013

Medicare  
Noridian Administrative Services LLC  
Centers for Medicare and Medicaid Services  
Provider Enrollment  
PO 6704  
Fargo, ND 58108-6704

ATTESTATION

The Board of Directors of Gila County is legally and financially responsible for Medicare payments received, including any potential overpayments and in the event that there is, any outstanding debt owed to Centers for Medicaid Services, CMS.

\_\_\_\_\_  
Michael A. Pastor, Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Bryan Chambers, Deputy Attorney Principal

\_\_\_\_\_  
Date

**SECTION 5: OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION  
(ORGANIZATIONS) (Continued)**

All organizations that have any of the following must be reported in Section 5:

- 5 percent or more ownership of the supplier,
- Managing control of the supplier, or
- A partnership interest in the supplier, regardless of the percentage of ownership the partner has.

Owning/Managing organizations are generally one of the following types:

- Corporations (including non-profit corporations)
- Partnerships and Limited Partnerships (as indicated above)
- Limited Liability Companies
- Charitable and/or Religious organizations
- Governmental and/or Tribal organizations

**A. Organization with Ownership Interest and/or Managing Control—Identification Information**

Not Applicable

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input checked="" type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE (mm/dd/yyyy)</b>	01/22/2013		

Check all that apply:

5 Percent or More Ownership Interest     Partner     Managing Control

Legal Business Name as Reported to the Internal Revenue Service

Gila County Board of Supervisors

"Doing Business As" Name (if applicable)

Gila County Division of Health and Emergency Services

Address Line 1 (Street Name and Number)

107 West Frontier

Address Line 2 (Suite, Room, etc.)

Suite A

City/Town Payson	State Arizona	ZIP Code + 4 85541-5397
Telephone Number (928) 474-1210	Fax Number (if applicable) (928) 474-7069	E-mail Address (if applicable) ldalrymp@gilacountyaz.gov
NPI (if issued) 1760547566	Tax Identification Number (Required) 86-6000444	Medicare Identification Number(s) (if issued) ZFL528

What is the effective date this owner acquired ownership of the provider identified in Section 2B1 of this application? (mm/dd/yyyy) \_\_\_\_\_

What is the effective date this organization acquired managing control of the provider identified in Section 2B1 of this application? (mm/dd/yyyy) 01/22/2013

**NOTE:** Furnish both dates if applicable.

**SECTION 5: OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION  
(ORGANIZATIONS) (Continued)**

All organizations that have any of the following must be reported in Section 5:

- 5 percent or more ownership of the supplier,
- Managing control of the supplier, or
- A partnership interest in the supplier, regardless of the percentage of ownership the partner has.

Owning/Managing organizations are generally one of the following types:

- Corporations (including non-profit corporations)
- Partnerships and Limited Partnerships (as indicated above)
- Limited Liability Companies
- Charitable and/or Religious organizations
- Governmental and/or Tribal organizations

**A. Organization with Ownership Interest and/or Managing Control—Identification Information**

Not Applicable

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input checked="" type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)	01/22/2013		

Check all that apply:

5 Percent or More Ownership Interest     Partner     Managing Control

Legal Business Name as Reported to the Internal Revenue Service

Gila County Board of Supervisors

"Doing Business As" Name (if applicable)

Gila County Division of Health and Emergency Services

Address Line 1 (Street Name and Number)

5515 South Apache Avenue

Address Line 2 (Suite, Room, etc.)

Suite 100

City/Town Globe	State Arizona	ZIP Code + 4 85501-4428
Telephone Number (928) 402-8807	Fax Number (if applicable) (928) 425-0794	E-mail Address (if applicable) ldalrymp@gllacountyaz.gov
NPI (if issued) 1700941507	Tax Identification Number (Required) 88-6000444	Medicare Identification Number(s) (if issued) ZFL528

What is the effective date this owner acquired ownership of the provider identified in Section 2B1 of this application? (mm/dd/yyyy) \_\_\_\_\_

What is the effective date this organization acquired managing control of the provider identified in Section 2B1 of this application? (mm/dd/yyyy) 01/22/2013

**NOTE:** Furnish both dates if applicable.

**SECTION 5: OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION  
(ORGANIZATIONS) (Continued)**

**B. Final Adverse Legal Action History**

If reporting a change to existing information, check "Change," provide the effective date of the change, and complete the appropriate fields in this section.

Change

Effective Date: \_\_\_\_\_

1. Has this individual in Section 5A above, under any current or former name or business identity, ever had a final adverse legal action listed on page 13 of this application imposed against him/her?

YES—Continue Below     NO—Skip to Section 6

2. If YES, report each final adverse legal action, when it occurred, the Federal or State agency or the court/administrative body that imposed the action, and the resolution, if any.

Attach a copy of the final adverse legal action documentation and resolution.

FINAL ADVERSE LEGAL ACTION	DATE	TAKEN BY	RESOLUTION

---

## SECTION 6: OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION (INDIVIDUALS)

---

**NOTE:** Only Individuals should be reported in Section 6. Organizations must be reported in Section 5. For more information on “direct” and “indirect” owners, go to [www.cms.hhs.gov/MedicareProviderSupEnroll](http://www.cms.hhs.gov/MedicareProviderSupEnroll).

The supplier **MUST** have at least ONE owner and/or managing employee.

The following individuals must be reported in Section 6A:

- All persons who have a 5 percent or greater direct or indirect ownership interest in the supplier;
- if (and only if) the supplier is a corporation (whether for-profit or non-profit), all officers and directors of the supplier;
- All managing employees of the supplier;
- All individuals with a partnership interest in the supplier, regardless of the percentage of ownership the partner has; and
- Authorized and delegated officials.

**Example:** A supplier is 100 percent owned by Company C, which itself is 100 percent owned by Individual D. Assume that Company C is reported in Section 5A as an owner of the supplier. Assume further that Individual D, as an indirect owner of the supplier, is reported in Section 6A. Based on this example, the supplier would check the “5 percent or Greater Direct/Indirect Owner” box in Section 6A.

**NOTE:** All partners within a partnership must be reported on this application. This applies to both “General” and “Limited” partnerships. For instance, if a limited partnership has several limited partners and each of them only has a 1 percent interest in the supplier, each limited partner must be reported on this application, even though each owns less than 5 percent. The 5 percent threshold primarily applies to corporations and other organizations that are not partnerships.

**Non-Profit, Charitable or Religious Organizations:** If you are a non-profit charitable or religious organization that has no organizational or individual owners (only board members, directors or managers), you should submit with your application a 501(c)(3) document verifying non-profit status.

For purposes of this application, the terms “officer,” “director,” and “managing employee” are defined as follows:

**Officer** is any person whose position is listed as being that of an officer in the supplier’s “articles of incorporation” or “corporate bylaws,” or anyone who is appointed by the board of directors as an officer in accordance with the supplier’s corporate bylaws.

**Director** is a member of the supplier’s “board of directors.” It does not necessarily include a person who may have the word “director” in his/her job title (e.g., departmental director, director of operations). Moreover, where a supplier has a governing body that does not use the term “board of directors,” the members of that governing body will still be considered “directors.” Thus, if the supplier has a governing body titled “board of trustees” (as opposed to “board of directors”), the individual trustees are considered “directors” for Medicare enrollment purposes.

**Managing Employee** means a general manager, business manager, administrator, director, or other individual who exercises operational or managerial control over, or who directly or indirectly conducts, the day-to-day operations of the supplier, either under contract or through some other arrangement, regardless of whether the individual is a W-2 employee of the supplier.

**NOTE:** If a governmental or tribal organization will be legally and financially responsible for Medicare payments received (per the instructions for Governmental/Tribal Organizations in Section 5), the supplier is only required to report its managing employees in Section 6. Owners, partners, officers, and directors do not need to be reported, except those who are listed as authorized or delegated officials on this application.

Any information on final adverse actions that have been imposed against the individuals reported in this section must be furnished. If there is more than one individual, copy and complete this section for each individual. Owners, Authorized Officials and/or Delegated Officials must complete this section.

**SECTION 6: OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION  
(INDIVIDUALS) (Continued)**

**A. Individuals with Ownership Interest and/or Managing Control—identification information**  
If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input checked="" type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)	01/22/2013		

The name, date of birth, and social security number of each person listed in this Section must coincide with the individual's information as listed with the Social Security Administration.

First Name Michael	Middle Initial A	Last Name Pastor	Jr., Sr., etc.	Title Chairman
Date of Birth (mm/dd/yyyy)	Place of Birth (State)		Country of Birth	
Social Security Number (Required)	Medicare Identification Number (if issued)	NPI (if issued)		

What is the above individual's relationship with the supplier in Section 2B1? (Check all that apply.)

- 5 Percent or Greater Direct/Indirect Owner       Director/Officer  
 Authorized Official       Contracted Managing Employee  
 Delegated Official       Managing Employee (W-2)  
 Partner

What is the effective date this owner acquired ownership of the provider identified in Section 2B1 of this application? (mm/dd/yyyy) \_\_\_\_\_

What is the effective date this individual acquired managing control of the provider identified in Section 2B1 of this application? (mm/dd/yyyy) 01/22/2013

**NOTE:** Furnish both dates if applicable.

**SECTION 6: OWNERSHIP INTEREST AND/OR MANAGING CONTROL INFORMATION  
(INDIVIDUALS) (Continued)**

**B. Final Adverse Legal Action History**

Complete this section for the individual reported in Section 6A above. If reporting a change to existing information, check "change," provide the effective date of the change and complete the appropriate fields in this section.

Change

Effective Date: \_\_\_\_\_

1. Has this individual in Section 6A above, under any current or former name or business identity, ever had a final adverse legal action listed on page 13 of this application imposed against him/her?

YES—Continue Below     NO—Skip to Section 8

2. If YES, report each final adverse legal action, when it occurred, the Federal or State agency or the court/administrative body that imposed the action, and the resolution, if any.

Attach a copy of the final adverse legal action documentation and resolution.

FINAL ADVERSE LEGAL ACTION	DATE	TAKEN BY	RESOLUTION

**SECTION 7: FOR FUTURE USE (THIS SECTION NOT APPLICABLE)**

**SECTION 8: BILLING AGENCY INFORMATION**

A billing agency is a company or individual that you contract with to prepare and submit your claims. If you use a billing agency, you are responsible for the claims submitted on your behalf.

Check here if this section does not apply and skip to Section 13.

**BILLING AGENCY NAME AND ADDRESS**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

CHECK ONE	<input type="checkbox"/> CHANGE	<input type="checkbox"/> ADD	<input type="checkbox"/> DELETE
DATE (mm/dd/yyyy)			

Legal Business/Individual Name as Reported to the Social Security Administration or the Internal Revenue Service	If Individual, Billing Agent Date of Birth (mm/dd/yyyy)
--	---

"Doing Business As" Name (if applicable)	Tax Identification/Social Security Number (required)
--	--

Billing Agency Street Address Line 1 (Street Name and Number)

Billing Agency Street Address Line 2 (Suite, Room, etc.)

City/Town	State	ZIP Code + 4
-----------	-------	--------------

Telephone Number	Fax Number (if applicable)	E-mail Address (if applicable)
------------------	----------------------------	--------------------------------

**SECTION 9: FOR FUTURE USE (THIS SECTION NOT APPLICABLE)**

**SECTION 10: FOR FUTURE USE (THIS SECTION NOT APPLICABLE)**

**SECTION 11: FOR FUTURE USE (THIS SECTION NOT APPLICABLE)**

**SECTION 12: FOR FUTURE USE (THIS SECTION NOT APPLICABLE)**

---

## SECTION 13: CONTACT PERSON

---

If questions arise during the processing of this application, the fee-for-service contractor will contact the individual shown below. If the contact person is either an authorized or delegated official, check the appropriate box below.

Contact an Authorized Official listed in Section 15.

Contact a Delegated Official listed in Section 16.

First Name Carol	Middle Initial	Last Name Tanner	Jr., Sr., etc.
Telephone Number (928) 402-8812	Fax Number (if applicable) (928) 425-0794	E-mail Address (if applicable) ctanner@gilacountyaz.gov	
Address Line 1 (Street Name and Number) 5515 South Apache Drive			
Address Line 2 (Suite, Room, etc.) Suite 100			
City/Town Globe	State Arizona	ZIP Code + 4 85501-4428	

---

## SECTION 14: PENALTIES FOR FALSIFYING INFORMATION

---

This section explains the penalties for deliberately falsifying information in this application to gain or maintain enrollment in the Medicare program.

1. 18 U.S.C. § 1001 authorizes criminal penalties against an individual who, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry.

Individual offenders are subject to fines of up to \$250,000 and imprisonment for up to five years. Offenders that are organizations are subject to fines of up to \$500,000 (18 U.S.C. § 3571). Section 3571(d) also authorizes fines of up to twice the gross gain derived by the offender if it is greater than the amount specifically authorized by the sentencing statute.

2. Section 1128B(a)(1) of the Social Security Act authorizes criminal penalties against any individual who, "knowingly and willfully," makes or causes to be made any false statement or representation of a material fact in any application for any benefit or payment under a Federal health care program. The offender is subject to fines of up to \$25,000 and/or imprisonment for up to five years.
3. The Civil False Claims Act, 31 U.S.C. § 3729, imposes civil liability, in part, on any person who:
  - a) knowingly presents, or causes to be presented, to an officer or any employee of the United States Government a false or fraudulent claim for payment or approval;
  - b) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government; or
  - c) conspires to defraud the Government by getting a false or fraudulent claim allowed or paid.

The Act imposes a civil penalty of \$5,000 to \$10,000 per violation, plus three times the amount of damages sustained by the Government.

---

**SECTION 13: CONTACT PERSON**

---

If questions arise during the processing of this application, the fee-for-service contractor will contact the individual shown below. If the contact person is either an authorized or delegated official, check the appropriate box below.

Contact an Authorized Official listed in Section 15.

Contact a Delegated Official listed in Section 16.

First Name Lorraine	Middle Initial	Last Name Dalrymple	Jr., Sr., etc.
Telephone Number (928) 402-8807	Fax Number (if applicable) (928) 425-0794	E-mail Address (if applicable) ldalrymp@gilacountyaz.gov	
Address Line 1 (Street Name and Number) 5515 South Apache Drive			
Address Line 2 (Suite, Room, etc.) Suite 100			
City/Town Globe	State Arizona	ZIP Code + 4 85501-4428	

---

**SECTION 14: PENALTIES FOR FALSIFYING INFORMATION**

---

This section explains the penalties for deliberately falsifying information in this application to gain or maintain enrollment in the Medicare program.

1. 18 U.S.C. § 1001 authorizes criminal penalties against an individual who, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry.

Individual offenders are subject to fines of up to \$250,000 and imprisonment for up to five years. Offenders that are organizations are subject to fines of up to \$500,000 (18 U.S.C. § 3571). Section 3571(d) also authorizes fines of up to twice the gross gain derived by the offender if it is greater than the amount specifically authorized by the sentencing statute.

2. Section 1128B(a)(1) of the Social Security Act authorizes criminal penalties against any individual who, "knowingly and willfully," makes or causes to be made any false statement or representation of a material fact in any application for any benefit or payment under a Federal health care program. The offender is subject to fines of up to \$25,000 and/or imprisonment for up to five years.
3. The Civil False Claims Act, 31 U.S.C. § 3729, imposes civil liability, in part, on any person who:
  - a) knowingly presents, or causes to be presented, to an officer or any employee of the United States Government a false or fraudulent claim for payment or approval;
  - b) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government; or
  - c) conspires to defraud the Government by getting a false or fraudulent claim allowed or paid.

The Act imposes a civil penalty of \$5,000 to \$10,000 per violation, plus three times the amount of damages sustained by the Government.

---

**SECTION 13: CONTACT PERSON**

---

If questions arise during the processing of this application, the fee-for-service contractor will contact the individual shown below. If the contact person is either an authorized or delegated official, check the appropriate box below.

Contact an Authorized Official listed in Section 15.

Contact a Delegated Official listed in Section 16.

First Name Michael	Middle Initial	Last Name O'Driscoll	Jr., Sr., etc.
Telephone Number (928) 402-8767	Fax Number (if applicable) (928) 425-0794	E-mail Address (if applicable) modriscoll@gilacountyaz.gov	
Address Line 1 (Street Name and Number) 5515 South Apache Drive			
Address Line 2 (Suite, Room, etc.) Suite 100			
City/Town Globe	State Arizona	ZIP Code + 4 85501-4428	

---

**SECTION 14: PENALTIES FOR FALSIFYING INFORMATION**

---

This section explains the penalties for deliberately falsifying information in this application to gain or maintain enrollment in the Medicare program.

1. 18 U.S.C. § 1001 authorizes criminal penalties against an individual who, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry.

Individual offenders are subject to fines of up to \$250,000 and imprisonment for up to five years. Offenders that are organizations are subject to fines of up to \$500,000 (18 U.S.C. § 3571). Section 3571(d) also authorizes fines of up to twice the gross gain derived by the offender if it is greater than the amount specifically authorized by the sentencing statute.

2. Section 1128B(a)(1) of the Social Security Act authorizes criminal penalties against any individual who, "knowingly and willfully," makes or causes to be made any false statement or representation of a material fact in any application for any benefit or payment under a Federal health care program. The offender is subject to fines of up to \$25,000 and/or imprisonment for up to five years.

3. The Civil False Claims Act, 31 U.S.C. § 3729, imposes civil liability, in part, on any person who:

- a) knowingly presents, or causes to be presented, to an officer or any employee of the United States Government a false or fraudulent claim for payment or approval;
- b) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government; or
- c) conspires to defraud the Government by getting a false or fraudulent claim allowed or paid.

The Act imposes a civil penalty of \$5,000 to \$10,000 per violation, plus three times the amount of damages sustained by the Government.

---

**SECTION 14: PENALTIES FOR FALSIFYING INFORMATION (Continued)**

---

4. Section 1128A(a)(1) of the Social Security Act imposes civil liability, in part, on any person (including an organization, agency or other entity) that knowingly presents or causes to be presented to an officer, employee, or agent of the United States, or of any department or agency thereof, or of any State agency...a claim...that the Secretary determines is for a medical or other item or service that the person knows or should know:
  - a) was not provided as claimed; and/or
  - b) the claim is false or fraudulent.

This provision authorizes a civil monetary penalty of up to \$10,000 for each item or service, an assessment of up to three times the amount claimed, and exclusion from participation in the Medicare program and State health care programs.

5. 18 U.S.C. 1035 authorizes criminal penalties against individuals in any matter involving a health care benefit program who knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact; or makes any materially false, fictitious, or fraudulent statements or representations, or makes or uses any materially false fictitious, or fraudulent statement or entry, in connection with the delivery of or payment for health care benefits, items or services. The individual shall be fined or imprisoned up to 5 years or both.
6. 18 U.S.C. 1347 authorizes criminal penalties against individuals who knowing and willfully execute, or attempt, to execute a scheme or artifice to defraud any health care benefit program, or to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by or under the control of any, health care benefit program in connection with the delivery of or payment for health care benefits, items, or services. Individuals shall be fined or imprisoned up to 10 years or both. If the violation results in serious bodily injury, an individual will be fined or imprisoned up to 20 years, or both. If the violation results in death, the individual shall be fined or imprisoned for any term of years or for life, or both.
7. The government may assert common law claims such as "common law fraud," "money paid by mistake," and "unjust enrichment."

Remedies include compensatory and punitive damages, restitution, and recovery of the amount of the unjust profit.

---

## **SECTION 15: CERTIFICATION STATEMENT**

---

An **AUTHORIZED OFFICIAL** means an appointed official (for example, chief executive officer, chief financial officer, general partner, chairman of the board, or direct owner) to whom the organization has granted the legal authority to enroll it in the Medicare program, to make changes or updates to the organization's status in the Medicare program, and to commit the organization to fully abide by the statutes, regulations, and program instructions of the Medicare program.

A **DELEGATED OFFICIAL** means an individual who is delegated by an authorized official the authority to report changes and updates to the supplier's enrollment record. A delegated official must be an individual with an "ownership or control interest" in (as that term is defined in Section 1124(a)(3) of the Social Security Act), or be a W-2 managing employee of, the supplier.

Delegated officials may not delegate their authority to any other individual. Only an authorized official may delegate the authority to make changes and/or updates to the supplier's Medicare status. Even when delegated officials are reported in this application, an authorized official retains the authority to make any such changes and/or updates by providing his or her printed name, signature, and date of signature as required in Section 15B.

**NOTE:** Authorized officials and delegated officials must be reported in Section 6, either on this application or on a previous application to this same Medicare fee-for-service contractor. **If this is the first time an authorized and/or delegated official has been reported on the CMS-855B, you must complete Section 6 for that individual.**

By his/her signature(s), an authorized official binds the supplier to all of the requirements listed in the Certification Statement and acknowledges that the supplier may be denied entry to or revoked from the Medicare program if any requirements are not met. All signatures must be original and in ink. Faxed, photocopied, or stamped signatures will not be accepted.

Only an authorized official has the authority to sign (1) the initial enrollment application on behalf of the supplier or (2) the enrollment application that must be submitted as part of the periodic revalidation process. A delegated official does not have this authority.

By signing this application, an authorized official agrees to immediately notify the Medicare fee-for-service contractor if any information furnished on the application is not true, correct, or complete. In addition, an authorized official, by his/her signature, agrees to notify the Medicare fee-for-service contractor of any future changes to the information contained in this form, after the supplier is enrolled in Medicare, in accordance with the timeframes established in 42 C.F.R. 424.520(b). (IDTF changes of information must be reported in accordance with 42 C.F.R. 410.33.)

The supplier can have as many authorized officials as it wants. If the supplier has more than two authorized officials, it should copy and complete this section as needed.

**EACH AUTHORIZED AND DELEGATED OFFICIAL MUST HAVE  
AND DISCLOSE HIS/HER SOCIAL SECURITY NUMBER.**

---

**SECTION 15: CERTIFICATION STATEMENT (Continued)**

---

**A. Additional Requirements for Medicare Enrollment**

These are additional requirements that the supplier must meet and maintain in order to bill the Medicare program. Read these requirements carefully. By signing, the supplier is attesting to having read the requirements and understanding them.

By his/her signature(s), the authorized official(s) named below and the delegated official(s) named in Section 16 agree to adhere to the following requirements stated in this Certification Statement:

1. I authorize the Medicare contractor to verify the information contained herein. I agree to notify the Medicare contractor of any future changes to the information contained in this application in accordance with the timeframes established in 42 C.F.R. § 424.516. I understand that any change in the business structure of this supplier may require the submission of a new application.
2. I have read and understand the Penalties for Falsifying Information, as printed in this application. I understand that any deliberate omission, misrepresentation, or falsification of any information contained in this application or contained in any communication supplying information to Medicare, or any deliberate alteration of any text on this application form, may be punished by criminal, civil, or administrative penalties including, but not limited to, the denial or revocation of Medicare billing privileges, and/or the imposition of fines, civil damages, and/or imprisonment.
3. I agree to abide by the Medicare laws, regulations and program instructions that apply to this supplier. The Medicare laws, regulations, and program instructions are available through the Medicare contractor. I understand that payment of a claim by Medicare is conditioned upon the claim and the underlying transaction complying with such laws, regulations, and program instructions (including, but not limited to, the Federal anti-kickback statute and the Stark law), and on the supplier's compliance with all applicable conditions of participation in Medicare.
4. Neither this supplier, nor any five percent or greater owner, partner, officer, director, managing employee, authorized official, or delegated official thereof is currently sanctioned, suspended, debarred, or excluded by the Medicare or State Health Care Program, e.g., Medicaid program, or any other Federal program, or is otherwise prohibited from supplying services to Medicare or other Federal program beneficiaries.
5. I agree that any existing or future overpayment made to the supplier by the Medicare program may be recouped by Medicare through the withholding of future payments.
6. I will not knowingly present or cause to be presented a false or fraudulent claim for payment by Medicare, and I will not submit claims with deliberate ignorance or reckless disregard of their truth or falsity.
7. I authorize any national accrediting body whose standards are recognized by the Secretary as meeting the Medicare program participation requirements, to release to any authorized representative, employee, or agent of the Centers for Medicare & Medicaid Services (CMS) a copy of my most recent accreditation survey, together with any information related to the survey that CMS may require (including corrective action plans).

**SECTION 15: CERTIFICATION STATEMENT (Continued)**

**B. 1<sup>ST</sup> Authorized Official Signature**

I have read the contents of this application. My signature legally and financially binds this supplier to the laws, regulations, and program instructions of the Medicare program. By my signature, I certify that the information contained herein is true, correct, and complete and I authorize the Medicare fee-for-service contractor to verify this information. If I become aware that any information in this application is not true, correct, or complete, I agree to notify the Medicare fee-for-service contractor of this fact in accordance with the time frames established in 42 CFR § 424.516.

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input checked="" type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)	01/22/2013		

**Authorized Official's Information and Signature**

First Name Michael	Middle Initial A.	Last Name Pastor	Suffix (e.g., Jr., Sr.)
Telephone Number (928) 402-8753	Title/Position Chairman/Board of Supervisors		
Authorized Official Signature (First, Middle, Last Name, Jr., Sr., M.D., D.O., etc.)			Date Signed (mm/dd/yyyy)

(blue ink preferred)

**C. 2<sup>ND</sup> Authorized Official Signature**

I have read the contents of this application. My signature legally and financially binds this supplier to the laws, regulations, and program instructions of the Medicare program. By my signature, I certify that the information contained herein is true, correct, and complete and I authorize the Medicare fee-for-service contractor to verify this information. If I become aware that any information in this application is not true, correct, or complete, I agree to notify the Medicare fee-for-service contractor of this fact in accordance with the time frames established in 42 CFR § 424.516.

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input checked="" type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)		01/22/2013	

**Authorized Official's Information and Signature**

First Name	Middle Initial	Last Name	Suffix (e.g., Jr., Sr.)
Telephone Number	Title/Position		
Authorized Official Signature (First, Middle, Last Name, Jr., Sr., M.D., D.O., etc.)			Date Signed (mm/dd/yyyy)

**All signatures must be original and signed in ink (blue ink preferred). Applications with signatures deemed not original will not be processed. Stamped, faxed or copied signatures will not be accepted.**

**SECTION 16: DELEGATED OFFICIAL (OPTIONAL)**

- You are not required to have a delegated official. However, if no delegated official is assigned, the authorized official(s) will be the only person(s) who can make changes and/or updates to the supplier's status in the Medicare program.
- The signature of a delegated official shall have the same force and effect as that of an authorized official, and shall legally and financially bind the supplier to the laws, regulations, and program instructions of the Medicare program. By his or her signature, the delegated official certifies that he or she has read the Certification Statement in Section 15 and agrees to adhere to all of the stated requirements. A delegated official also certifies that he/she meets the definition of a delegated official. When making changes and/or updates to the supplier's enrollment information maintained by the Medicare program, a delegated official certifies that the information provided is true, correct, and complete.
- Delegated officials being deleted do not have to sign or date this application.
- Independent contractors are not considered "employed" by the supplier, and therefore cannot be delegated officials.
- The signature(s) of an authorized official in Section 16 constitutes a legal delegation of authority to all delegated official(s) assigned in Section 16.
- If there are more than two individuals, copy and complete this section for each individual.

**A. 1<sup>ST</sup> Delegated Official Signature**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

Delegated Official First Name	Middle Initial	Last Name	Suffix (e.g., Jr., Sr.)
-------------------------------	----------------	-----------	-------------------------

Delegated Official Signature (First, Middle, Last Name, Jr., Sr., M.D., D.O., etc.)	Date Signed (mm/dd/yyyy)
---	--------------------------

<input type="checkbox"/> Check here if Delegated Official is a W-2 Employee	Telephone Number
---	------------------

Authorized Official's Signature Assigning this Delegation (First, Middle, Last Name, Jr., Sr., M.D., D.O., etc.)	Date Signed (mm/dd/yyyy)
--	--------------------------

(blue ink preferred)

**SECTION 16: DELEGATED OFFICIAL (OPTIONAL)**

**B. 2<sup>ND</sup> Delegated Official Signature**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

Delegated Official First Name	Middle Initial	Last Name	Suffix (e.g., Jr., Sr.)
-------------------------------	----------------	-----------	-------------------------

Delegated Official Signature (First, Middle, Last Name, Jr., Sr., M.D., D.O., etc.)	Date Signed (mm/dd/yyyy)
---	--------------------------

<input type="checkbox"/> Check here if Delegated Official is a W-2 Employee	Telephone Number
---	------------------

Authorized Official's Signature Assigning this Delegation (First, Middle, Last Name, Jr., Sr., M.D., D.O., etc.)	Date Signed (mm/dd/yyyy)
--	--------------------------

(blue ink preferred)

All signatures must be original and signed in ink (blue ink preferred). Applications with signatures deemed not original will not be processed. Stamped, faxed or copied signatures will not be accepted.

---

## SECTION 17: SUPPORTING DOCUMENTS

---

This section lists the documents that, if applicable, must be submitted with this enrollment application. If you are newly enrolling, or are reactivating or revalidating your enrollment, you must provide all applicable documents. For changes, only submit documents that are applicable to that change.

**The fee-for-service contractor may request, at any time during the enrollment process, documentation to support or validate information reported on the application. The Medicare fee-for-service contractor may also request documents from you, other than those identified in this Section 17, as are necessary to bill Medicare.**

### MANDATORY FOR ALL PROVIDER/SUPPLIER TYPES

- Written confirmation from the IRS confirming your Tax Identification Number with the Legal Business Name (e.g., IRS form CP 575) provided in Section 2.  
(NOTE: This information is needed if the applicant is enrolling their professional corporation, professional association, or limited liability corporation with this application or enrolling as a sole proprietor using an Employer Identification Number.)"
- Completed Form CMS-588, for Electronic Funds Transfer Authorization Agreement.  
(NOTE: If a supplier already receives payments electronically and is not making a change to its banking information, the CMS-588 is not required.)

### MANDATORY FOR SELECTED PROVIDER/SUPPLIER TYPES

- Copy(s) of all documentation verifying IDTF Supervisory Physician(s) proficiency and/or State licenses or certification for IDTF non-physician personnel.
- Copy(s) of all documentation verifying the State licenses or certifications of the laboratory Director or non-physician practitioner personnel of an independent clinical laboratory.

### MANDATORY, IF APPLICABLE

- Copy of IRS Determination Letter, if supplier is registered with the IRS as non-profit.
- Written confirmation from the IRS confirming your Limited Liability Company (LLC) is automatically classified as a Disregarded Entity. (e.g., Form 8832).  
(NOTE: A disregarded entity is an eligible entity that is treated as an entity not separate from its single owner for income tax purposes.)
- Statement in writing from the bank. If Medicare payment due a supplier of services is being sent to a bank (or similar financial institution) with whom the supplier has a lending relationship (that is, any type of loan), then the supplier must provide a statement in writing from the bank (which must be in the loan agreement) that the bank has agreed to waive its right of offset for Medicare receivables.
- Copy(s) of all final adverse action documentation (e.g., notifications, resolutions, and reinstatement letters).
- Completed Form(s) CMS 855R, Reassignment of Medicare Benefits.
- Completed Form CMS-460, Medicare Participating Physician or Supplier Agreement.
- Copy of an attestation for government entities and tribal organizations.
- Copy of FAA 135 certificate (air ambulance suppliers).
- Copy(s) of comprehensive liability insurance policy (IDTFs only).

---

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0685. The time required to complete this information collection is estimated to 6 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Baltimore, Maryland 21244-1850.

**DO NOT MAIL APPLICATIONS TO THIS ADDRESS.** Mailing your application to this address will significantly delay application processing.

**ATTACHMENT 1: AMBULANCE SERVICE SUPPLIERS**

All ambulance service suppliers enrolling in the Medicare program must complete this attachment.

**A. Geographic Area**

This section is to be completed with information about the geographic area in which this company provides ambulance services. If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

Provide the city/town, State, and ZIP code for all locations where this ambulance company renders services.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

**NOTE:** If the ambulance company has vehicles garaged within a different Medicare contractor's jurisdiction, a separate CMS-855B enrollment application must be submitted to that fee-for-service contractor.

**1. INITIAL REPORTING AND/OR ADDITIONS**

If services are provided in selected cities/towns, provide the locations below. List ZIP codes only if they are not within the entire city/town.

CITY/TOWN	STATE	ZIP CODE

**2. DELETIONS**

If services are no longer provided in selected cities/towns, provide the locations below. List ZIP codes only if they are not within the entire city/town.

CITY/TOWN	STATE	ZIP CODE

**ATTACHMENT 1: AMBULANCE SERVICE SUPPLIERS (Continued)**

**B. State License Information**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

Crew members must complete continuing education requirements in accordance with State and local licensing laws. Evidence of re-certification must be retained with the employer in case it is required by the Medicare fee-for-service contractor.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE (mm/dd/yyyy)</b>			

Is this ambulance company licensed in the State where services are rendered and billed for?  YES  NO

If NO, explain why:

If YES, provide the license information for the State where this ambulance service supplier will be rendering services and billing Medicare. Attach a copy of the current State license.

License Number	Issuing State (if applicable)	Issuing City/Town (if applicable)
Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	

**C. Paramedic Intercept Services Information**

Paramedic Intercept Services involve an arrangement between a Basic Life Support (BLS) ambulance company and an Advanced Life Support (ALS) ambulance company whereby the latter provides the ALS services and the BLS ambulance company provides the transportation component. If such an arrangement exists between the enrolling ambulance company and another ambulance company, the enrolling ambulance company must attach a copy of the signed contract. For more information, see 42 C.F.R. 410.40.

If reporting a change to information about a previously reported agreement/contract, check "Change" and provide the effective date of the change.

Change  
Effective Date: \_\_\_\_\_

Does this ambulance company currently participate in a paramedic intercept services arrangement?

YES  NO

**ATTACHMENT 1: AMBULANCE SERVICE SUPPLIERS (Continued)**

**D. Vehicle Information**

Complete this section with information about the vehicles used by this ambulance company and the services they provide. If there is more than one vehicle, copy and complete this section as needed. Attach a copy of each vehicle registration.

To qualify as an air ambulance supplier, the following is required:

- A written statement, signed by the President, Chief Executive Officer or Chief Operating Officer of the airport from where the aircraft is hangared that gives the name and address of the facility, and
- Proof that the enrolling ambulance company, or the company leasing the air ambulance vehicle to the enrolling ambulance company, possesses a valid charter flight license (FAA 135 Certificate) for the aircraft being used as an air ambulance. If the enrolling ambulance company owns the aircraft, the owner's name on the FAA 135 Certificate must be the same as the enrolling ambulance company's name (or the ambulance company owner as reported in Sections 5 or 6) in this application. If the enrolling ambulance company leases the aircraft from another company, a copy of the lease agreement must accompany this enrollment application.

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

Type (automobile, aircraft, boat, etc.)		Vehicle Identification Number	
Make (e.g., Ford)	Model (e.g., 350T)	Year (yyyy)	

Does this vehicle provide:

Advanced life support (Level 1)	<input type="checkbox"/> YES <input type="checkbox"/> NO	Specialty care transport	<input type="checkbox"/> YES <input type="checkbox"/> NO
Advanced life support (Level 2)	<input type="checkbox"/> YES <input type="checkbox"/> NO	Land ambulance	<input type="checkbox"/> YES <input type="checkbox"/> NO
Basic life support	<input type="checkbox"/> YES <input type="checkbox"/> NO	Air ambulance—fixed wing	<input type="checkbox"/> YES <input type="checkbox"/> NO
Emergency runs	<input type="checkbox"/> YES <input type="checkbox"/> NO	Air ambulance—rotary wing	<input type="checkbox"/> YES <input type="checkbox"/> NO
Non-emergency runs	<input type="checkbox"/> YES <input type="checkbox"/> NO	Marine ambulance	<input type="checkbox"/> YES <input type="checkbox"/> NO

---

## ATTACHMENT 2: INDEPENDENT DIAGNOSTIC TESTING FACILITIES

---

### INDEPENDENT DIAGNOSTIC TESTING FACILITY (IDTF) PERFORMANCE STANDARDS

Below is a list of the performance standards that an IDTF must meet in order to obtain or maintain their Medicare billing privileges. These standards, in their entirety, can be found in 42 C.F.R section 410.33(g).

1. Operate its business in compliance with all applicable Federal and State licensure and regulatory requirements for the health and safety of patients.
2. Provides complete and accurate information on its enrollment application. Changes in ownership, changes of location, changes in general supervision, and adverse legal actions must be reported to the Medicare fee-for-service contractor on the Medicare enrollment application within 30 calendar days of the change. All other changes to the enrollment application must be reported within 90 calendar days.
3. Maintain a physical facility on an appropriate site. For the purposes of this standard, a post office box, commercial mail box, hotel or motel is not considered an appropriate site.
  - (i) The physical facility, including mobile units, must contain space for equipment appropriate to the services designated on the enrollment application, facilities for hand washing, adequate patient privacy accommodations, and the storage of both business records and current medical records within the office setting of the IDTF, or IDTF home office, not within the actual mobile unit.
  - (ii) IDTF suppliers that provide services remotely and do not see beneficiaries at their practice location are exempt from providing hand washing and adequate patient privacy accommodations.
4. Have all applicable diagnostic testing equipment available at the physical site excluding portable diagnostic testing equipment. A catalog of portable diagnostic equipment, including diagnostic testing equipment serial numbers, must be maintained at the physical site. In addition, portable diagnostic testing equipment must be available for inspection within two business days of a CMS inspection request. The IDTF must maintain a current inventory of the diagnostic testing equipment, including serial and registration numbers, provide this information to the designated fee-for-service contractor upon request, and notify the contractor of any changes in equipment within 90 days.
5. Maintain a primary business phone under the name of the designated business. The primary business phone must be located at the designated site of the business, or within the home office of the mobile IDTF units. The telephone number or toll free numbers must be available in a local directory and through directory assistance.
6. Have a comprehensive liability insurance policy of at least \$300,000 per location that covers both the place of business and all customers and employees of the IDTF. The policy must be carried by a non-relative owned company. Failure to maintain required insurance at all times will result in revocation of the IDTF's billing privileges retroactive to the date the insurance lapsed. IDTF suppliers are responsible for providing the contact information for the issuing insurance agent and the underwriter. In addition, the IDTF must:
  - (i) Ensure that the insurance policy must remain in force at all times and provide coverage of at least \$300,000 per incident; and
  - (ii) Notify the CMS designated contractor in writing of any policy changes or cancellations.
7. Agree not to directly solicit patients, which include, but is not limited to, a prohibition on telephone, computer, or in-person contacts. The IDTF must accept only those patients referred for diagnostic testing by an attending physician, who is furnishing a consultation or treating a beneficiary for a specific medical problem and who uses the results in the management of the beneficiary's specific medical problem. Nonphysician practitioners may order tests as set forth in §410.32(a)(3).

---

**ATTACHMENT 2: INDEPENDENT DIAGNOSTIC TESTING FACILITIES (Continued)**

---

8. Answer, document, and maintain documentation of a beneficiary's written clinical complaint at the physical site of the IDTF (For mobile IDTFs, this documentation would be stored at their home office.) This includes, but is not limited to, the following:
  - (i) The name, address, telephone number, and health insurance claim number of the beneficiary.
  - (ii) The date the complaint was received; the name of the person receiving the complaint; and a summary of actions taken to resolve the complaint.
  - (iii) If an investigation was not conducted, the name of the person making the decision and the reason for the decision.
9. Openly post these standards for review by patients and the public.
10. Disclose to the government any person having ownership, financial, or control interest or any other legal interest in the supplier at the time of enrollment or within 30 days of a change.
11. Have its testing equipment calibrated and maintained per equipment instructions and in compliance with applicable manufacturers suggested maintenance and calibration standards.
12. Have technical staff on duty with the appropriate credentials to perform tests. The IDTF must be able to produce the applicable Federal or State licenses or certifications of the individuals performing these services.
13. Have proper medical record storage and be able to retrieve medical records upon request from CMS or its fee-for-service contractor within 2 business days.
14. Permit CMS, including its agents, or its designated fee-for-service contractors, to conduct unannounced, on-site inspections to confirm the IDTF's compliance with these standards. The IDTF must be accessible during regular business hours to CMS and beneficiaries and must maintain a visible sign posting the normal business hours of the IDTF.
15. With the exception of hospital-based and mobile IDTFs, a fixed base IDTF does not include the following:
  - (i) Sharing a practice location with another Medicare-enrolled individual or organization.
  - (ii) Leasing or subleasing its operations or its practice location to another Medicare enrolled individual or organization.
  - (iii) Sharing diagnostic testing equipment used in the initial diagnostic test with another Medicare-enrolled individual or organization.
16. Enrolls in Medicare for any diagnostic testing services that it furnishes to a Medicare beneficiary, regardless of whether the service is furnished in a mobile or fixed base location.
17. Bills for all mobile diagnostic services that are furnished to a Medicare beneficiary, unless the mobile diagnostic service is part of a service provided under arrangement as described in section 1861(w)(1) of the Act.

---

## ATTACHMENT 2: INDEPENDENT DIAGNOSTIC TESTING FACILITIES (Continued)

---

### Instructions

If you perform diagnostic tests, other than clinical laboratory or pathology tests, and are required to enroll as an IDTF, you must complete this attachment. CMS requires the information in this attachment to determine whether the enrolling supplier meets all IDTF standards including, but not limited to, those listed on page 40 of this application. Not all suppliers that perform diagnostic tests are required to enroll as an IDTF.

### Diagnostic Radiology

Many diagnostic tests are radiological procedures that require the professional services of a radiologist. A radiologist's practice is generally different from those of other physicians because radiologists usually do not bill E&M codes or treat a patient's medical condition on an ongoing basis. A radiologist or group practice of radiologists is not necessarily required to enroll as an IDTF. If enrolling as a diagnostic radiology group practice or clinic and billing for the technical component of diagnostic radiological tests without enrolling as an IDTF (if the entity is a free standing diagnostic facility), it should contact the carrier to determine that it does not need to enroll as an IDTF.

A mobile IDTF that provides X-ray services is not classified as a portable X-ray supplier.

Regulations governing IDTFs can be found at 42 C.F.R. 410.33.

**CPT-4 and HCPCS Codes**—Report all CPT-4 and HCPCS codes for which this IDTF will bill Medicare. Include the following:

- Provide the CPT-4 or HCPCS codes for which this IDTF intends to bill Medicare,
- The name and type of equipment used to perform the reported procedure, and
- The model number of the reported equipment.

The IDTF should report all Current Procedural Terminology, Version 4 (CPT-4) codes, Healthcare Common Procedural Coding System codes (HCPCS), and types of equipment (including the model number), for which it will perform tests, supervise, interpret, and/or bill. All codes reported must be for diagnostic tests that an IDTF is allowed to perform. Diagnostic tests that are clearly surgical in nature, which must be performed in a hospital or ambulatory surgical center, should not be reported.

Consistent with IDTF supplier standard 6 on page 40 of this application, all IDTFs enrolling in Medicare must have a comprehensive liability insurance policy of at least \$300,000 per location, that covers both the place of business and all customers and employees of the IDTF. The policy must be carried by a non-relative owned company. Failure to maintain the required insurance at all times will result in revocation of the Medicare supplier billing number, retroactive to the date the insurance lapsed. Malpractice insurance policies do not demonstrate compliance with this requirement.

All IDTFs must submit a complete copy of the aforementioned liability insurance policy with this application.

**ATTACHMENT 2: INDEPENDENT DIAGNOSTIC TESTING FACILITIES (Continued)**

**A. Standards Qualifications**

Provide the date this Independent Diagnostic Testing Facility met all current CMS standards (mm/dd/yyyy)

**B. CPT-4 and HCPCS Codes**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

All codes reported here must be for diagnostic tests that an IDTF is allowed to perform. Diagnostic tests that are clearly surgical in nature, which must be performed in a hospital or ambulatory surgical center, should not be reported. Clinical laboratory and pathology codes should not be reported. This page may be copied for additional codes or equipment.

	<b>CPT-4 OR HCPCS CODE</b>	<b>EQUIPMENT</b>	<b>MODEL NUMBER (Required)</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			

**ATTACHMENT 2: INDEPENDENT DIAGNOSTIC TESTING FACILITIES (Continued)**

**C. Interpreting Physician Information**

Check here  if this section does not apply because the interpreting physician will bill separate from the IDTF.

All physicians whose interpretations will be billed by this IDTF with the technical component (TC) of the test (i.e., global billing) must be listed in this section. If there are more than three physicians, copy and complete this section as needed. All interpreting physicians must be currently enrolled in the Medicare program.

If you are billing for interpretations as an individual reassigning benefits, the interpreting physician must complete the Reassignment of Benefits Form (CMS 855R). Note: Both the IDTF and individual physician must be enrolled with the fee-for-service contractor where the IDTF is located.

If you are billing for purchased interpretations, all requirements for purchased interpretations must be met.

When a mobile unit of the IDTF performs a technical component of a diagnostic test and the interpretive physician is the same physician who ordered the test, the IDTF cannot bill for the interpretation. Therefore, these interpreting physicians should not be reported since the interpretive physician must submit his/her own claims for these tests.

**1<sup>ST</sup> Interpreting Physician Information**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

First Name	Middle Initial	Last Name	Suffix (e.g., Jr., Sr.)
Social Security Number (Required)		Date of Birth (mm/dd/yyyy) (Required)	
Medicare Identification Number (if issued)		NPI	

**2<sup>ND</sup> Interpreting Physician Information**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

First Name	Middle Initial	Last Name	Suffix (e.g., Jr., Sr.)
Social Security Number (Required)		Date of Birth (mm/dd/yyyy) (Required)	
Medicare Identification Number (if issued)		NPI	

**ATTACHMENT 2: INDEPENDENT DIAGNOSTIC TESTING FACILITIES (Continued)**

**3<sup>RD</sup> Interpreting Physician Information**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

First Name	Middle Initial	Last Name	Suffix (e.g., Jr., Sr.)
Social Security Number (Required)		Date of Birth (mm/dd/yyyy) (Required)	
Medicare Identification Number (if issued)		NPI	

**D. Personnel (Technicians) Who Perform Tests**

Complete this section with information about all non-physician personnel who perform tests for this IDTF. Notarized or certified true copies of the State license or certificate should be attached.

**1<sup>ST</sup> PERSONNEL (TECHNICIAN) INFORMATION**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

First Name	Middle Initial	Last Name	Suffix (e.g., Jr., Sr.)
Social Security Number (Required)		Date of Birth (mm/dd/yyyy) (Required)	

Is this technician State licensed or State certified? (see instructions for clarification)       YES     NO

License/Certification Number (if applicable)	License/Certification Issue Date (mm/dd/yyyy) (if applicable)
--	---

Is this technician certified by a national credentialing organization?       YES     NO

Name of credentialing organization (if applicable)	Type of Credentials (if applicable)
--	-------------------------------------

Is this technician employed by a hospital?       YES     NO

If YES, provide the name of the hospital here: \_\_\_\_\_

**ATTACHMENT 2: INDEPENDENT DIAGNOSTIC TESTING FACILITIES (Continued)**

**2<sup>ND</sup> Personnel (Technician) Information**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			

First Name	Middle Initial	Last Name	Suffix (e.g., Jr., Sr.)
Social Security Number (Required)		Date of Birth (mm/dd/yyyy) (Required)	

Is this technician State licensed or State certified? (see instructions for clarification)  YES  NO

License/Certification Number (if applicable)	License/Certification Issue Date (mm/dd/yyyy) (if applicable)
--	---

Is this technician certified by a national credentialing organization?  YES  NO

Name of credentialing organization (if applicable)	Type of Credentials (if applicable)
--	-------------------------------------

Is this technician employed by a hospital?  YES  NO

If YES, provide the name of the hospital here: \_\_\_\_\_

**E. Supervising Physicians**

Complete this section with identifying information about the physician(s) who supervise the operation of the IDTF and who provides the personal, direct, or general supervision per 42 C.F.R. 410.32(b)(3). The supervising physician must also attest to his/her supervising responsibilities for the enrolling IDTF.

Information concerning the type of supervision (personal, direct, or general) required for performance of specific IDTF tests can be obtained from your Medicare fee-for-service contractor. All IDTFs must report at least one supervisory physician, and at least one supervising physician must perform the supervision requirements stated in 42 C.F.R. 410.32(b)(3). All supervisory physician(s) must be currently enrolled in Medicare.

The type of supervision being performed by each physician who signs the attestation on page 47 of this application should be listed in this section.

Definitions of the types of supervision are as follows:

- **Personal Supervision** means a physician must be in attendance in the room during the performance of the procedure.
- **Direct Supervision** means the physician must be present in the office suite and immediately available to provide assistance and direction throughout the performance of the procedure. It does not mean that the physician must be present in the room when the procedure is performed.
- **General Supervision** means the procedure is provided under the physician's overall direction and control, but the physician's presence is not required during the performance of the procedure. General supervision also includes the responsibility that the non-physician personnel who perform the tests are qualified and properly trained and that the equipment is operated properly, maintained, calibrated and that necessary supplies are available.

**ATTACHMENT 2: INDEPENDENT DIAGNOSTIC TESTING FACILITIES (Continued)**

**E. Supervising Physicians (Continued)**

If you are changing, adding, or deleting information, check the applicable box, furnish the effective date, and complete the appropriate fields in this section.

<b>CHECK ONE</b>	<input type="checkbox"/> <b>CHANGE</b>	<input type="checkbox"/> <b>ADD</b>	<input type="checkbox"/> <b>DELETE</b>
<b>DATE</b> (mm/dd/yyyy)			
First Name	Middle Initial	Last Name	Suffix (e.g., Jr., Sr.)
Social Security Number (Required)		Date of Birth (mm/dd/yyyy) (Required)	
Medicare Identification Number (if issued)		NPI	
Telephone Number	Fax Number (if applicable)	E-mail Address (if applicable)	

**TYPE OF SUPERVISION PROVIDED**

Check the appropriate box below indicating the type of supervision provided by the physician reported above for the tests performed by the IDTF in accordance with 42 C.F.R. 410.32 (b)(3) (See instructions for definitions).

- Personal Supervision     Direct Supervision     General Supervision

For each physician performing General Supervision, at least one of the three functions listed here must be checked. However, to meet the General Supervision requirement, in accordance with 42 C.F.R. 410.33(b), the enrolling IDTF must have at least one supervisory physician for each of the three functions. For example, two physicians may be responsible for function 1, a third physician may be responsible for function 2, and a fourth physician may be responsible for function 3. All four supervisory physicians must complete and sign the supervisory physician section of this application. Each physician should only check the function(s) he/she actually performs.

- Assumes responsibility for the overall direction and control of the quality of testing performed.
- Assumes responsibility for assuring that the non-physician personnel who actually perform the diagnostic procedures are properly trained and meet required qualifications.
- Assumes responsibility for the proper maintenance and calibration of the equipment and supplies necessary to perform the diagnostic procedures.

**OTHER SUPERVISION SITES**

Does this supervising physician provide supervision at any other IDTF?     YES     NO

If yes, list all other IDTFs for which this physician provides supervision. For more than five, copy this sheet.

	NAME OF FACILITY	ADDRESS	TAX IDENTIFICATION NUMBER	LEVEL OF SUPERVISION
1.				
2.				
3.				
4.				
5.				

**ATTACHMENT 2: INDEPENDENT DIAGNOSTIC TESTING FACILITIES (Continued)**

**E. Supervising Physicians (Continued)**

**ATTESTATION STATEMENT FOR SUPERVISING PHYSICIANS**

All Supervising Physician(s) rendering supervisory services for this IDTF must sign and date this section. All signatures must be original.

1. I hereby acknowledge that I have agreed to provide (IDTF Name) \_\_\_\_\_ with the Supervisory Physician services checked above for all CPT-4 and HCPCS codes reported in this Attachment. (See number 2 below if all reported CPT-4 and HCPCS codes do not apply). I also hereby certify that I have the required proficiency in the performance and interpretation of each type of diagnostic procedure, as reported by CPT-4 or HCPCS code in this Attachment (except for those CPT-4 or HCPCS codes identified in number 2 below). I have read and understand the Penalties for Falsifying Information on this Enrollment Application, as stated in Section 14 of this application. I am aware that falsifying information may result in fines and/or imprisonment. If I undertake supervisory responsibility at any additional IDTFs, I understand that it is my responsibility to notify this IDTF at that time.
2. I am not acting as a Supervising Physician for the following CPT-4 and/or HCPCS codes reported in this Attachment.

CPT-4 OR HCPCS CODE	CPT-4 OR HCPCS CODE	CPT-4 OR HCPCS CODE

3. Signature of Supervising Physician ( <i>First, Middle, Last, Jr., Sr., M.D., D.O., etc.</i> )	Date ( <i>mm/dd/yyyy</i> )
--	----------------------------

**All signatures must be original and signed and dated in ink (blue ink preferred). Applications with signatures deemed not original will not be processed. Stamped, faxed or copied signatures will not be accepted.**

---

## MEDICARE SUPPLIER ENROLLMENT APPLICATION PRIVACY ACT STATEMENT

---

The Centers for Medicare & Medicaid Services (CMS) is authorized to collect the information requested on this form by sections 1124(a)(1), 1124A(a)(3), 1128, 1814, 1815, 1833(e), and 1842(r) of the Social Security Act [42 U.S.C. §§ 1320a-3(a)(1), 1320a-7, 1395f, 1395g, 1395(l)(e), and 1395u(r)] and section 31001(1) of the Debt Collection Improvement Act [31 U.S.C. § 7701(c)].

The purpose of collecting this information is to determine or verify the eligibility of individuals and organizations to enroll in the Medicare program as suppliers of goods and services to Medicare beneficiaries and to assist in the administration of the Medicare program. This information will also be used to ensure that no payments will be made to providers who are excluded from participation in the Medicare program. All information on this form is required, with the exception of those sections marked as "optional" on the form. Without this information, the ability to make payments will be delayed or denied.

The information collected will be entered into the Provider Enrollment, Chain and Ownership System (PECOS). The information in this application will be disclosed according to the routine uses described below.

Information from these systems may be disclosed under specific circumstances to:

1. CMS contractors to carry out Medicare functions, collating or analyzing data, or to detect fraud or abuse;
2. A congressional office from the record of an individual health care provider in response to an inquiry from the congressional office at the written request of that individual health care practitioner;
3. The Railroad Retirement Board to administer provisions of the Railroad Retirement or Social Security Acts;
4. Peer Review Organizations in connection with the review of claims, or in connection with studies or other review activities, conducted pursuant to Part B of Title XVIII of the Social Security Act;
5. To the Department of Justice or an adjudicative body when the agency, an agency employee, or the United States Government is a party to litigation and the use of the information is compatible with the purpose for which the agency collected the information;
6. To the Department of Justice for investigating and prosecuting violations of the Social Security Act, to which criminal penalties are attached;
7. To the American Medical Association (AMA), for the purpose of attempting to identify medical doctors when the National Plan and Provider Enumeration System is unable to establish identity after matching contractor submitted data to the data extract provided by the AMA;
8. An individual or organization for a research, evaluation, or epidemiological project related to the prevention of disease or disability, or to the restoration or maintenance of health;
9. Other Federal agencies that administer a Federal health care benefit program to enumerate/enroll providers of medical services or to detect fraud or abuse;
10. State Licensing Boards for review of unethical practices or non-professional conduct;
11. States for the purpose of administration of health care programs; and/or
12. Insurance companies, self insurers, health maintenance organizations, multiple employer trusts, and other health care groups providing health care claims processing, when a link to Medicare or Medicaid claims is established, and data are used solely to process supplier's health care claims.

The supplier should be aware that the Computer Matching and Privacy Protection Act of 1988 (P.L. 100-503) amended the Privacy Act, 5 U.S.C. § 552a, to permit the government to verify information through computer matching.

### **Protection of Proprietary Information**

Privileged or confidential commercial or financial information collected in this form is protected from public disclosure by Federal law 5 U.S.C. § 552(b)(4) and Executive Order 12600.

### **Protection of Confidential Commercial and/or Sensitive Personal Information**

If any information within this application (or attachments thereto) constitutes a trade secret or privileged or confidential information (as such terms are interpreted under the Freedom of Information Act and applicable case law), or is of a highly sensitive personal nature such that disclosure would constitute a clearly unwarranted invasion of the personal privacy of one or more persons, then such information will be protected from release by CMS under 5 U.S.C. §§ 552(b)(4) and/or (b)(6), respectively.

## ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION AGREEMENT

### PART I: REASON FOR SUBMISSION

Reason for Submission:

- New EFT Authorization  Check here if EFT payment is being made to the Home Office of Chain  
 Revision to Current Authorization (e.g. account or bank changes) (Attach letter Authorizing EFT payment to Chain Home Office)

Since your last EFT authorization agreement submission, have you had a:

- Change of Ownership, and/or  
 Change of Practice Location?

If you checked either a change of ownership or change of practice location above, you must submit a change of information (using the Medicare enrollment application) to the Medicare contractor that services your geographical area(s) prior to or accompanying this EFT authorization agreement submission.

### PART II: PROVIDER OR SUPPLIER INFORMATION

Provider/Supplier Legal Business Name  
Gila County Board of Supervisors

Chain Organization Name or Home Office Legal Business Name (if different from Chain Organization Name)  
Gila County Division of Health and Emergency Services

Account Holder's Street Address  
1400 E. Ash

Account Holder's City Globe	Account Holder's State Arizona	Account Holder's Zip Code 85501
--------------------------------	-----------------------------------	------------------------------------

Tax Identification Number: (designate  SSN or  EIN)  

8	8	8	0	0	0	4	4	4			
---	---	---	---	---	---	---	---	---	--	--	--

Medicare Identification Number (if issued)  

2	F	L	8	2	8						
---	---	---	---	---	---	--	--	--	--	--	--

National Provider Identifier (NPI)  

1	7	9	0	5	4	7	6	6	8
---	---	---	---	---	---	---	---	---	---

### PART III: FINANCIAL INSTITUTION INFORMATION

Financial Institution Name  
JP Morgan Chase

Financial Institution City/Town 201 N. Central Ave, 21st Floor, Phoenix	Financial Institution State Arizona 85004
--	--

Financial Institution Telephone Number 302-221-1383	Financial Institution Contact Person Gail Herzhkowitz
--	--

Financial Institution Routing Transit Number (nine digit)  

1	2	2	1	0	0	0	2	4
---	---	---	---	---	---	---	---	---

Depositor Account Number <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td>1</td><td>1</td><td>8</td><td>0</td><td>4</td><td>0</td><td>4</td><td>7</td><td></td><td></td><td></td><td></td> </tr> </table>	1	1	8	0	4	0	4	7					Type of Account (check one) <input checked="" type="checkbox"/> Checking Account <input type="checkbox"/> Savings Account
1	1	8	0	4	0	4	7						

Please include a confirmation of account information on bank letterhead or a voided check. When submitting the documentation, it should contain the name on the account, electronic routing transit number, account number and type. If submitting bank letterhead, the bank officer's name and signature is also required. This information will be used to verify your account number.

### PART IV: CONTACT PERSON

Contact Person's Name Martha Gonzales	Contact Person's Title Chief Deputy Treasurer
Contact Person's Telephone Number 928-402-8701	Contact Person's E-mail Address mgonzaless@gilacountyaz.gov

# J.P.Morgan

Gail L. Hershkowitz  
Client Service Professional  
Government, Not-for Profit & Healthcare Banking Group

June 18, 2013

**To Whom It May Concern:**

Listed below is the information for a checking account that Gila County maintains at JPMorgan Chase Bank:

Checking Account Title: Gila County  
Checking Account Number: 11804047  
ACH Routing Number: 122100224

Fed Wiring Instructions: JPMorgan Chase  
1 Chase Plaza  
New York, NY 10081  
Bank Routing # 021000021  
Beneficiary Name: Gila County  
Beneficiary Account Number: 11804047

Please accept this letter in lieu of a voided check. If you have any questions, please do not hesitate to contact me at 602-221-1383.

Sincerely,



Gail L. Hershkowitz  
Client Service Professional

**PART V: AUTHORIZATION**

I hereby authorize the Centers for Medicare & Medicaid Services (CMS) to initiate credit entries, and in accordance with 31 CFR part 210.6(f) initiate adjustments for any duplicate or erroneous entries made in error to the account indicated above. I hereby authorize the financial institution/bank named above to credit and/or debit the same to such account. CMS may assign its rights and obligations under this agreement to CMS' designated fee-for-service contractor. CMS may change its designated contractor at CMS' discretion.

If payment is being made to an account controlled by a Chain Home Office, the Provider of Services hereby acknowledges that payment to the Chain Office under these circumstances is still considered payment to the Provider, and the Provider authorizes the forwarding of Medicare payments to the Chain Home Office.

If the account is drawn in the Physician's or Individual Practitioner's Name, or the Legal Business Name of the Provider/ Supplier, the said Provider or Supplier certifies that he/she has sole control of the account referenced above, and certifies that all arrangements between the Financial Institution and the said Provider or Supplier are in accordance with all applicable Medicare regulations and instructions.

This authorization agreement is effective as of the signature date below and is to remain in full force and effect until CMS has received written notification from me of its termination in such time and such manner as to afford CMS and the Financial Institution a reasonable opportunity to act on it. CMS will continue to send the direct deposit to the Financial Institution indicated above until notified by me that I wish to change the Financial Institution receiving the direct deposit. If my Financial Institution information changes, I agree to submit to CMS an updated EFT Authorization Agreement.

**SIGNATURE LINE**

Authorized/Delegated Official Name (Print) Martha H Gonzales	Authorized/Delegated Official Telephone Number 928-402-8701
Authorized/Delegated Official Title Chief Deputy Treasurer	Authorized/Delegated Official E-mail Address mgonzales@gilaountyaz.gov
Authorized/Delegated Official Signature (Note: Must be original signature in black or blue ink.) 	Date 6-18-13

**PRIVACY ACT ADVISORY STATEMENT**

Sections 1842, 1862(b) and 1874 of title XVIII of the Social Security Act authorize the collection of this information. The purpose of collecting this information is to authorize electronic funds transfers.

Per 42 CFR 424.510(e)(1), providers and suppliers are required to receive electronic funds transfer (EFT) at the time of enrollment, revalidation, change of Medicare contractors or submission of an enrollment change request; and (2) submit the CMS-588 form to receive Medicare payment via electronic funds transfer.

The information collected will be entered into system No. 09-70-0501, titled "Carrier Medicare Claims Records," and No. 09-70-0503, titled "Intermediary Medicare Claims Records" published in the Federal Register Privacy Act Issuances, 1991 Comp. Vol. 1, pages 419 and 424, or as updated and republished. Disclosures of information from this system can be found in this notice.

You should be aware that P.L. 100-503, the Computer Matching and Privacy Protection Act of 1988, permits the government, under certain circumstances, to verify the information you provide by way of computer matches.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0626. The time required to complete this information collection is estimated to average 60 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, Attn: PRA Reports Clearance Officer, 7500 Security Boulevard, Baltimore, Maryland 21244-1850.

**DO NOT MAIL THIS FORM TO THIS ADDRESS.  
MAILING YOUR APPLICATION TO THIS ADDRESS WILL SIGNIFICANTLY DELAY PROCESSING.**

---

## INSTRUCTIONS FOR COMPLETING THE EFT AUTHORIZATION AGREEMENT

---

All EFT requests are subject to a 15-day pre-certification period in which all accounts are verified by the qualifying financial institution before any Medicare direct deposits are made.

### PART I: REASON FOR SUBMISSION

Indicate your reason for completing this form by checking the appropriate box: New EFT authorization or change to your account information. If you are authorizing EFT payments to the home office of a chain organization of which you are a member, you must attach a letter authorizing the contractor to make payment due the provider of service to the account maintained by the home office of the chain organization. The letter must be signed by an authorized official of the provider of service and an authorized official of the chain home office.

### PART II: PROVIDER OR SUPPLIER INFORMATION

- Line 1: Enter the provider's/supplier's legal business name or the name of the physician or individual practitioner, as reported to the Internal Revenue Service (IRS). The account to which EFT payments made must exclusively bear the name of the physician or individual practitioner, or the legal business name of the person or entity enrolled with Medicare.
- Line 2: Enter the chain organization's name or the home office legal business name if different from the chain organization name.
- Line 3: Enter the account holder's street address.
- Line 4: Enter the account holder's city, state, and zip code.
- Line 5: Enter the tax identification number as reported to the IRS. If the business is a corporation, provide the Federal employer identification number, otherwise provide your Social Security Number.
- Line 6: If issued, enter the Medicare identification number assigned by a Medicare fee-for-service contractor. If you are not enrolled in Medicare, leave this field blank.
- Line 7: Enter the 10 digit NPI number. The NPI is required to process this form.

### PART III: FINANCIAL INSTITUTION INFORMATION

- Line 8: Enter your Financial Institution's name (this is the name of the bank or qualifying depository that will receive the funds). Note: The account name to which EFT payments will be paid is to the name submitted on Part II of this form.
- Line 9: Enter the city or town where your financial institution is located. Enter the state where your financial institution is located.
- Line 10: Enter the bank or financial institutional telephone number and contact person's name.
- Line 11: Enter the bank or financial institutional nine-digit routing number, including applicable leading zeros.
- Line 12: Enter the depositor's account number, including applicable leading zeros. Select the account type.
- If you do not submit this information, your EFT authorization agreement will be returned without further processing.

### PART IV: CONTACT PERSON

- Line 13: Enter the name and title of a contact person who can answer questions about the information submitted on this CMS-588 form.
- Line 14: Enter the contact person's telephone number. Enter the contact person's e-mail address.

### PART V: AUTHORIZATION

- Line 15: By your signature on this form you are certifying that the account is drawn in the Name of the Physician or Individual Practitioner, or the Legal Business Name of the Provider or Supplier. The Provider or Supplier has sole control of the account to which EFT deposits are made in accordance with all applicable Medicare regulations and instructions. All arrangements between the Financial Institution and the said Provider or Supplier are in accordance with all applicable Medicare regulations and instructions with the effective date of the EFT authorization. You must notify CMS regarding any changes in the account in sufficient time to allow the contractor and the Financial institution to act on the changes.

The EFT authorization form must be signed and dated by the same Authorized Representative or a Delegated Official named on the CMS-855 Medicare enrollment application which the Medicare contractor has on file. Include a telephone number where the Authorized Representative or Delegated Official can be contacted.

Mail this form with the original signature in black or blue ink (no facsimile signatures can be accepted) to the Medicare contractor that services your geographical area. An EFT authorization form must be submitted for each Medicare contractor to whom you submit claims for Medicare payment. To locate the mailing address for your fee-for-service contractor, go to: [www.cms.gov/MedicareProviderSupEnroll](http://www.cms.gov/MedicareProviderSupEnroll).

## ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION AGREEMENT

### PART I: REASON FOR SUBMISSION

Reason for Submission:

- New EFT Authorization  Check here if EFT payment is being made to the Home Office of Chain  
 Revision to Current Authorization (e.g. account or bank changes) (Attach letter Authorizing EFT payment to Chain Home Office)

Since your last EFT authorization agreement submission, have you had a:

- Change of Ownership, and/or  
 Change of Practice Location?

If you checked either a change of ownership or change of practice location above, you must submit a change of information (using the Medicare enrollment application) to the Medicare contractor that services your geographical area(s) prior to or accompanying this EFT authorization agreement submission.

### PART II: PROVIDER OR SUPPLIER INFORMATION

Provider/Supplier Legal Business Name

Gila County Board of Supervisors

Chain Organization Name or Home Office Legal Business Name (if different from Chain Organization Name)

Gila County Division of Health and Emergency Services

Account Holder's Street Address

1400 E. Ash

Account Holder's City Account Holder's State Account Holder's Zip Code

Globe Arizona 85501

Tax Identification Number: (designate  SSN or  EIN)

8 8 8 0 0 0 4 4 4

Medicare Identification Number (if issued)

Z F L 8 2 9

National Provider Identifier (NPI)

1 7 0 0 9 4 1 5 0 7

### PART III: FINANCIAL INSTITUTION INFORMATION

Financial Institution Name

JP Morgan Chase

Financial Institution City/Town Financial Institution State

201 N. Central Ave, 21st Floor, Phoenix Arizona 85004

Financial Institution Telephone Number Financial Institution Contact Person

602-221-1383 Gail Herahkowitz

Financial Institution Routing Transit Number (nine digit)

1 2 2 1 0 0 0 2 4

Depositor Account Number Type of Account (check one)

1 1 3 9 4 0 4 7  Checking Account  Savings Account

Please include a confirmation of account information on bank letterhead or a voided check. When submitting the documentation, it should contain the name on the account, electronic routing transit number, account number and type. If submitting bank letterhead, the bank officer's name and signature is also required. This information will be used to verify your account number.

### PART IV: CONTACT PERSON

Contact Person's Name Contact Person's Title

Martha Gonzalez Chief Deputy Treasurer

Contact Person's Telephone Number Contact Person's E-mail Address

928-402-8701 mgonzales@gilacountyaz.gov

# J.P.Morgan

Gail L. Hershkowitz  
Client Service Professional  
Government, Not-for Profit & Healthcare Banking Group

June 18, 2013

To Whom It May Concern:

Listed below is the information for a checking account that Gila County maintains at JPMorgan Chase Bank:

Checking Account Title: Gila County  
Checking Account Number: 11804047  
ACH Routing Number: 122100024

Fed Wiring Instructions: JPMorgan Chase  
1 Chase Plaza  
New York, NY 10081  
Bank Routing # 021000021  
Beneficiary Name: Gila County  
Beneficiary Account Number: 11804047

Please accept this letter in lieu of a voided check. If you have any questions, please do not hesitate to contact me at 602-221-1383.

Sincerely,



Gail L. Hershkowitz  
Client Service Professional

**PART V: AUTHORIZATION**

I hereby authorize the Centers for Medicare & Medicaid Services (CMS) to initiate credit entries, and in accordance with 31 CFR part 210.6(f) initiate adjustments for any duplicate or erroneous entries made in error to the account indicated above. I hereby authorize the financial institution/bank named above to credit and/or debit the same to such account. CMS may assign its rights and obligations under this agreement to CMS' designated fee-for-service contractor. CMS may change its designated contractor at CMS' discretion.

If payment is being made to an account controlled by a Chain Home Office, the Provider of Services hereby acknowledges that payment to the Chain Office under these circumstances is still considered payment to the Provider, and the Provider authorizes the forwarding of Medicare payments to the Chain Home Office.

If the account is drawn in the Physician's or Individual Practitioner's Name, or the Legal Business Name of the Provider/ Supplier, the said Provider or Supplier certifies that he/she has sole control of the account referenced above, and certifies that all arrangements between the Financial Institution and the said Provider or Supplier are in accordance with all applicable Medicare regulations and instructions.

This authorization agreement is effective as of the signature date below and is to remain in full force and effect until CMS has received written notification from me of its termination in such time and such manner as to afford CMS and the Financial Institution a reasonable opportunity to act on it. CMS will continue to send the direct deposit to the Financial Institution indicated above until notified by me that I wish to change the Financial Institution receiving the direct deposit. If my Financial Institution information changes, I agree to submit to CMS an updated EFT Authorization Agreement.

**SIGNATURE LINE**

Authorized/Delegated Official Name (Print) Martha H Gonzales	Authorized/Delegated Official Telephone Number 828-402-8701
Authorized/Delegated Official Title Chief Deputy Treasurer	Authorized/Delegated Official E-mail Address rngonzales@gilacountyaz.gov
Authorized/Delegated Official Signature (Note: Must be original signature in black or blue ink.) 	Date 08-18-13

**PRIVACY ACT ADVISORY STATEMENT**

Sections 1842, 1862(b) and 1874 of title XVIII of the Social Security Act authorize the collection of this information. The purpose of collecting this information is to authorize electronic funds transfers.

Per 42 CFR 424.510(e)(1), providers and suppliers are required to receive electronic funds transfer (EFT) at the time of enrollment, revalidation, change of Medicare contractors or submission of an enrollment change request; and (2) submit the CMS-538 form to receive Medicare payment via electronic funds transfer.

The information collected will be entered into system No. 09-70-0501, titled "Carrier Medicare Claims Records," and No. 09-70-0503, titled "Intermediary Medicare Claims Records" published in the Federal Register Privacy Act Issuances, 1991 Comp. Vol. 1, pages 419 and 424, or as updated and republished. Disclosures of information from this system can be found in this notice.

You should be aware that P.L. 100-503, the Computer Matching and Privacy Protection Act of 1988, permits the government, under certain circumstances, to verify the information you provide by way of computer matches.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0626. The time required to complete this information collection is estimated to average 60 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, Attn: PRA Reports Clearance Officer, 7500 Security Boulevard, Baltimore, Maryland 21244-1850.

DO NOT MAIL THIS FORM TO THIS ADDRESS.  
MAILING YOUR APPLICATION TO THIS ADDRESS WILL SIGNIFICANTLY DELAY PROCESSING.

---

## INSTRUCTIONS FOR COMPLETING THE EFT AUTHORIZATION AGREEMENT

---

All EFT requests are subject to a 15-day pre-certification period in which all accounts are verified by the qualifying financial institution before any Medicare direct deposits are made.

### PART I: REASON FOR SUBMISSION

Indicate your reason for completing this form by checking the appropriate box: New EFT authorization or change to your account information. If you are authorizing EFT payments to the home office of a chain organization of which you are a member, you must attach a letter authorizing the contractor to make payment due the provider of service to the account maintained by the home office of the chain organization. The letter must be signed by an authorized official of the provider of service and an authorized official of the chain home office.

### PART II: PROVIDER OR SUPPLIER INFORMATION

- Line 1: Enter the provider's/supplier's legal business name or the name of the physician or individual practitioner, as reported to the Internal Revenue Service (IRS). The account to which EFT payments made must exclusively bear the name of the physician or individual practitioner, or the legal business name of the person or entity enrolled with Medicare.
- Line 2: Enter the chain organization's name or the home office legal business name if different from the chain organization name.
- Line 3: Enter the account holder's street address.
- Line 4: Enter the account holder's city, state, and zip code.
- Line 5: Enter the tax identification number as reported to the IRS. If the business is a corporation, provide the Federal employer identification number, otherwise provide your Social Security Number.
- Line 6: If issued, enter the Medicare identification number assigned by a Medicare fee-for-service contractor. If you are not enrolled in Medicare, leave this field blank.
- Line 7: Enter the 10 digit NPI number. The NPI is required to process this form.

### PART III: FINANCIAL INSTITUTION INFORMATION

- Line 8: Enter your Financial institution's name (this is the name of the bank or qualifying depository that will receive the funds). Note: The account name to which EFT payments will be paid is to the name submitted on Part II of this form.
- Line 9: Enter the city or town where your financial institution is located. Enter the state where your financial institution is located.
- Line 10: Enter the bank or financial institutional telephone number and contact person's name.
- Line 11: Enter the bank or financial institutional nine-digit routing number, including applicable leading zeros.
- Line 12: Enter the depositor's account number, including applicable leading zeros. Select the account type.
- If you do not submit this information, your EFT authorization agreement will be returned without further processing.

### PART IV: CONTACT PERSON

- Line 13: Enter the name and title of a contact person who can answer questions about the information submitted on this CMS-588 form.
- Line 14: Enter the contact person's telephone number. Enter the contact person's e-mail address.

### PART V: AUTHORIZATION

- Line 15: By your signature on this form you are certifying that the account is drawn in the Name of the Physician or Individual Practitioner, or the Legal Business Name of the Provider or Supplier. The Provider or Supplier has sole control of the account to which EFT deposits are made in accordance with all applicable Medicare regulations and instructions. All arrangements between the Financial Institution and the said Provider or Supplier are in accordance with all applicable Medicare regulations and instructions with the effective date of the EFT authorization. You must notify CMS regarding any changes in the account in sufficient time to allow the contractor and the Financial Institution to act on the changes.

The EFT authorization form must be signed and dated by the same Authorized Representative or a Delegated Official named on the CMS-855 Medicare enrollment application which the Medicare contractor has on file. Include a telephone number where the Authorized Representative or Delegated Official can be contacted.

Mail this form with the original signature in black or blue ink (no facsimile signatures can be accepted) to the Medicare contractor that services your geographical area. An EFT authorization form must be submitted for each Medicare contractor to whom you submit claims for Medicare payment. To locate the mailing address for your fee-for-service contractor, go to: [www.cms.gov/Medicare/ProviderSupEnroll](http://www.cms.gov/Medicare/ProviderSupEnroll).

## MEDICARE PARTICIPATING PHYSICIAN OR SUPPLIER AGREEMENT

Name(s) and Address of Participant*	National Provider Identifier (NPI)*
Gila County Board of Supervisors	1700941507
dba Gila County Office of Health and Emergency Svcs.	
5515 S Apache Ave, Suite 100    Globe, AZ 85501	

\*List all names and the NPI under which the participant files claims with the Medicare Administrative Contractor (MAC)/carrier with whom this agreement is being filed.

The above named person or organization, called "the participant," hereby enters into an agreement with the Medicare program to accept assignment of the Medicare Part B payment for all services for which the participant is eligible to accept assignment under the Medicare law and regulations and which are furnished while this agreement is in effect.

1. **Meaning of Assignment:** For purposes of this agreement, accepting assignment of the Medicare Part B payment means requesting direct Part B payment from the Medicare program. Under an assignment, the approved charge, determined by the MAC/carrier, shall be the full charge for the service covered under Part B. The participant shall not collect from the beneficiary or other person or organization for covered services more than the applicable deductible and coinsurance.
2. **Effective Date:** If the participant files the agreement with any MAC/carrier during the enrollment period, the agreement becomes effective \_\_\_\_\_.
3. **Term and Termination of Agreement:** This agreement shall continue in effect through December 31 following the date the agreement becomes effective and shall be renewed automatically for each 12-month period January 1 through December 31 thereafter unless one of the following occurs:
  - a. During the enrollment period provided near the end of any calendar year, the participant notifies in writing every MAC/carrier with whom the participant has filed the agreement or a copy of the agreement that the participant wishes to terminate the agreement at the end of the current term. In the event such notification is mailed or delivered during the enrollment period provided near the end of any calendar year, the agreement shall end on December 31 of that year.
  - b. The Centers for Medicare & Medicaid Services may find, after notice to and opportunity for a hearing for the participant, that the participant has substantially failed to comply with the agreement. In the event such a finding is made, the Centers for Medicare & Medicaid Services will notify the participant in writing that the agreement will be terminated at a time designated in the notice. Civil and criminal penalties may also be imposed for violation of the agreement.

Signature of participant (or authorized representative of participating organization) <i>X: Michael Royal Durham, MD</i>	Date 6-18-13
Title (if signer is authorized representative of organization) Dr. Michael Royal Durham, MD	Office Phone Number (including area code) 928-402-8811
Received by (name of carrier)	Initials of Carrier Official
	Effective Date

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0373. The time required to complete this information collection is estimated to average 15 minutes per response, including the time to review instructions, search existing data resources, gather the data needed and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Baltimore, Maryland 21244-1850.

## **INSTRUCTIONS FOR THE MEDICARE PARTICIPATING PHYSICIAN AND SUPPLIER AGREEMENT (CMS-460)**

---

To sign a participation agreement is to agree to accept assignment for all covered services that you provide to Medicare patients.

### **WHY PARTICIPATE?**

If you bill for physicians' professional services, services and supplies provided incident to physicians' professional services, outpatient physical and occupational therapy services, diagnostic tests, or radiology services, your Medicare fee schedule amounts are 5 percent higher if you participate. Also, providers receive direct and timely reimbursement from Medicare.

Regardless of the Medicare Part B services for which you are billing, participants have "one stop" billing for beneficiaries who have Medigap coverage not connected with their employment and who assign both their Medicare and Medigap payments to participants. After we have made payment, Medicare will send the claim on to the Medigap insurer for payment of all coinsurance and deductible amounts due under the Medigap policy. The Medigap insurer must pay the participant directly.

Currently, the large majority of physicians, practitioners and suppliers are billing under Medicare participation agreements.

### **WHEN THE DECISION TO PARTICIPATE CAN BE MADE:**

- Toward the end of each calendar year, all MAC/carriers have an open enrollment period. The open enrollment period generally is from mid-November through December 31. During this period, providers who are currently enrolled in the Medicare Program can change their current participation status beginning the next calendar year on January 1. This is the only time these providers are given the opportunity to change their participation status. These providers should contact their MAC/carrier to learn where to send the agreement, and get the exact dates for the open enrollment period when the agreement will be accepted.
- New physicians, practitioners, and suppliers can sign the participation agreement and become a Medicare participant at the time of their enrollment into the Medicare Program. The participation agreement will become effective on the date of filing; i.e., the date the participant mails (post-mark date) the agreement to the carrier or delivers it to the carrier.

Contact your MAC/carrier to get the exact dates the participation agreement will be accepted, and to learn where to send the agreement.

### **WHAT TO DO DURING OPEN ENROLLMENT:**

If you choose to be a participant:

- Do nothing if you are currently participating, or
- If you are not currently a Medicare participant, complete the blank agreement (CMS-460) and mail it (or a copy) to each carrier to which you submit Part B claims. (On the form show the name(s) and identification number(s) under which you bill.)

If you decide not to participate:

- Do nothing if you are currently not participating, or
- If you are currently a participant, write to each carrier to which you submit claims, advising of your termination effective the first day of the next calendar year. This written notice must be postmarked prior to the end of the current calendar year.

**WHAT TO DO IF YOU'RE A NEW PHYSICIAN, PRACTITIONER OR SUPPLIER:**

If you choose to be a participant:

- Complete the blank agreement (CMS-460) and submit it with your Medicare enrollment application to your MAC/carrier.
- If you have already enrolled in the Medicare program, you have 90 days from when you are enrolled to decide if you want to participate. If you decide to participate within this 90-day timeframe, complete the CMS-460 and send to your MAC/carrier.

If you decide not to participate:

- Do nothing. All new physicians, practitioners, and suppliers that are newly enrolled are automatically non-participating. You are not considered to be participating unless you submit the CMS-460 form to your MAC/carrier.

We hope you will decide to be a Medicare participant.

Please call the MAC/carrier in your jurisdiction if you have any questions or need further information on participation.

**DO NOT SEND YOUR CMS-460 FORM TO CMS, SEND TO YOUR MAC/CARRIER. IF YOU SEND YOUR FORMS TO CMS, IT WILL DELAY PROCESSING OF YOUR CMS-460 FORMS.**

To view updates and the latest information about Medicare, or to obtain telephone numbers of the various Medicare Administrative Contractor (MAC)/carrier contacts including the MAC/carrier medical directors, please visit the CMS web site at <http://www.cms.gov/>.

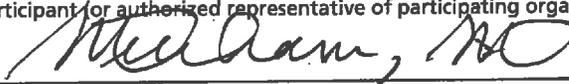
## MEDICARE PARTICIPATING PHYSICIAN OR SUPPLIER AGREEMENT

Name(s) and Address of Participant*  Gila County Board of Supervisors  dba Gila County Office of Health and Emergency Svcs.  107 W Frontier Street      Payson, AZ 85541	National Provider Identifier (NPI)*  1760547566
--	---

\*List all names and the NPI under which the participant files claims with the Medicare Administrative Contractor (MAC)/carrier with whom this agreement is being filed.

The above named person or organization, called "the participant," hereby enters into an agreement with the Medicare program to accept assignment of the Medicare Part B payment for all services for which the participant is eligible to accept assignment under the Medicare law and regulations and which are furnished while this agreement is in effect.

1. **Meaning of Assignment:** For purposes of this agreement, accepting assignment of the Medicare Part B payment means requesting direct Part B payment from the Medicare program. Under an assignment, the approved charge, determined by the MAC/carrier, shall be the full charge for the service covered under Part B. The participant shall not collect from the beneficiary or other person or organization for covered services more than the applicable deductible and coinsurance.
2. **Effective Date:** If the participant files the agreement with any MAC/carrier during the enrollment period, the agreement becomes effective \_\_\_\_\_.
3. **Term and Termination of Agreement:** This agreement shall continue in effect through December 31 following the date the agreement becomes effective and shall be renewed automatically for each 12-month period January 1 through December 31 thereafter unless one of the following occurs:
  - a. During the enrollment period provided near the end of any calendar year, the participant notifies in writing every MAC/carrier with whom the participant has filed the agreement or a copy of the agreement that the participant wishes to terminate the agreement at the end of the current term. In the event such notification is mailed or delivered during the enrollment period provided near the end of any calendar year, the agreement shall end on December 31 of that year.
  - b. The Centers for Medicare & Medicaid Services may find, after notice to and opportunity for a hearing for the participant, that the participant has substantially failed to comply with the agreement. In the event such a finding is made, the Centers for Medicare & Medicaid Services will notify the participant in writing that the agreement will be terminated at a time designated in the notice. Civil and criminal penalties may also be imposed for violation of the agreement.

Signature of participant (or authorized representative of participating organization) 	Date 6.18.13
Title (if signer is authorized representative of organization) Dr. Michael Royal Durham, MD	Office Phone Number (including area code) 928-402-8811
Received by (name of carrier)	Initials of Carrier Official
Effective Date	

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0373. The time required to complete this information collection is estimated to average 15 minutes per response, including the time to review instructions, search existing data resources, gather the data needed and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Baltimore, Maryland 21244-1850.

## **INSTRUCTIONS FOR THE MEDICARE PARTICIPATING PHYSICIAN AND SUPPLIER AGREEMENT (CMS-460)**

---

To sign a participation agreement is to agree to accept assignment for all covered services that you provide to Medicare patients.

### **WHY PARTICIPATE?**

If you bill for physicians' professional services, services and supplies provided incident to physicians' professional services, outpatient physical and occupational therapy services, diagnostic tests, or radiology services, your Medicare fee schedule amounts are 5 percent higher if you participate. Also, providers receive direct and timely reimbursement from Medicare.

Regardless of the Medicare Part B services for which you are billing, participants have "one stop" billing for beneficiaries who have Medigap coverage not connected with their employment and who assign both their Medicare and Medigap payments to participants. After we have made payment, Medicare will send the claim on to the Medigap insurer for payment of all coinsurance and deductible amounts due under the Medigap policy. The Medigap insurer must pay the participant directly.

Currently, the large majority of physicians, practitioners and suppliers are billing under Medicare participation agreements.

### **WHEN THE DECISION TO PARTICIPATE CAN BE MADE:**

- Toward the end of each calendar year, all MAC/carriers have an open enrollment period. The open enrollment period generally is from mid-November through December 31. During this period, providers who are currently enrolled in the Medicare Program can change their current participation status beginning the next calendar year on January 1. This is the only time these providers are given the opportunity to change their participation status. These providers should contact their MAC/carrier to learn where to send the agreement, and get the exact dates for the open enrollment period when the agreement will be accepted.
- New physicians, practitioners, and suppliers can sign the participation agreement and become a Medicare participant at the time of their enrollment into the Medicare Program. The participation agreement will become effective on the date of filing; i.e., the date the participant mails (post-mark date) the agreement to the carrier or delivers it to the carrier.

Contact your MAC/carrier to get the exact dates the participation agreement will be accepted, and to learn where to send the agreement.

### **WHAT TO DO DURING OPEN ENROLLMENT:**

If you choose to be a participant:

- Do nothing if you are currently participating, or
- If you are not currently a Medicare participant, complete the blank agreement (CMS-460) and mail it (or a copy) to each carrier to which you submit Part B claims. (On the form show the name(s) and identification number(s) under which you bill.)

If you decide not to participate:

- Do nothing if you are currently not participating, or
- If you are currently a participant, write to each carrier to which you submit claims, advising of your termination effective the first day of the next calendar year. This written notice must be postmarked prior to the end of the current calendar year.

**WHAT TO DO IF YOU'RE A NEW PHYSICIAN, PRACTITIONER OR SUPPLIER:**

If you choose to be a participant:

- Complete the blank agreement (CMS-460) and submit it with your Medicare enrollment application to your MAC/carrier.
- If you have already enrolled in the Medicare program, you have 90 days from when you are enrolled to decide if you want to participate. If you decide to participate within this 90-day timeframe, complete the CMS-460 and send to your MAC/carrier.

If you decide not to participate:

- Do nothing. All new physicians, practitioners, and suppliers that are newly enrolled are automatically non-participating. You are not considered to be participating unless you submit the CMS-460 form to your MAC/carrier.

We hope you will decide to be a Medicare participant.

Please call the MAC/carrier in your jurisdiction if you have any questions or need further information on participation.

**DO NOT SEND YOUR CMS-460 FORM TO CMS, SEND TO YOUR MAC/CARRIER. IF YOU SEND YOUR FORMS TO CMS, IT WILL DELAY PROCESSING OF YOUR CMS-460 FORMS.**

To view updates and the latest information about Medicare, or to obtain telephone numbers of the various Medicare Administrative Contractor (MAC)/carrier contacts including the MAC/carrier medical directors, please visit the CMS web site at <http://www.cms.gov/>.



## **GILA COUNTY ATTORNEY**

*Bradley D. Beauchamp*

Re: County Attorney's Office approval of IGA pursuant to A.R.S. § 11-952(D).

To whom it may concern:

The County Attorney's Office has reviewed the Intergovernmental Agreement attached to this agenda item and has determined that it is in its "proper form" and "is within the powers and authority granted under the laws of this state to such public agency or public procurement unit" pursuant to A.R.S. § 11-952(D).

### **Explanation of the Gila County Attorney's Office Intergovernmental Agreement (IGA) Review**

A.R.S. § 11-952(D) requires that

every agreement or contract involving any public agency or public procurement unit of this state . . . before its execution, shall be submitted to the attorney for each such public agency or public procurement unit, who shall determine whether the agreement is in proper form and is within the powers and authority granted under the laws of this state to such public agency or public procurement unit.

In performing this review, the County Attorney's Office reviews IGAs to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the IGA. That approval is solely the province of the public agency through its elected body.

Likewise, this approval is not a certification that the IGA has been properly executed. Proper execution can only be determined after all the entities entering into the IGA have taken legal action to approve the IGA. There is no statutory requirement for the County Attorney's Office to certify that IGAs are properly executed.

Nonetheless, it is imperative for each public agency to ensure that each IGA is properly executed because A.R.S. § 11-952(F) requires that "[a]ppropriate action ... applicable to the governing bodies of the participating agencies approving or extending the duration of the ... contract shall be necessary before any such agreement, contract or extension may be filed or become effective." This can be done by ensuring that the governing body gives the public proper notice of the meeting wherein action will be taken to approve the IGA, that the item is adequately described in the agenda accompanying the notice, and that the governing body takes such action. Any questions regarding whether the IGA has been properly executed may be directed to the County Attorney's Office.

Proper execution of IGAs is important because A.R.S. § 11-952(H) provides that "[p]ayment for services under this section shall not be made unless pursuant to a fully approved written contract." Additionally, A.R.S. § 11-952(I) provides that "[a] person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment."

The public agency or department submitting the IGA for review has the responsibility to read and understand the IGA in order to completely understand its obligations under the IGA if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the IGA as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor IGA compliance. Hence the public entity or submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the IGA will be necessary to monitor compliance.

Before determining whether an IGA contract "is in proper form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the IGA for review to ask any specific questions or address any concerns it has about the IGA to the County Attorney's Office at the same time they submit the IGA for review. Making such an inquiry also helps improve the County Attorney's Office review of the IGA because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the IGA.

**ARF-1929**

**Consent Agenda Item 4- S**

**Regular BOS Meeting**

<b>Meeting Date:</b>	06/25/2013		
<u>Submitted For:</u>	Lorraine Dalrymple, Health Services Program Manager	<u>Submitted By:</u>	Lorraine Dalrymple Health Services Program Manager Health & Emergency Services Division
<u>Department:</u>	Health & Emergency Services Division	<u>Division:</u>	Health Services
<u>Fiscal Year:</u>	2013	<u>Budgeted?:</u>	Yes
<u>Contract Dates Begin &amp; End:</u>	2013 - unknown	<u>Grant?:</u>	No
<u>Matching Requirement?:</u>	No	<u>Fund?:</u>	Replacement

Information

Request/Subject

Re-enrollment Application with the Arizona Health Care Cost Containment System, (AHCCCS) in compliance with the Affordable Care Act

Background Information

The Gila County Office of Health has been enrolled in AHCCCS as a provider since 1997. This re-enrollment is required by the Affordable Care Act in order for Gila County to continue to be an AHCCCS provider.

Evaluation

As an AHCCCS provider, the Gila County Office of Health can bill AHCCCS administration fees for immunizations provided to their clients. These funds are deposited into the general funds.

Conclusion

By continuing to be an AHCCCS provider, the Gila County Office of Health can continue to bill AHCCCS administration fees for services provided.

Recommendation

The Gila County Health and Emergency Services Division Director recommends that the Board of Supervisors approve the re-enrollment applications to continue to be an AHCCCS provider in compliance with the Affordable Care Act.

Suggested Motion

Approval of two (2) Provider Participation Agreements between Gila County d/b/a Gila County Division of Health and Emergency Services, Office of Health (one agreement for the Payson office and one for the Globe office) and the Arizona Health Care Cost Containment System (AHCCCS) to continue to be an AHCCCS provider both in Globe and Payson in compliance with the Affordable Care Act.

Attachments

Re-enrollment Globe

Re-enrollment Payson

Legal Explanation

**PROVIDER PARTICIPATION AGREEMENT**  
Between  
**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (“AHCCCS”)**  
and

Provider Name:	Gila County dba: Gila County Division of Health & Emergency Services, Office of Health, Globe
SSN/Tax ID# :	86-6000444
Business Address:	5515 S. Apache Avenue, Suite 100
City/State/Zip:	Globe, AZ 85501
Email Address:	ldalrymp@co.gila.az.us

(Correspondence)

**A. PURPOSE:**

This Agreement between AHCCCS and the Provider is made pursuant to Title XIX and Title XXI of the Social Security Act and A.R.S. §36-2901 et seq. to govern: (1) the registration and payment for the health care services provided by the Provider to fee-for service eligible persons who are not enrolled with a Contractor under contract with AHCCCS (“Contractor”) or who receive emergency services only, (2) the registration for a Provider to participate and deliver health care services to eligible persons who are enrolled with a Contractor, and (3) the registration of a Provider who wishes to participate and qualify under the one-time only waiver option.

Therefore, in consideration of the covenants contained in this Agreement:

**B. GENERAL TERMS AND CONDITIONS:**

1. Pursuant to 42 C.F.R. §431.107, Provider is prohibited from participation in the AHCCCS system unless a provider agreement with the Administration is in effect. Provider may not enter into or continue any contracts for the delivery of health care services to any AHCCCS eligible person with any Contractor if this Agreement is terminated. Furthermore, AHCCCS will not pay the Provider for any services rendered if there is no Agreement in effect at the time a claim is submitted.
2. When AHCCCS issues an amendment to modify this Agreement or to modify documents incorporated by reference as part of this Agreement, the provisions of such amendment will be deemed to have been accepted thirty (30) days after the date AHCCCS provides notice to the Provider, even if the amendment has not been signed by the Provider. If the Provider gives written notice of refusal of the amendment to AHCCCS prior to the end of the (thirty) 30 days stated above, this Agreement shall terminate.
3. Pursuant to 42 C.F.R. §447.10, payment for any service furnished to an AHCCCS eligible person by Provider will not be made to or through a factor, either directly or by power of attorney.
4. The Provider shall maintain all records relating to performance of this Agreement in compliance with all specifications for record-keeping established by AHCCCS. All books and records shall be maintained in such detail as to reflect each service provided and all other costs and expenses of whatever nature for which payment is made to the Provider. Such material shall be subject to inspection, audit or copying by the state, AHCCCS, the U.S. Department of Health and Human Services, and any other duly authorized representative of the state or federal governments during normal business hours at the Provider’s place of business. The AHCCCS Office of Inspector General (“AHCCCS-OIG”) reserves the right to request and secure original records from Provider at Provider’s expense. The AHCCCS-OIG shall be responsible for maintaining and safeguarding the integrity of these records, and will provide Provider with sufficient time to copy records for Provider’s use.

5. The Provider shall preserve and make available the records described in Paragraph 4 above for a period of five (5) years from the date of payment under this Agreement, except: (a) if this Agreement is terminated, the records shall be preserved and made available for a period of five (5) years from the date of any such termination; (b) records which relate to disputes, appeals, litigation or the settlement of claims arising out of this Agreement, or costs and expenses of this Agreement to which exception has been taken by the state, shall be retained by the Provider until such disputes, appeals, litigation, claims or exceptions have been fully and completely resolved. The Provider shall comply with all applicable AHCCCS rules and policies relating to the audit of the Provider's records and the inspection of the Provider's facilities. If the Provider is an inpatient facility, the Provider shall file uniform reports and Title XVIII and XIX cost reports with AHCCCS.
6. The Provider shall comply with all federal, state and local laws, rules, regulations, standards, and executive orders governing performance of duties under this Agreement, without limitation to those designated within this Agreement.
7. The Provider shall comply with all AHCCCS and/or Contractor Provider Manuals and Policy Guidelines, including the AHCCCS Minimum Subcontract provisions found on the AHCCCS public website, and any amendments thereto, all of which are incorporated by reference into this Agreement.
8. The Provider, by execution of this Agreement, warrants that it has the ability, authority, skill, expertise and capacity to perform the services specified in this contract. The Provider shall obtain and maintain all licenses, permits and certifications necessary to do business and render services under this Agreement and, where applicable, shall comply with all laws regarding safety, unemployment insurance, disability insurance and worker's compensation. The Provider shall notify the AHCCCS Administration within twenty-four (24) hours of a termination or suspension of its license.
9. The Provider agrees to hold harmless the state, all state officers and employees, AHCCCS, and any other applicable state agencies, and all officers and employees of AHCCCS against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses which may, in any manner, accrue against the State, AHCCCS, its agents, officers, or employees or AHCCCS Contractors, through the intentional conduct, negligence or omission of the Provider and its agents, officers or employees.
10. The Provider expressly acknowledges and agrees that AHCCCS is in no way establishing any sort of employment relationship with Provider through this Agreement. The Provider is not the employee of AHCCCS. AHCCCS bears no responsibility for taxes, unemployment insurance, or workers compensation on behalf of the Provider.
11. The Provider shall maintain for the duration of this Agreement all necessary policies of professional liability insurance, comprehensive general liability insurance and automobile liability insurance. The Provider agrees that any insurance protection required by the Agreement, or otherwise obtained by the Provider, shall not limit the responsibility of Provider to indemnify, hold harmless and defend the State and AHCCCS, and their agents, officers and employees as provided herein. The Provider bears all responsibility for taxes, worker's compensation insurance, unemployment insurance, and any other applicable insurance coverage for itself and its employees.
12. Confidential and protected health information shall be safeguarded pursuant to all federal and state laws and regulations.
13. Any appeals or claim disputes filed by the Provider shall be adjudicated in accordance with AHCCCS rules as published in the Arizona Administrative Code. The Provider agrees to waive attorneys' fees in any dispute concerning this Agreement.

14. For Fee-For-Service Providers, AHCCCS agrees to make payments to the Provider, consistent with State and Federal Law, the terms of this Agreement, and the AHCCCS Capped Fee-For-Service Payment Schedule (including amendments thereto and as hereby incorporated by reference) for services provided by the Provider to fee-for-service eligible persons. With respect to fee-for-service eligible persons, the Provider agrees to bill and accept payment in accordance with the terms of this Agreement, state and federal law, and the following documents, including amendments thereto and hereby incorporated by reference: the AHCCCS Fee-for-Service Manuals, the AHCCCS Medical Policy Manual, AHCCCS Claims Clues and other written directives provided by AHCCCS to the Provider. These documents are made available to the provider via the AHCCCS Internet website ([www.azahcccs.gov](http://www.azahcccs.gov)) or in hard copy form.
15. With respect to any services furnished by the Provider to an AHCCCS eligible person enrolled with a Contractor, the terms and conditions of payment shall be as set forth in the contract between the Provider and the Contractor notwithstanding any inconsistent provisions as set forth in Paragraph 14, above. The Provider agrees to hold AHCCCS harmless, and agrees not to seek reimbursement from AHCCCS, for services rendered to an enrolled member pursuant to a contract between the Provider and a Contractor. If the contract is silent on a claims issue, the AHCCCS Fee-For-Service provisions will govern.
16. Provider shall conform its billing practices to ICD9 or ICD10, whichever is in effect on date of service, CPT, HCPCS, CDT and HIPAA TCS compliance standards. Upon request, Provider shall disclose to AHCCCS which CPT and/or CDT coding guidelines Provider uses prior to any audit of Provider. Any Provider changes to its methodology shall be documented with the date of change.
17. Provider shall ensure that its Electronic Health Records System (EHR) is programmed to track and capture any changes or modifications to the electronic health record.
18. The Provider agrees to bill AHCCCS only after a potential third party payer has been billed. After payment from any potential third party payer, the Provider agrees to bill AHCCCS the balance due only up to the limit of the member's responsibility.
19. No Provider may bill with another Provider's ID number, except in locum tenens situations.
20. No Provider may use the AHCCCS/ALTCS/KidsCare or any other AHCCCS program logo or design on any written materials disseminated by Provider, absent written approval by AHCCCS.
21. In addition to any other remedies available under this Agreement, AHCCCS shall be entitled to offset against any amounts due the Provider any overpayments, expenses or costs incurred by AHCCCS concerning the Provider's non-compliance with this Agreement. AHCCCS also retains the right to offset for Medicare sanctions. Provider may be held financially liable for acts committed by its independent contractors that would constitute non-compliance with this Agreement. The rights and remedies of AHCCCS under this Agreement are not exclusive.
22. The Provider shall not bill, nor attempt to collect payment directly or through a collection agency from a person claiming to be AHCCCS eligible without first receiving verification from AHCCCS that the person was ineligible for AHCCCS on the date of service, or that services provided were not AHCCCS-covered services. The Provider agrees to comply with A.R.S. §36-2903.01 and A.A.C. R9-22-702, which prohibits the Provider from charging, collecting or attempting to collect payment from an AHCCCS eligible person or the financially responsible relative or representative. AHCCCS retains the right to offset against any amounts due the Provider, if Provider fails to comply with the rules and regulations governing the billing of AHCCCS eligible persons.
23. Pursuant to the Federal Fraud Enforcement and Recovery Act of 2009 (FERA), AHCCCS defines a "claim" for purposes of fraud enforcement and recovery to mean "a request or demand for money or property that is presented to the government, state, contractor, grantee or other recipient, if the money or property is to be spent or used on the government's behalf or to advance the government's interest".
24. Any Provider who receives or makes annual Medicaid payments under the State Plan of at least \$5 million dollars must certify its compliance with Public Law (PL) 109-171 Section 6032 of the 2005 Deficit Reduction Act (DRA) [42 U.S.C. §1396a(a)(68)].

25. If Provider or any employee or contractor of Provider discovers, or is made aware, that an incident of potential fraud or abuse has occurred, the Provider shall report the incident to the AHCCCS Office of Inspector General (AHCCCS OIG) in accordance with state statutes and AHCCCS policy.
26. By signing this Agreement, Provider certifies that it is in compliance with State Medicaid Director Letter (SMDL) 09-001 and has screened all its employees and contractors for persons that have been excluded from participation in Federal health care programs.
27. Pursuant to Section 6505 of the Affordable Care Act of 2010 [42 U.S.C. §1396a(a)(80)], AHCCCS shall not make any payments for items or services provided under the State Plan or under a waiver to any financial institution or entity located outside of the United States (U.S.).
28. Pursuant to Section 6402 of the Affordable Care Act of 2010, if Provider has received an overpayment, Provider shall report and return the overpayment to AHCCCS or the Contractor within 60 days of the date the overpayment was identified.
29. AHCCCS may require Provider or any employees or contractors of Provider to verify United States citizenship or lawful permanent resident status prior to the signing of this Agreement. AHCCCS may, at its sole discretion, conduct criminal background checks and/or fingerprint checks on Provider or any employees or contractors of Provider.
30. Provider agrees to submit, upon request by AHCCCS or the federal government, full and complete information as to ownership, business transactions, and criminal activity, all in accordance with 42 C.F.R. 455 Subpart B and State law. Provider further agrees to report to AHCCCS immediately any debarment or suspension of any its owners, managers, licensed professionals, or any other employees.
31. Upon thirty (30) days written notice, either Party may voluntarily terminate this Agreement. AHCCCS has the right to terminate or suspend this Agreement upon twenty-four (24) hours written notice when AHCCCS deems the health or welfare of a member is endangered; the Provider fails to comply with this Agreement or with Federal and State laws and regulations; or there is a cancellation, termination or material modification in the Provider's qualifications to provide. AHCCCS may also terminate this Agreement if it is found that gratuities in the form of entertainment, gifts, or otherwise, were offered or given by Provider or any agent or representative of Provider to any officer or employee of the State with a view towards securing a contract or securing favorable treatment with respect to a contract.
32. Upon any termination of this Agreement, Provider shall assist in providing for the orderly transition of care for members assigned to the Provider.

I have read, understand, and agree to abide by all the terms and conditions set forth in this Agreement.

FOR AND ON BEHALF OF THE PROVIDER

FOR AND ON BEHALF OF AHCCCSA

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorization

\_\_\_\_\_  
Micheal A. Pastor

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chairman of the Board

\_\_\_\_\_  
Title

\_\_\_\_\_  
Provider Number Assigned

## Request for Taxpayer Identification Number and Certification

**Give Form to the  
 requester. Do not  
 send to the IRS.**

**Name (as shown on your income tax return)**  
**Gila County**

**Business name/disregarded entity name, if different from above**

Check appropriate box for federal tax classification (required):  
 Individual/sole proprietor     C Corporation     S Corporation     Partnership     Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

Other (see instructions) ▶

Exempt payee

**Address (number, street, and apt. or suite no.)**  
**1400 East Ash Street**

**City, state, and ZIP code**  
**Globe, Az. 85501**

**Requester's name and address (optional)**

List account number(s) here (optional)

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Social security number**

				-			-				
--	--	--	--	---	--	--	---	--	--	--	--

**Employer identification number**

8	6	-	6	0	0	0	4	4	4
---	---	---	---	---	---	---	---	---	---

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

**Certification Instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here**    Signature of U.S. person ▶ *Debra Savage*    Date ▶ *5-24-11*

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.



**STATE OF ARIZONA**  
**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**  
*PROMOTING HONESTY AND INTEGRITY*  
**OFFICE OF INSPECTOR GENERAL**

Janice K. Brewer  
 Governor,  
 Thomas J. Betlach  
 Director

**Re-Enrollment Address Verification Form**

(Completed W-9 Must Be Included, for each unique Tax Identification Number listed)

NAME (Last, First, M.I. or Company Name): Gila County dba: Division of Health & Emergency Services, Office of Health - Globe  
 SOCIAL SECURITY NUMBER: \_\_\_\_\_ GENDER:  FEMALE  MALE DATE OF BIRTH: \_\_\_\_\_  
 AHCCCS PROVIDER ID#: 479718 NPI # 1700941507

**LIST ALL CURRENT ADDRESSES**

NOTE: Form will be returned if not completed.

**CORRESPONDENCE ADDRESS**

STREET LINE #1: 5515 S. Apache Avenue  
 STREET LINE #2: Suite 100  
 CITY: Globe STATE: Arizona ZIP: 85501  
 BUSINESS PHONE: (928) 402 - 8807 EMERGENCY PHONE: ( ) -  
 ATTENTION TO: Lorraine Dalrymple, RN

**PAY-TO ADDRESS (SITE 01)**

STREET LINE #1: 5515 S. Apache Avenue  
 STREET LINE #2: Suite 100  
 CITY: Globe STATE: Arizona ZIP: 85501  
 BUSINESS PHONE: (928) 402 - 8811 EMERGENCY PHONE: ( ) -  
 ATTENTION TO: Lorraine Dalrymple, RN  
 EMPLOYER TAX ID# 86-6000444 BEGIN DATE: \_\_\_\_\_ END DATE: \_\_\_\_\_

**SERVICE ADDRESS (SITE 01) *Must be a Street Address***

STREET LINE #1: 5515 S. Apache Avenue  
 STREET LINE #2: Suite 100  
 CITY: Globe STATE: Arizona ZIP: 85501  
 BUSINESS PHONE: (928) 402 - 8811 EMERGENCY PHONE: ( ) -  
 FAX PHONE: (928) 425 - 0794 ATTENTION TO: Lorraine Dalrymple, RN  
 BEGIN DATE: 11/01/1999 END DATE: \_\_\_\_\_ PAY-TO LOC. CODE:\* 01

(\*=Please indicate the locator code for the pay-to address that applies to this service address.)

I affirm under penalty of law that the information on this form is true, accurate, and complete to the best of my knowledge.

SIGNATURE:\*\* \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

\*\*Must be signature of Provider or Authorized Signor on file with AHCCCS

**PAY-TO ADDRESS (SITE 02)**

STREET LINE #1: \_\_\_\_\_

STREET LINE #2: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

BUSINESS PHONE: ( ) \_\_\_\_\_ EMERGENCY PHONE: ( ) \_\_\_\_\_

ATTENTION TO: \_\_\_\_\_

EMPLOYER TAX ID# \_\_\_\_\_ BEGIN DATE: \_\_\_\_\_ END DATE: \_\_\_\_\_

**SERVICE ADDRESS (SITE 02) *Must be a Street Address***

STREET LINE #1: \_\_\_\_\_

STREET LINE #2: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

BUSINESS PHONE: ( ) \_\_\_\_\_ EMERGENCY PHONE: ( ) \_\_\_\_\_

FAX PHONE: ( ) \_\_\_\_\_ ATTENTION TO: \_\_\_\_\_

BEGIN DATE: \_\_\_\_\_ END DATE: \_\_\_\_\_ PAY-TO LOC. CODE:\* \_\_\_\_\_

(\*Please indicate the locator code for the pay-to address that applies to this service address.)

**PAY-TO ADDRESS (SITE 03)**

STREET LINE #1: \_\_\_\_\_

STREET LINE #2: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

BUSINESS PHONE: ( ) \_\_\_\_\_ EMERGENCY PHONE: ( ) \_\_\_\_\_

ATTENTION TO: \_\_\_\_\_

EMPLOYER TAX ID# \_\_\_\_\_ BEGIN DATE: \_\_\_\_\_ END DATE: \_\_\_\_\_

**SERVICE ADDRESS (SITE 03) *Must be a Street Address***

STREET LINE #1: \_\_\_\_\_

STREET LINE #2: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

BUSINESS PHONE: ( ) \_\_\_\_\_ EMERGENCY PHONE: ( ) \_\_\_\_\_

FAX PHONE: ( ) \_\_\_\_\_ ATTENTION TO: \_\_\_\_\_

BEGIN DATE: \_\_\_\_\_ END DATE: \_\_\_\_\_ PAY-TO LOC. CODE:\* \_\_\_\_\_

(\*Please indicate the locator code for the pay-to address that applies to this service address.)

I affirm under penalty of law that the information on this form is true, accurate, and complete to the best of my knowledge.

SIGNATURE:\*\* \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

\*\*Must be signature of Provider or Authorized Signor on file with AHCCCS

Michael A. Pastor, Chairman

Copy if additional pages are needed

02/2013





## DISCLOSURE OF OWNERSHIP/CONTROL AND CRIMINAL OFFENSES STATEMENTS

### Item I. Identifying Information

- (a) Name of Individual, Facility or Organization: Gila County Board of Supervisors
- (b) DBA Name: Gila Co. Division of Health & Emergency Services, Office of Health, Globe
- (c) Federal Tax Identification Number (TIN) or Social Security Number (SSN): 86-6000444
- (d) Check the entity type that best describes the structure of the enrolling provider entity. Check **only one** box.
- For-Profit Corporation   
  Non-Profit Corporation   
  Partnership   
 Government Owned   
 Sole Proprietorship
- (e) Is this entity chain affiliated?     No     Yes

As required by 42 CFR Part 455, Subpart B which implements Section 1124, 1126, 1902(a) (38), 1903(l) (2) and 1903(n) of the Social Security Act and sets forth State Plan requirements regarding Full Disclosure of Ownership and Control and Related Party Transactions, the following information must be submitted to AHCCCS prior to registration and upon each renewal of certification or licensure in order to participate as an AHCCCS provider.

AHCCCS may refuse to enter into or renew an agreement with a provider if the provider fails to disclose ownership and control interest information, information related to business transactions and information on persons convicted of crimes, or if the provider did not fully and accurately make the disclosures as required.

### Item II. Ownership and Control Interest Information (Reference-42CFR, Part 455.104 and SSA 1124)

- (a) List the name, title, address, SSN and DOB for each officer and/or individual who has direct or indirect ownership or control interest, separately or in combination, amounting to an ownership interest of 5% or more of the provider entity. List the name, TIN, and address of any organization, corporation, or entity having direct or indirect ownership or control interest, separately or in combination, amounting to an ownership interest of 5% or more in the provider entity. Also, list below all officers, owners, managing employees and ownership entities. Use attachment A if additional space is needed.

Name	Title	Address	SSN/TIN	Date of Birth	Percentage

- (b) For any corporate entity, listed in (a), that has an ownership or control interest of 5% or more, list the following information for that entity: Include all business addresses, both service addresses and P.O. boxes. Use attachment A if additional space is needed.

Name	Address	TIN	Percentage

- (c) List the name, title, address and SSN of each person with an ownership or control interest in any subcontractor in which the disclosing entity has direct or indirect ownership of 5 percent or more.

Name	Title	Address	SSN	Percentage

- (d). List those persons named in Item II (a),(c) that are related to each other (spouse, parent, child, or sibling).

Name	Relationship	SSN	Date of Birth

- (e) List the name, address and TIN of any other disclosing entity in which a person with an ownership or control interest in the disclosing entity also has ownership or control interest of at least 5% or more.

Name	Address	TIN	Percentage



## DISCLOSURE OF OWNERSHIP/CONTROL AND CRIMINAL OFFENSES STATEMENTS

<b>Item III. Criminal Offenses</b> <i>(Reference-42CFR, Part 455.106 and SSA 1124)</i>			
(a) List the name, title, SSN and address of each officer and/or individual who has ownership or control interest in the disclosing entity, or is an agent or managing employee of the disclosing entity and has been convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid or the Title XX services program since the inception of those programs.			
Name	Title	Address	SSN (or TIN in organization)
(b) List the name, title, SSN and address of any individual who has an ownership or control interest in the disclosing entity and has been suspended or debarred from participation in Medicare, Medicaid or Title XX program at any time since the inception of those programs.			
Name	Title	Address	SSN
<b>Item IV. Board of Directors</b>			
List the name, title and address of each member of the Board of Directors of the disclosing entity.			
Name	Title	Address	
Michael A. Pastor	Chairman	1400 E. Ash Street, Globe, AZ 85501	
Tommie C. Martin	Vice-Chairman	1400 E. Ash Street, Globe, AZ 85501	
John D. Marcanti	Member	1400 E. Ash Street, Globe, AZ 85501	
I affirm under penalty of law that the information I have provided for this form is true, accurate and complete to the best of my knowledge.			
<b>Michael A. Pastor</b>		<b>Chairman</b>	
_____ Print Name of Authorized Representative	_____ Title		
_____ Signature of Authorized Representative	_____ Date		

Revised 06/2012



**PROVIDER PARTICIPATION AGREEMENT**  
Between  
**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (“AHCCCS”)**  
and

Provider Name:	Gila County dba: Gila County Division of Health & Emergency Services, Office of Health, Payson
SSN/Tax ID# :	86-6000444
Business Address:	107 West Frontier, Suite A
City/State/Zip:	Payson, AZ 85541
Email Address:	ldalrymp@co.gila.az.us

(Correspondence)

**A. PURPOSE:**

This Agreement between AHCCCS and the Provider is made pursuant to Title XIX and Title XXI of the Social Security Act and A.R.S. §36-2901 et seq. to govern: (1) the registration and payment for the health care services provided by the Provider to fee-for service eligible persons who are not enrolled with a Contractor under contract with AHCCCS (“Contractor”) or who receive emergency services only, (2) the registration for a Provider to participate and deliver health care services to eligible persons who are enrolled with a Contractor, and (3) the registration of a Provider who wishes to participate and qualify under the one-time only waiver option.

Therefore, in consideration of the covenants contained in this Agreement:

**B. GENERAL TERMS AND CONDITIONS:**

1. Pursuant to 42 C.F.R. §431.107, Provider is prohibited from participation in the AHCCCS system unless a provider agreement with the Administration is in effect. Provider may not enter into or continue any contracts for the delivery of health care services to any AHCCCS eligible person with any Contractor if this Agreement is terminated. Furthermore, AHCCCS will not pay the Provider for any services rendered if there is no Agreement in effect at the time a claim is submitted.
2. When AHCCCS issues an amendment to modify this Agreement or to modify documents incorporated by reference as part of this Agreement, the provisions of such amendment will be deemed to have been accepted thirty (30) days after the date AHCCCS provides notice to the Provider, even if the amendment has not been signed by the Provider. If the Provider gives written notice of refusal of the amendment to AHCCCS prior to the end of the (thirty) 30 days stated above, this Agreement shall terminate.
3. Pursuant to 42 C.F.R. §447.10, payment for any service furnished to an AHCCCS eligible person by Provider will not be made to or through a factor, either directly or by power of attorney.
4. The Provider shall maintain all records relating to performance of this Agreement in compliance with all specifications for record-keeping established by AHCCCS. All books and records shall be maintained in such detail as to reflect each service provided and all other costs and expenses of whatever nature for which payment is made to the Provider. Such material shall be subject to inspection, audit or copying by the state, AHCCCS, the U.S. Department of Health and Human Services, and any other duly authorized representative of the state or federal governments during normal business hours at the Provider’s place of business. The AHCCCS Office of Inspector General (“AHCCCS-OIG”) reserves the right to request and secure original records from Provider at Provider’s expense. The AHCCCS-OIG shall be responsible for maintaining and safeguarding the integrity of these records, and will provide Provider with sufficient time to copy records for Provider’s use.

5. The Provider shall preserve and make available the records described in Paragraph 4 above for a period of five (5) years from the date of payment under this Agreement, except: (a) if this Agreement is terminated, the records shall be preserved and made available for a period of five (5) years from the date of any such termination; (b) records which relate to disputes, appeals, litigation or the settlement of claims arising out of this Agreement, or costs and expenses of this Agreement to which exception has been taken by the state, shall be retained by the Provider until such disputes, appeals, litigation, claims or exceptions have been fully and completely resolved. The Provider shall comply with all applicable AHCCCS rules and policies relating to the audit of the Provider's records and the inspection of the Provider's facilities. If the Provider is an inpatient facility, the Provider shall file uniform reports and Title XVIII and XIX cost reports with AHCCCS.
6. The Provider shall comply with all federal, state and local laws, rules, regulations, standards, and executive orders governing performance of duties under this Agreement, without limitation to those designated within this Agreement.
7. The Provider shall comply with all AHCCCS and/or Contractor Provider Manuals and Policy Guidelines, including the AHCCCS Minimum Subcontract provisions found on the AHCCCS public website, and any amendments thereto, all of which are incorporated by reference into this Agreement.
8. The Provider, by execution of this Agreement, warrants that it has the ability, authority, skill, expertise and capacity to perform the services specified in this contract. The Provider shall obtain and maintain all licenses, permits and certifications necessary to do business and render services under this Agreement and, where applicable, shall comply with all laws regarding safety, unemployment insurance, disability insurance and worker's compensation. The Provider shall notify the AHCCCS Administration within twenty-four (24) hours of a termination or suspension of its license.
9. The Provider agrees to hold harmless the state, all state officers and employees, AHCCCS, and any other applicable state agencies, and all officers and employees of AHCCCS against all injuries, deaths, losses, damages, claims, suits, liabilities, judgments, costs and expenses which may, in any manner, accrue against the State, AHCCCS, its agents, officers, or employees or AHCCCS Contractors, through the intentional conduct, negligence or omission of the Provider and its agents, officers or employees.
10. The Provider expressly acknowledges and agrees that AHCCCS is in no way establishing any sort of employment relationship with Provider through this Agreement. The Provider is not the employee of AHCCCS. AHCCCS bears no responsibility for taxes, unemployment insurance, or workers compensation on behalf of the Provider.
11. The Provider shall maintain for the duration of this Agreement all necessary policies of professional liability insurance, comprehensive general liability insurance and automobile liability insurance. The Provider agrees that any insurance protection required by the Agreement, or otherwise obtained by the Provider, shall not limit the responsibility of Provider to indemnify, hold harmless and defend the State and AHCCCS, and their agents, officers and employees as provided herein. The Provider bears all responsibility for taxes, worker's compensation insurance, unemployment insurance, and any other applicable insurance coverage for itself and its employees.
12. Confidential and protected health information shall be safeguarded pursuant to all federal and state laws and regulations.
13. Any appeals or claim disputes filed by the Provider shall be adjudicated in accordance with AHCCCS rules as published in the Arizona Administrative Code. The Provider agrees to waive attorneys' fees in any dispute concerning this Agreement.

14. For Fee-For-Service Providers, AHCCCS agrees to make payments to the Provider, consistent with State and Federal Law, the terms of this Agreement, and the AHCCCS Capped Fee-For-Service Payment Schedule (including amendments thereto and as hereby incorporated by reference) for services provided by the Provider to fee-for-service eligible persons. With respect to fee-for-service eligible persons, the Provider agrees to bill and accept payment in accordance with the terms of this Agreement, state and federal law, and the following documents, including amendments thereto and hereby incorporated by reference: the AHCCCS Fee-for-Service Manuals, the AHCCCS Medical Policy Manual, AHCCCS Claims Clues and other written directives provided by AHCCCS to the Provider. These documents are made available to the provider via the AHCCCS Internet website ([www.azahcccs.gov](http://www.azahcccs.gov)) or in hard copy form.
15. With respect to any services furnished by the Provider to an AHCCCS eligible person enrolled with a Contractor, the terms and conditions of payment shall be as set forth in the contract between the Provider and the Contractor notwithstanding any inconsistent provisions as set forth in Paragraph 14, above. The Provider agrees to hold AHCCCS harmless, and agrees not to seek reimbursement from AHCCCS, for services rendered to an enrolled member pursuant to a contract between the Provider and a Contractor. If the contract is silent on a claims issue, the AHCCCS Fee-For-Service provisions will govern.
16. Provider shall conform its billing practices to ICD9 or ICD10, whichever is in effect on date of service, CPT, HCPCS, CDT and HIPAA TCS compliance standards. Upon request, Provider shall disclose to AHCCCS which CPT and/or CDT coding guidelines Provider uses prior to any audit of Provider. Any Provider changes to its methodology shall be documented with the date of change.
17. Provider shall ensure that its Electronic Health Records System (EHR) is programmed to track and capture any changes or modifications to the electronic health record.
18. The Provider agrees to bill AHCCCS only after a potential third party payer has been billed. After payment from any potential third party payer, the Provider agrees to bill AHCCCS the balance due only up to the limit of the member's responsibility.
19. No Provider may bill with another Provider's ID number, except in locum tenens situations.
20. No Provider may use the AHCCCS/ALTCS/KidsCare or any other AHCCCS program logo or design on any written materials disseminated by Provider, absent written approval by AHCCCS.
21. In addition to any other remedies available under this Agreement, AHCCCS shall be entitled to offset against any amounts due the Provider any overpayments, expenses or costs incurred by AHCCCS concerning the Provider's non-compliance with this Agreement. AHCCCS also retains the right to offset for Medicare sanctions. Provider may be held financially liable for acts committed by its independent contractors that would constitute non-compliance with this Agreement. The rights and remedies of AHCCCS under this Agreement are not exclusive.
22. The Provider shall not bill, nor attempt to collect payment directly or through a collection agency from a person claiming to be AHCCCS eligible without first receiving verification from AHCCCS that the person was ineligible for AHCCCS on the date of service, or that services provided were not AHCCCS-covered services. The Provider agrees to comply with A.R.S. §36-2903.01 and A.A.C. R9-22-702, which prohibits the Provider from charging, collecting or attempting to collect payment from an AHCCCS eligible person or the financially responsible relative or representative. AHCCCS retains the right to offset against any amounts due the Provider, if Provider fails to comply with the rules and regulations governing the billing of AHCCCS eligible persons.
23. Pursuant to the Federal Fraud Enforcement and Recovery Act of 2009 (FERA), AHCCCS defines a "claim" for purposes of fraud enforcement and recovery to mean "a request or demand for money or property that is presented to the government, state, contractor, grantee or other recipient, if the money or property is to be spent or used on the government's behalf or to advance the government's interest".
24. Any Provider who receives or makes annual Medicaid payments under the State Plan of at least \$5 million dollars must certify its compliance with Public Law (PL) 109-171 Section 6032 of the 2005 Deficit Reduction Act (DRA) [42 U.S.C. §1396a(a)(68)].

25. If Provider or any employee or contractor of Provider discovers, or is made aware, that an incident of potential fraud or abuse has occurred, the Provider shall report the incident to the AHCCCS Office of Inspector General (AHCCCS OIG) in accordance with state statutes and AHCCCS policy.
26. By signing this Agreement, Provider certifies that it is in compliance with State Medicaid Director Letter (SMDL) 09-001 and has screened all its employees and contractors for persons that have been excluded from participation in Federal health care programs.
27. Pursuant to Section 6505 of the Affordable Care Act of 2010 [42 U.S.C. §1396a(a)(80)], AHCCCS shall not make any payments for items or services provided under the State Plan or under a waiver to any financial institution or entity located outside of the United States (U.S.).
28. Pursuant to Section 6402 of the Affordable Care Act of 2010, if Provider has received an overpayment, Provider shall report and return the overpayment to AHCCCS or the Contractor within 60 days of the date the overpayment was identified.
29. AHCCCS may require Provider or any employees or contractors of Provider to verify United States citizenship or lawful permanent resident status prior to the signing of this Agreement. AHCCCS may, at its sole discretion, conduct criminal background checks and/or fingerprint checks on Provider or any employees or contractors of Provider.
30. Provider agrees to submit, upon request by AHCCCS or the federal government, full and complete information as to ownership, business transactions, and criminal activity, all in accordance with 42 C.F.R. 455 Subpart B and State law. Provider further agrees to report to AHCCCS immediately any debarment or suspension of any its owners, managers, licensed professionals, or any other employees.
31. Upon thirty (30) days written notice, either Party may voluntarily terminate this Agreement. AHCCCS has the right to terminate or suspend this Agreement upon twenty-four (24) hours written notice when AHCCCS deems the health or welfare of a member is endangered; the Provider fails to comply with this Agreement or with Federal and State laws and regulations; or there is a cancellation, termination or material modification in the Provider's qualifications to provide. AHCCCS may also terminate this Agreement if it is found that gratuities in the form of entertainment, gifts, or otherwise, were offered or given by Provider or any agent or representative of Provider to any officer or employee of the State with a view towards securing a contract or securing favorable treatment with respect to a contract.
32. Upon any termination of this Agreement, Provider shall assist in providing for the orderly transition of care for members assigned to the Provider.

I have read, understand, and agree to abide by all the terms and conditions set forth in this Agreement.

FOR AND ON BEHALF OF THE PROVIDER

FOR AND ON BEHALF OF AHCCCSA

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorization

**Micheal A. Pastor**  
\_\_\_\_\_

Typed Name

\_\_\_\_\_  
Date

**Chairman of the Board**  
\_\_\_\_\_

Title

\_\_\_\_\_  
Provider Number Assigned



## Request for Taxpayer Identification Number and Certification

Give Form to the  
 requester. Do not  
 send to the IRS.

Print or type  
 See Specific Instructions on page 2.

Name (as shown on your income tax return) <b>Gila County</b>	
Business name/disregarded entity name, if different from above	
Check appropriate box for federal tax classification (required): <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate  <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____  <input checked="" type="checkbox"/> Other (see instructions) ▶ _____	
<input type="checkbox"/> Exempt payee	
Address (number, street, and apt. or suite no.) <b>1400 East Ash Street</b>	Requester's name and address (optional)
City, state, and ZIP code <b>Globe, Az. 85501</b>	
List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

<b>Social security number</b>	
[ ] [ ] [ ] - [ ] [ ] - [ ] [ ] [ ] [ ] [ ] [ ]	
<b>Employer identification number</b>	
8 6 - 6 0 0 0 4 4 4	

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

<b>Sign Here</b>	Signature of U.S. person ▶ <i>Debra Savage</i>	Date ▶ <i>5-24-11</i>
------------------	--	-----------------------

### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.



**STATE OF ARIZONA**  
**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**  
*PROMOTING HONESTY AND INTEGRITY*  
**OFFICE OF INSPECTOR GENERAL**

Janice K. Brewer  
 Governor,  
 Thomas J. Betlach  
 Director

**Re-Enrollment Address Verification Form**

(Completed W-9 Must Be Included, for each unique Tax Identification Number listed)

NAME (Last, First, M.I. or Company Name): Gila County dba: Division of Health & Emergency Services, Office of Health - Payson  
 SOCIAL SECURITY NUMBER: \_\_\_\_\_ GENDER:  FEMALE  MALE DATE OF BIRTH: \_\_\_\_\_  
 AHCCCS PROVIDER ID#: 486250 NPI # 1760547566

**LIST ALL CURRENT ADDRESSES**

**NOTE: Form will be returned if not completed.**

**CORRESPONDENCE ADDRESS**

STREET LINE #1: 5515 S. Apache Avenue  
 STREET LINE #2: Suite 100  
 CITY: Globe STATE: Arizona ZIP: 85501  
 BUSINESS PHONE: (928) 402 - 8807 EMERGENCY PHONE: ( )  
 ATTENTION TO: Lorraine Dalrymple, RN

**PAY-TO ADDRESS (SITE 01)**

STREET LINE #1: 5515 S. Apache Avenue  
 STREET LINE #2: Suite 100  
 CITY: Globe STATE: Arizona ZIP: 85501  
 BUSINESS PHONE: (928) 402 - 8811 EMERGENCY PHONE: ( )  
 ATTENTION TO: Lorraine Dalrymple, RN  
 EMPLOYER TAX ID# 86-6000444 BEGIN DATE: \_\_\_\_\_ END DATE: \_\_\_\_\_

**SERVICE ADDRESS (SITE 01) *Must be a Street Address***

STREET LINE #1: 107 W. Frontier  
 STREET LINE #2: Suite A  
 CITY: Payson STATE: Arizona ZIP: 85541  
 BUSINESS PHONE: (928) 474 - 1210 EMERGENCY PHONE: ( )  
 FAX PHONE: (928) 474 - 7069 ATTENTION TO: Lucinda Campbell, RN  
 BEGIN DATE: 11/01/1999 END DATE: \_\_\_\_\_ PAY-TO LOC. CODE:\* 01

(\*Please indicate the locator code for the pay-to address that applies to this service address.)

I affirm under penalty of law that the information on this form is true, accurate, and complete to the best of my knowledge.

SIGNATURE:\*\* \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

\*\*Must be signature of Provider or Authorized Signor on file with AHCCCS

**PAY-TO ADDRESS (SITE 02)**

STREET LINE #1: \_\_\_\_\_

STREET LINE #2: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

BUSINESS PHONE: ( ) \_\_\_\_\_ - \_\_\_\_\_ EMERGENCY PHONE: ( ) \_\_\_\_\_ - \_\_\_\_\_

ATTENTION TO: \_\_\_\_\_

EMPLOYER TAX ID# \_\_\_\_\_ BEGIN DATE: \_\_\_\_\_ END DATE: \_\_\_\_\_

**SERVICE ADDRESS (SITE 02) *Must be a Street Address***

STREET LINE #1: \_\_\_\_\_

STREET LINE #2: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

BUSINESS PHONE: ( ) \_\_\_\_\_ - \_\_\_\_\_ EMERGENCY PHONE: ( ) \_\_\_\_\_ - \_\_\_\_\_

FAX PHONE: ( ) \_\_\_\_\_ - \_\_\_\_\_ ATTENTION TO: \_\_\_\_\_

BEGIN DATE: \_\_\_\_\_ END DATE: \_\_\_\_\_ PAY-TO LOC. CODE:\* \_\_\_\_\_

(\*Please indicate the locator code for the pay-to address that applies to this service address.)

**PAY-TO ADDRESS (SITE 03)**

STREET LINE #1: \_\_\_\_\_

STREET LINE #2: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

BUSINESS PHONE: ( ) \_\_\_\_\_ - \_\_\_\_\_ EMERGENCY PHONE: ( ) \_\_\_\_\_ - \_\_\_\_\_

ATTENTION TO: \_\_\_\_\_

EMPLOYER TAX ID# \_\_\_\_\_ BEGIN DATE: \_\_\_\_\_ END DATE: \_\_\_\_\_

**SERVICE ADDRESS (SITE 03) *Must be a Street Address***

STREET LINE #1: \_\_\_\_\_

STREET LINE #2: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

BUSINESS PHONE: ( ) \_\_\_\_\_ - \_\_\_\_\_ EMERGENCY PHONE: ( ) \_\_\_\_\_ - \_\_\_\_\_

FAX PHONE: ( ) \_\_\_\_\_ - \_\_\_\_\_ ATTENTION TO: \_\_\_\_\_

BEGIN DATE: \_\_\_\_\_ END DATE: \_\_\_\_\_ PAY-TO LOC. CODE:\* \_\_\_\_\_

(\*Please indicate the locator code for the pay-to address that applies to this service address.)

I affirm under penalty of law that the information on this form is true, accurate, and complete to the best of my knowledge.

SIGNATURE:\*\* \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

\*\*Must be signature of Provider or Authorized Signor on file with AHCCCS

Michael A. Pastor, Chairman

Copy if additional pages are needed

02/2013



## DISCLOSURE OF OWNERSHIP/CONTROL AND CRIMINAL OFFENSES STATEMENTS

### Item I. Identifying Information

- (a) Name of Individual, Facility or Organization: Gila County Board of Supervisors
- (b) DBA Name: Gila Co. Division of Health & Emergency Services, Office of Health, Payson
- (c) Federal Tax Identification Number (TIN) or Social Security Number (SSN): 86-6000444
- (d) Check the entity type that best describes the structure of the enrolling provider entity. Check **only one** box.
- For-Profit Corporation   
  Non-Profit Corporation   
  Partnership   
 Government Owned   
 Sole Proprietorship
- (e) Is this entity chain affiliated?     No     Yes

As required by 42 CFR Part 455, Subpart B which implements Section 1124, 1126, 1902(a) (38), 1903(I) (2) and 1903(n) of the Social Security Act and sets forth State Plan requirements regarding Full Disclosure of Ownership and Control and Related Party Transactions, the following information must be submitted to AHCCCS prior to registration and upon each renewal of certification or licensure in order to participate as an AHCCCS provider.

AHCCCS may refuse to enter into or renew an agreement with a provider if the provider fails to disclose ownership and control interest information, information related to business transactions and information on persons convicted of crimes, or if the provider did not fully and accurately make the disclosures as required.

### Item II. Ownership and Control Interest Information *(Reference-42CFR, Part 455.104 and SSA 1124)*

- (a) List the name, title, address, SSN and DOB for each officer and/or individual who has direct or indirect ownership or control interest, separately or in combination, amounting to an ownership interest of 5% or more of the provider entity. List the name, TIN, and address of any organization, corporation, or entity having direct or indirect ownership or control interest, separately or in combination, amounting to an ownership interest of 5% or more in the provider entity. Also, list below all officers, owners, managing employees and ownership entities. Use attachment A if additional space is needed.

Name	Title	Address	SSN/TIN	Date of Birth	Percentage

- (b) For any corporate entity, listed in (a), that has an ownership or control interest of 5% or more, list the following information for that entity: Include all business addresses, both service addresses and P.O. boxes. Use attachment A if additional space is needed.

Name	Address	TIN	Percentage

- (c) List the name, title, address and SSN of each person with an ownership or control interest in any subcontractor in which the disclosing entity has direct or indirect ownership of 5 percent or more.

Name	Title	Address	SSN	Percentage

- (d) List those persons named in Item II (a),(c) that are related to each other (spouse, parent, child, or sibling).

Name	Relationship	SSN	Date of Birth

- (e) List the name, address and TIN of any other disclosing entity in which a person with an ownership or control interest in the disclosing entity also has ownership or control interest of at least 5% or more.

Name	Address	TIN	Percentage



## DISCLOSURE OF OWNERSHIP/CONTROL AND CRIMINAL OFFENSES STATEMENTS

**Item III. Criminal Offenses** (Reference-42CFR, Part 455.106 and SSA 1124)

(a) List the name, title, SSN and address of each officer and/or individual who has ownership or control interest in the disclosing entity, or is an agent or managing employee of the disclosing entity and has been convicted of a criminal offense related to that person's involvement in any program under Medicare, Medicaid or the Title XX services program since the inception of those programs.

Name	Title	Address	SSN (or TIN in organization)

(b) List the name, title, SSN and address of any individual who has an ownership or control interest in the disclosing entity and has been suspended or debarred from participation in Medicare, Medicaid or Title XX program at any time since the inception of those programs.

Name	Title	Address	SSN

**Item IV. Board of Directors**

List the name, title and address of each member of the Board of Directors of the disclosing entity.

Name	Title	Address
Michael A. Pastor	Chairman	1400 E. Ash Street, Globe, AZ 85501
Tommie C. Martin	Vice-Chairman	1400 E. Ash Street, Globe, AZ 85501
John D. Marcanti	Member	1400 E. Ash Street, Globe, AZ 85501

I affirm under penalty of law that the information I have provided for this form is true, accurate and complete to the best of my knowledge.

**Michael A. Pastor**

**Chairman**

Print Name of Authorized Representative

Title

Signature of Authorized Representative

Date





**GILA COUNTY ATTORNEY**  
*Bradley D. Beauchamp*

Re: County Attorney's Office approval of IGA pursuant to A.R.S. § 11-952(D).

To whom it may concern:

The County Attorney's Office has reviewed the Intergovernmental Agreement attached to this agenda item and has determined that it is in its "proper form" and "is within the powers and authority granted under the laws of this state to such public agency or public procurement unit" pursuant to A.R.S. § 11-952(D).

**Explanation of the Gila County Attorney's Office Intergovernmental Agreement (IGA) Review**

A.R.S. § 11-952(D) requires that

every agreement or contract involving any public agency or public procurement unit of this state . . . before its execution, shall be submitted to the attorney for each such public agency or public procurement unit, who shall determine whether the agreement is in proper form and is within the powers and authority granted under the laws of this state to such public agency or public procurement unit.

In performing this review, the County Attorney's Office reviews IGAs to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the IGA. That approval is solely the province of the public agency through its elected body.

Likewise, this approval is not a certification that the IGA has been properly executed. Proper execution can only be determined after all the entities entering into the IGA have taken legal action to approve the IGA. There is no statutory requirement for the County Attorney's Office to certify that IGAs are properly executed.

Nonetheless, it is imperative for each public agency to ensure that each IGA is properly executed because A.R.S. § 11-952(F) requires that "[a]ppropriate action ... applicable to the governing bodies of the participating agencies approving or extending the duration of the ... contract shall be necessary before any such agreement, contract or extension may be filed or become effective." This can be done by ensuring that the governing body gives the public proper notice of the meeting wherein action will be taken to approve the IGA, that the item is adequately described in the agenda accompanying the notice, and that the governing body takes such action. Any questions regarding whether the IGA has been properly executed may be directed to the County Attorney's Office.

Proper execution of IGAs is important because A.R.S. § 11-952(H) provides that "[p]ayment for services under this section shall not be made unless pursuant to a fully approved written contract." Additionally, A.R.S. § 11-952(I) provides that "[a] person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment."

The public agency or department submitting the IGA for review has the responsibility to read and understand the IGA in order to completely understand its obligations under the IGA if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the IGA as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor IGA compliance. Hence the public entity or submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the IGA will be necessary to monitor compliance.

Before determining whether an IGA contract "is in proper form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the IGA for review to ask any specific questions or address any concerns it has about the IGA to the County Attorney's Office at the same time they submit the IGA for review. Making such an inquiry also helps improve the County Attorney's Office review of the IGA because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the IGA.

**ARF-1891**

**4- T**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Reporting Period:** May 2013

**Submitted For:** Mary Navarro

**Submitted By:** Mary Navarro,  
Justice Court  
Operations  
Mgr, Superior  
Court

---

**Information**

**Subject**

Globe Regional Justice of the Peace's Office Monthly Report for May 2013

**Suggested Motion**

Acknowledgment of the May 2013 monthly activity report submitted by the Globe Regional Justice of the Peace's Office.

---

**Attachments**

Globe Regional Justice Court monthly reporting for May 2013

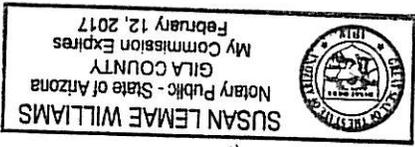
MAY, 2013	FUND NAME	AZTEC	CODE	ACCOUNT	ACCOUNT	CODE	TOTAL AMOUNT	5% FILL THE GAP	ADJUSTED
	Bulk Merchandise Civil Penalty	ZBULK	STATE	STATE	STATE	STATE	-	-	-
	Child Passenger Restraint	ZCPRF	STATE	STATE	STATE	5.56	0.28	5.28	
	Drug and Gang Enforcement Fines	ZDECF	STATE	STATE	STATE	750.77	37.54	713.23	
	Domestic Violence Shelter Fund	ZDVSF	STATE	STATE	STATE	-	-	-	
	FARE Special Collection Fee 19%	ZFAR1	STATE	STATE	STATE	3,926.14	-	3,926.14	
	FARE Delinquency Fee \$35.00	ZFAR2	STATE	STATE	STATE	15.63	0.79	14.84	
	Extra DUI Assessment \$500	ZGFDU	STATE	STATE	STATE	3,425.49	171.28	3,254.21	
	HURF 1 28-5438, 2533C	ZHRF1	STATE	STATE	STATE	44.72	-	42.48	
	HURF 3 28-5433C, 4139	ZHRF3	STATE	STATE	STATE	-	-	-	
	HURF - to DPS	ZHRFD	STATE	STATE	STATE	-	-	-	
	Registrar of Contractors	ZRCA	STATE	STATE	STATE	-	-	-	
	Display Suspended Plates (DPS)	ZSLPD	STATE	STATE	STATE	62.30	3.12	59.18	
	State Photo Enforcement Base Fine	ZSPBF	STATE	STATE	STATE	-	-	-	
	State Photo Enforcement Clean Election Surcharge	ZSPCE	STATE	STATE	STATE	-	-	-	
	Public Safety Equipment Fund	ZPSEF	STATE	STATE	STATE	-	-	-	
	Alternative Dispute Resolution	ZADR	STATE	STATE	STATE	-	-	-	
	Arizona Detection Reward Fund 41-2167D	ZADRF	STATE	STATE	STATE	47.33	2.37	44.96	
	Confidential Address Assessment - State Treasurer	ZCAA1	STATE	STATE	STATE	-	-	-	
	Confidential Address Assessment - Local	ZCAA2	STATE	STATE	STATE	-	-	-	
	Citizens Clean Elections	ZCEF	STATE	STATE	STATE	-	-	-	
	Criminal Justice Enhancement 67%	ZCJEF	STATE	STATE	STATE	1,598.93	-	1,598.93	
	Defensive Driving Diversion Fee	ZDDS	STATE	STATE	STATE	8,187.67	409.38	7,778.28	
	DNA State Surcharge 3% 12-116.01C	ZDNAS	STATE	STATE	STATE	1,330.00	66.50	1,263.50	
	DUI Abatement	ZDUA	STATE	STATE	STATE	303.75	15.19	288.56	
	Elected Officials Retirement Fund 15.30%	ZEORF	STATE	STATE	STATE	353.86	17.70	336.16	
	Extra Adult Probation Assessment	ZEXAP	STATE	STATE	STATE	34.73	1.74	32.99	
	Base Fees (General Fund)	ZFEE	STATE	STATE	STATE	831.60	41.58	790.02	
	Forensic Investigation Fund	ZFIF	STATE	STATE	STATE	-	-	-	
	Base Fines (General Fund)	ZFINE	STATE	STATE	STATE	16,900.38	845.02	16,055.36	
	Fill the Gap Surcharge 7%	ZFTGS	STATE	STATE	STATE	1,113.31	55.67	1,057.64	
	Failure To Pay Warrant Surcharge 10%	ZFTPS	STATE	STATE	STATE	1,102.41	55.13	1,047.28	
	HURF - to Sheriff's Office 28-5533G	ZHRFS	STATE	STATE	STATE	-	-	-	
	Judicial Collection Enhancement \$7	ZJCL	STATE	STATE	STATE	803.60	7.88	795.48	
	Judicial Collection Enhancement Local %	ZJCLF	STATE	STATE	STATE	157.47	7.88	149.59	
	Judicial Collection Enhancement \$13	ZJCS	STATE	STATE	STATE	1,499.23	74.99	1,424.24	
	Judicial Collection Enhancement %PC	ZJCSF	STATE	STATE	STATE	360.57	18.03	342.54	
	Jail (Incarceration) Fees	ZJF	STATE	STATE	STATE	1,725.58	85.26	1,640.32	
	Local Costs	ZLCL-5	STATE	STATE	STATE	291.40	14.57	276.83	
	Cost of Prosecution Reimbursement 60%	ZLCL6	STATE	STATE	STATE	222.58	11.13	211.45	
	Cost of Prosecution Reimbursement 40%	ZLCL7	STATE	STATE	STATE	148.38	7.42	140.96	
	County Attorney Bad Check Program	ZLCL7	STATE	STATE	STATE	165.56	8.28	157.28	
	Miscellaneous Fees - Local	ZMISC	STATE	STATE	STATE	562.67	28.14	534.53	
	Medical Services Enhancement 13%	ZMSEF	STATE	STATE	STATE	2,257.43	112.88	2,144.55	
	2011 Additional Assessment - County Treasurer	ZOS1	STATE	STATE	STATE	1,516.74	75.84	1,440.90	
	2011 Additional Assessment - State Treasurer	ZOS1	STATE	STATE	STATE	189.57	9.48	180.09	
	Officer Safety Equipment - City Police - Globe (CP)	ZOS3	STATE	STATE	STATE	64.87	3.25	61.62	
	Officer Safety Equipment - Sheriff (SHF)	ZOS4	STATE	STATE	STATE	52.66	2.64	50.02	
	Officer Safety Equipment - DPS (DPS)	ZOS5	STATE	STATE	STATE	624.06	31.21	592.85	
	Officer Safety Equipment - MVD/ADOT (MVD)	ZOS6	STATE	STATE	STATE	2.38	0.12	2.26	
	Officer Safety Equipment - Game and Fish (GF)	ZOS7	STATE	STATE	STATE	-	-	-	
	Officer Safety Equipment - Registrar of Contractors (ROFC)	ZOS8	STATE	STATE	STATE	-	-	-	
	Officer Safety Equipment - Globe Fire (FD)	ZOS13	STATE	STATE	STATE	-	-	-	
	Arizona Department of Insurance (ADI)	ZOS15	STATE	STATE	STATE	-	-	-	
	Officer Safety Equipment - Miami Police Dept. (MPD)	ZOS16	STATE	STATE	STATE	12.97	0.65	12.32	
	Health and Human Services (HHS)	ZOS17	STATE	STATE	STATE	-	-	-	
	Gila County Animal Control (R)	ZOS18	STATE	STATE	STATE	-	-	-	
	Officer Safety - San Carlos Tribal Police (SCPD)	ZOS19	STATE	STATE	STATE	1.42	0.08	1.34	
	Tricity Fire Department (TRFI)	ZOS20	STATE	STATE	STATE	-	-	-	
	San Carlos Game and Fish (SCGF)	ZOS23	STATE	STATE	STATE	-	-	-	
	Officer Safety Equip. - Hayden Police Dept. (HPD)	ZOS24	STATE	STATE	STATE	-	-	-	
	Arizona Department of Liquor (ADL)	ZOS25	STATE	STATE	STATE	-	-	-	
	Overpayment Forfeited	ZOVF	STATE	STATE	STATE	29.27	1.47	27.80	
	Adult Probation Fee	ZPBA	STATE	STATE	STATE	161.93	8.10	153.83	
	Prison Construction Fund	ZPCOF	STATE	STATE	STATE	2,846.22	142.32	2,703.90	
	Probation Surcharge 2006 (\$10.00)	ZPRS6	STATE	STATE	STATE	4,066.04	203.30	3,862.74	
	Probation Surcharge 2009 (\$20.00)	ZPRS9	STATE	STATE	STATE	112.68	5.64	107.04	
	Public Defender Fees	ZPUBZ	STATE	STATE	STATE	225.58	11.28	214.30	
	Reimbursement to County Attorney 60%	ZREIM	STATE	STATE	STATE	3,192.22	159.61	3,032.61	
	Reimbursement to County Attorney 40%	ZREIM	STATE	STATE	STATE	2,128.14	106.41	2,021.73	
	Security Enhancement Fee	ZSECE	STATE	STATE	STATE	-	-	-	
	State Highway Fund	ZSHWY	STATE	STATE	STATE	-	-	-	
	State Highway Work Zone Fund	ZSHWZ	STATE	STATE	STATE	-	-	-	

MAY, 2013		TOTAL ADJUSTED BALANCE VERIFICATION		TOTALS	
FUND NAME	AZTEC	ACCOUNT	CODE	ACCOUNT	CODE
Display Suspended Plates (Sheriff's Office)	ZSLPS	1005,300-3510,10	X105-4264	\$	4.77
Technical Registration Fund (\$15 Drug Offenses)	ZTECH			\$	0.24
Victims Assistance Fund	ZVAF			\$	25.00
Local Warrant Fee	ZWAR			\$	1.25
DARE - Sheriff's Office	ZDASO			\$	-
HURF - to City Police	ZHRFC			\$	-
Display Suspended Plates (City Police)	ZSLPC			\$	-
<b>TOTALS</b>					
				\$	67,944.13
				\$	2,453.77
<b>TOTAL ADJUSTED BALANCE</b>				\$	65,490.36
<b>TOTAL RESTITUTION RECEIVED</b>				\$	1,601.89
<b>TOTAL RECEIPTS THIS MONTH</b>				\$	69,546.02

DATE	CHECK NO.	AMOUNT	MONTHLY REMITTANCE TO:
		\$	ARIZONA STATE TREASURER
		\$	11,416.95
		\$	GILA COUNTY TREASURER
		\$	56,479.68
		\$	GILA COUNTY SHERIFF D.A.R.E.
		\$	47.50
		\$	CITY POLICE SUSPENDED PLATES
		\$	-
		\$	67,944.13
		\$	TOTAL DISTRIBUTIONS THIS MONTH

I, Gary Gortman, Justice of the Peace for the Globe Regional Justice Court, do hereby certify that the foregoing is a true and correct account of funds to the best of my knowledge and belief, collected by me for the month of MAY, 2013.

Justice of the Peace  
 Subscribed and Sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013.  
 My Commission Expires: \_\_\_\_\_

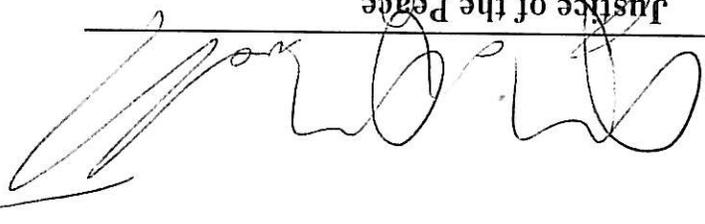


**GLOBE REGIONAL JUSTICE COURT  
MONTHLY TRUST REPORT**

**For the Month of: May, 2013**

**BONDS**

<b>BALANCE AT THE BEGINNING OF THE MONTH</b>	<b>\$ 5984.40</b>
<b>RECEIVED DURING THE MONTH</b>	<b>\$13,629.57</b>
<b>DISBURSED DURING THE MONTH</b>	<b>\$10,526.08</b>
<b>BALANCE AT THE END OF THE MONTH</b>	<b>\$ 9,087.89</b>

  
\_\_\_\_\_  
**Justice of the Peace**

  
\_\_\_\_\_  
**Financial Clerk**

\*Auditor General: Monthly trust report-summarize the courts bond and deposit transactions - although bond and deposit monies remain in the court bonds account, it must be included in financial reports - the report must be filed with the county disbursement and it must indicate beginning balances, deposits, withdrawals and balances due.

**ARF-1911**

**Consent Agenda Item 4- U**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Reporting Period:** May and June 2013

**Submitted For:**

Marian Sheppard,  
Clerk, BOS

**Submitted By:**

Marian Sheppard, Clerk, BOS, Clerk of  
the Board of Supervisors

---

### **Information**

**Subject**

May 28, 2013, and June 4, 2013, BOS Meeting Minutes

**Suggested Motion**

Approval of the May 28, 2013, and June 4, 2013, BOS meeting minutes.

---

### **Attachments**

[05-28-13 BOS Meeting Minutes](#)

[06-04-13 BOS Meeting Minutes](#)

**BOARD OF SUPERVISORS MINUTES  
GILA COUNTY, ARIZONA**

Date: May 28, 2013

**MICHAEL A. PASTOR**  
Chairman

**MARIAN E. SHEPPARD**  
Clerk of the Board

**TOMMIE C. MARTIN**  
Vice-Chairman

By: Laurie J. Kline  
Deputy Clerk

**JOHN D. MARCANTI**  
Member

Gila County Courthouse  
Globe, Arizona

---

PRESENT: Michael A. Pastor, Chairman; Tommie C. Martin, Vice-Chairman (via ITV); John D. Marcanti, Supervisor; Don McDaniel, Jr., County Manager; Jacque Griffin, Assistant County Manager/Librarian; Bryan Chambers, Deputy Attorney Principal; Marian E. Sheppard, Clerk.

**Item 1 - CALL TO ORDER - PLEDGE OF ALLEGIANCE - INVOCATION**

The Gila County Board of Supervisors met in a work session at 10:00 a.m. this date in the Board of Supervisors hearing room. Dr. Robert R. Howard, Minister, First Christian Church in Globe, delivered the invocation and Mickie Nye led the Pledge of Allegiance.

**Item 2 - REGULAR AGENDA ITEMS:**

**A. Information/Discussion/Action to approve an Intergovernmental Agreement between Gila County and the Town of Payson-Parks and Recreation for an economic development grant in an amount up to but not to exceed \$10,000 to improve or enhance the economic welfare of the inhabitants of the County.**

Vice-Chairman Martin stated that this funding request was previously handled with County Supervisors' constituent funds and is now being handled through an IGA/MOU (Intergovernmental Agreement/Memorandum of Understanding.) If the Board of Supervisors approves this economic development grant, it will be used in various ways of which some of this money will be used for the Mountain High Games, and also for the purchase of pipe to build horse stalls for equestrian events at the Payson Event Center. She advised that the \$10,000 will not be disbursed all at once. Vice-Chairman Martin further advised that although a formal request has not yet been presented to the County by the fire chiefs in northern Gila County, she anticipates the remaining portion of these funds, estimated to be \$3,000, will be used to

provide a permanent connection from a water tank located at Round Valley to the water source, which will include the cost of the pipe. That connection is a critical component of the wild fire suppression efforts taking place in northern Gila County.

Upon motion by Supervisor Marcanti, seconded by Vice-Chairman Martin, the Board unanimously approved an Intergovernmental Agreement between Gila County and the Town of Payson-Parks and Recreation for an economic development grant in an amount up to but not to exceed \$10,000 to improve or enhance the economic welfare of the inhabitants of the County.

**B. Information/Discussion/Action to adopt Resolution No. 13-06-03 declaring the Board of Supervisors' continuing support of the Southeast Arizona Land Exchange and Conservation Act, Resolution Copper's extensive reclamation of the historic Magma Mine in Superior, its contributions to the local economy and the potential for the Copper Triangle to become one of the largest copper producing regions in the world.**

Don McDaniel, County Manager, stated that he thought it best to defer this item to Bruce Richardson, Resolution Copper Communications and External Relations Manager, and Andrew Taplin, Resolution Copper Project Director, who were both present.

Mr. Taplin stated that the Supervisors were previously briefed regarding the importance of the project and the legislation that is required to support the project. He provided information and an update of how the legislation is progressing. In Superior, there is a large ore body, 1.6 billion tons, at a copper grade average of 1.5 percent and is 7,000 feet below the surface. The project is very large and expensive costing in excess of \$6 billion to construct. The construction time frame will be approximately ten years. Once developed, it is estimated that the project will contribute \$1 billion per year of economic value for the project life of approximately 40 years.

Mr. Taplin further stated that Resolution Copper has been working to progress the legislation to gain private access to a parcel of land near the Oak Flats campground, which will be impacted gradually over the life of the mine. Congresswoman Ann Kirkpatrick and Congressman Paul Gosar have worked in support of this project to introduce House Bill H.R. 687 in February and are bipartisan sponsors. There was a committee hearing in March, and two weeks ago Resolution Copper had a favorable vote by the House Committee. It is expected that the bill will move to the House of Representatives for a vote in the upcoming months. Senators Jeff Flake and John McCain are also strong supporters of moving this bill through the Senate.

Mr. Taplin explained that Resolution Copper has a strong presence in Superior; there are approximately 100 employees who are mostly from the local area. The prime contractor for the underground work is Cementation; which employs a team of approximately 100 people to develop the underground work. There is significant work ongoing to study the remainder of the project; a key element is the permitting process which is progressing very well. The other strong focus is what Resolution refers to as its, “social license to operate,” which is support of the community. Resolution is making a concerted effort to communicate with the community by having meetings to address concerns and give updates on the progress of the project.

There were no questions from the Board. Upon motion by Vice-Chairman Martin, seconded by Supervisor Marcanti, the Board unanimously adopted Resolution No. 13-06-03 declaring the Board of Supervisors’ continuing support of the Southeast Arizona Land Exchange and Conservation Act, Resolution Copper’s extensive reclamation of the historic Magma Mine in Superior, its contributions to the local economy and the potential for the Copper Triangle to become one of the largest copper producing regions in the world. **(A copy of the Resolution is permanently on file in the Board of Supervisors’ Office.)**

**C. Information/Discussion regarding a policy on community agency and economic development funding.**

Mr. McDaniel stated that although this meeting was scheduled as a work session, the first two items on the agenda were for Board action.

He explained that further discussion on this item was prompted by actions taken at a prior Board meeting regarding funding to agencies, lending County equipment or providing services. Mr. McDaniel suggested that the Board may want to consider this issue worthy of an annual discussion to determine which agencies the County wants to fund. He stated that the Board of Supervisors adopted this policy and procedures in February 2013, and it is known as policy number BOS-FIN-016 – Community Agency and Economic Development Funding.

The policy outlines having mutual consent of the recipient of the funds for in-kind services or manpower in lieu of funding be identified, primarily for auditors, the public and others. Each request that the County receives seems to vary, which makes it a bit of a challenge. Historically, there hasn’t always been an Intergovernmental Agreement (IGA) or a Memorandum of Understanding (MOU) between the various groups; however, these agreements are now required due to the implementation of the policy.

Chairman Pastor stated that the County has received a lot of “flack” regarding this policy. He feels this is one of the more important policies to discuss and

he emphasized the need to define some clear guidelines. Bryan Chambers, Deputy Attorney Principal, reviewed the statutes which cover economic development grants. The Board members provided examples of the different types of funding requests they have received in the past. Mr. Chambers then provided the guidelines for the use of constituent funds for the various funding requests and when an IGA or MOU is required per the County's policy.

Mr. McDaniel stated that it is his understanding that the Finance Department has on file a standing agreement with a process in place and guidelines to follow this policy. Chairman Pastor stated that it is the standard practice of the Board to submit all requests \$2,500 and above to the Finance Department, thus ultimately ensuring the policy is followed. Jerry Ellison, news reporter for KQSS radio station, inquired as to whether or not this new County policy and state statutes allow the County to award economic development grants to business startups. Mr. Chambers then reviewed the statute that applies to economic development grants and clarified that the business startups do not meet the requirements for an economic development grant. Marilyn Brewer, Executive Assistant to Supervisor Marcanti, inquired if an agreement is required when constituent funds are used to which Mr. McDaniel replied in the affirmative.

### **Item 3 - CALL TO THE PUBLIC:**

**Call to the Public is held for public benefit to allow individuals to address issue(s) within the Board's jurisdiction. Board members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to Arizona Revised Statute §38-431.01(H), action taken as a result of public comment will be limited to responding to criticism made by those who have addressed the Board of Supervisors, may ask staff to review the matter or may ask that a matter be put on a future agenda for further discussion and decision at a future date.**

Gloria Duff of Globe explained to the Board that she received a USDA (United States Department of Agriculture) rural development grant. She stated that she has an unsettled construction dispute with Rodriguez Constructions Inc., and has already filed a complaint with the Arizona Registrar of Contractors. Ms. Duff requested that the Board refrain from awarding any new contracts to Rodriguez Constructions Inc., until this issue is resolved and there are no open complaints with the Registrar of Contractors Agency.

Chairman Pastor stated that Ms. Duff may want to contact the County Attorney's office for assistance. Vice-Chairman Martin advised that Malissa Buzan, Community Services Division Director, is researching this matter. Mr. McDaniel clarified that this contract was not awarded by Gila County; however, he would discuss this issue with Ms. Buzan.

There being no further business to come before the Board of Supervisors,  
Chairman Pastor adjourned the meeting at 11:29 a.m.

**APPROVED:**

---

Michael A. Pastor, Chairman

**ATTEST:**

---

Marian Sheppard, Clerk of the Board

**BOARD OF SUPERVISORS MINUTES  
GILA COUNTY, ARIZONA**

Date: June 4, 2013

**MICHAEL A. PASTOR**  
Chairman

**MARIAN E. SHEPPARD**  
Clerk of the Board

**TOMMIE C. MARTIN**  
Vice-Chairman

By: Laurie J. Kline  
Deputy Clerk

**JOHN D. MARCANTI**  
Member

Gila County Courthouse  
Globe, Arizona

---

PRESENT: Michael A. Pastor, Chairman; John D. Marcanti, Supervisor; Don E. McDaniel, Jr., County Manager; Jacque Griffin, Assistant County Manager/Librarian; Bryan B. Chambers, Deputy Attorney Principal; and Marian Sheppard, Clerk of the Board

ABSENT: Tommie C. Martin, Vice-Chairman

**Item 1 – CALL TO ORDER – PLEDGE OF ALLEGIANCE - INVOCATION**

The Gila County Board of Supervisors met in a regular session at 10:00 a.m. this date in the Board of Supervisors hearing room. Don McDaniel led the Pledge of Allegiance and Pastor Joe Hittle of the Calvary Chapel in Payson delivered the invocation.

**Item 2 – AGENDA ITEMS:**

**A. Information/Discussion/Action to authorize the Chairman's signature on a letter of support to be attached to a grant application being submitted by Gila Community College and other Arizona colleges to the U.S. Department of Labor through its Trade Adjustment Assistance Program in an effort to secure approximately \$1 million of funding for Gila Community College.**

Dr. Stephen Cullen, Gila Community College Senior Dean, stated that Gila Community College has entered into a consortium with the following colleges: Arizona Western College, Central Arizona College, Cochise College and Eastern Arizona College in order to submit a grant application to the U.S. Department of Labor through its Trade Adjustment Assistance Program. He advised that because Gila Community College is a Provisional Community College District, it may not apply directly for this Collaborative Arizona College Training Initiative (CACTI) Project grant and that is the reason the letter refers to the Board

supporting Eastern Arizona College, which is a Community College District. The grant application must be submitted no later than the first week in July. The total grant application is in the amount of \$12 million and, if awarded to the consortium, \$1 million will go to Gila Community College. Dr. Cullen thanked Marian Sheppard, Clerk of the Board, for her help and assistance on this issue and previous college-related issues. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board authorized the Chairman's signature on a letter of support to be attached to a grant application being submitted by Gila Community College and other Arizona colleges to the U.S. Department of Labor through its Trade Adjustment Assistance Program in an effort to secure approximately \$1 million of funding for Gila Community College.

**B. Information/Discussion/Action to approve a Letter of Agreement (Number 2013-004) between the U.S. Department of Justice Drug Enforcement Administration and the Gila County Sheriff's Office in the amount of \$35,000 for the period of January 1, 2013, to December 31, 2013, in order to provide overtime pay related to the Domestic Cannabis Eradication/Suppression Program.**

Johnny Sanchez, Chief Deputy Sheriff, explained that in the past this grant from the U.S. Department of Justice Drug Enforcement Administration was administered by the Arizona Department of Public Safety and distributed to counties that participate in the program. The funding is now directly distributed to the counties. Historically, Gila County received \$25,000; however, this fiscal year the amount being awarded to Gila County is \$35,000. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board approved a Letter of Agreement (Number 2013-004) between the U.S. Department of Justice Drug Enforcement Administration and the Gila County Sheriff's Office in the amount of \$35,000 for the period of January 1, 2013 to December 31, 2013, in order to provide overtime pay related to the Domestic Cannabis Eradication/Suppression Program.

**C. Information/Discussion/Action for the Board of Supervisors to unanimously approve the sale of surplus military trucks as follows: One 2-1/2 ton truck (serial number 504425) with hard top to the Tonto Basin Fire District for One Dollar (\$1.00); one 2-1/2 ton truck (serial number 503877) with hard top to the Pleasant Valley Fire District for One Dollar (\$1.00); and two 2-1/2 ton trucks (serial numbers 503902 and 504437) with two hard tops to the Hellsgate Fire District for One Dollar (\$1.00) each.**

Tim Scott, Gila County Sheriff's Office Lieutenant, stated that the Sheriff's Office, through the Military Surplus Program, picked up four 2-1/2 ton trucks from Barstow, California in anticipation of replacing four older trucks currently in the fleet. It has been determined that it isn't feasible to replace the vehicles

as planned because of the modifications that would have to be made to the trucks, and the older trucks are still in good working order and are well maintained. Local fire districts contacted Sergeant Cronk at the Sheriff's Office regarding acquiring these four trucks. Currently, the trucks are not in service; therefore, it will be beneficial to the fire districts to have the trucks for fire suppression and emergency work. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board approved the sale of surplus military trucks as follows: One 2-1/2 ton truck (serial number 504425) with hard top to the Tonto Basin Fire District for One Dollar (\$1.00); one 2-1/2 ton truck (serial number 503877) with hard top to the Pleasant Valley Fire District for One Dollar (\$1.00); and two 2-1/2 ton trucks (serial numbers 503902 and 504437) with two hard tops to the Hellsgate Fire District for One Dollar (\$1.00) each.

**D. Information/Discussion/Action authorizing Public Works to prepare a Consent to Use of Easement Agreement between Gila County and Salt River Project (SRP) in order to grant Salt River Project 25 feet of the easement desired for the power line relocation sought by Cobre Valley Regional Medical Center for their facility expansion with the following conditions: 1) Issuance of a floodplain permit by Gila County in accordance with the Gila County Floodplain Management Ordinance; 2) review and approval of the design of any structures or supports in the floodway; and 3) assurances that any structure or activity does not alter the current floodway boundaries.**

Steve Stratton, Public Works Division Director, stated that there have been some changes to this agenda item. The proposed easement granted to Salt River Project (SRP) would be 100 feet; 50 feet for the County and 50 feet for Cobre Valley Regional Medical Center. He provided an aerial photo of the proposed easement. SRP has an agreement with the hospital that if a berm or water control structure is made, it is not to be higher than the berm next to Russell Gulch Wash, thus facilitating the expansion of the hospital. One condition is that SRP has prior rights on the existing easement and the County would have to pay for any future move as the hospital is paying for this move at a cost of approximately \$250,000. If the Board agrees, it is desirable for SRP to write the legal description and submit it to the County Attorney for approval.

Mr. Stratton clarified that the only condition for Board approval is that the County has the right to enter the easement and remove debris; not the other three conditions listed on the agenda item. Neal Jensen, Cobre Valley Regional Medical Center Chief Executive Officer, stated that this is a major expansion and he publicly recognized Ed Carpenter, Chairman of the Cobre Valley Regional Medical Center Board of Directors, who was in the audience.

Mr. Stratton reiterated that SRP will prepare the easement agreement to be submitted to the County Attorney, and if approved, the easement agreement

will be placed on a future Board of Supervisors meeting agenda for approval as a consent item. The action for this item today is: The County agrees to give up an easement to SRP with prior rights in order for SRP to begin the design of this easement project. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board approved to give up a 50 foot easement to SRP with prior rights in order for SRP to begin the design of the easement project.

**E. Information/Discussion/Action to authorize the Chairman's signature on Amendment No. 2 to Contract No. 092111-2 between Gila County and Cactus Transport, Inc. to increase the contract amount by \$300,000, for a new total contract amount of \$350,000, for the term of the contract, from March 20, 2013, to March 19, 2014; and to provide for the purchase of CRS-2 chip seal oil for County roads.**

Mr. Stratton stated that last year the County entered into a contract for the purchase of asphalt oil that contains tire rubber of which the cost is \$775 per ton delivered and spread. This type of oil is appropriate for high volume roads and the County will continue to use it when needed. He reviewed the history of this contract which was executed March 20, 2012. Amendment No. 1 to the contract was executed on April 2, 2013, to extend the term of the contract to March 19, 2014, and as Gila County Procurement Policy does not allow for open ended contracts, an amount of \$50,000 was attached to Amendment No. 1. At the time the contract was extended, the Roads Division had not calculated a dollar amount for projects through March 19, 2014. The \$50,000 amount was based loosely on the amount of money spent with Cactus Transport for the previous fiscal year. This amendment increases the contract amount by \$300,000 and allows for the purchase of CRS-2 chip seal oil at \$615 per ton. Using this type of oil on lower volume roads, such as subdivisions, will provide a savings to the County of \$160 per ton. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board authorized the Chairman's signature on Amendment No. 2 to Contract No. 092111-2 between Gila County and Cactus Transport, Inc. to increase the contract amount by \$300,000, for a new total contract amount of \$350,000, for the term of the contract, from March 20, 2013, to March 19, 2014; and to provide for the purchase of CRS-2 chip seal oil for County roads.

**F. Information/Discussion/Action to approve an unbudgeted transfer into County Fund No. 1124-Superior and Justice of the Peace Courts Security in the amount of \$50,000 with a corresponding unbudgeted transfer out of Fund No. 1007-Capital Improvements.**

Mr. Stratton stated that there have been some extensive changes made to both the Globe and Payson court buildings in order to provide more secure facilities. The Michaelson Remodel Project has been put on hold for this fiscal year; therefore, a \$50,000 transfer to the security plan fund is viable. The transfer would pay for the work completed to date to improve security of County

buildings and the \$35,000 for door locks in the Payson area court building by installing the “Magic Card Locks” on the Payson Courthouse where the County Attorney, Justice of the Peace Court, Superior Court and Probation are located. If this transfer is approved, the security plan fund will not be at a deficit on June 30, 2013. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board approved an unbudgeted transfer into County Fund No. 1124-Superior and Justice of the Peace Courts Security in the amount of \$50,000 with a corresponding unbudgeted transfer out of Fund No. 1007-Capital Improvements.

**G. Information/Discussion/Action to adopt Resolution No. 13-06-01 authorizing the Chairman to sign Project Agreement AZ FLAP64-1(3), 199-1(1) and 288-1(3) with the Central Federal Lands Highway Division (CFLHD) of the Federal Highway Administration to become a partner in a project with CFLHD and the Tonto National Forest to replace the three low water crossings with bridges and provide a match in an amount not to exceed 5.75% of the total construction budget at the time of advertisement for the project.**

Steve Sanders, Public Works Division Deputy Director, provided background information with regard to the project stating that when the project was first started it was an application from Tonto National Forest with County support, and it didn't require a cash match from the County. Since then, the Moving Ahead for Progress in the Century (MAP-21) transportation bill has been implemented, and there is now a 5.75% match requirement. The total budget for the project is anticipated to be \$5 million with the County match portion will be approximately \$300,000 of which that amount could be taken out of the County's Half-Cent Transportation Excise Tax Fund. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board adopted Resolution No. 13-06-01 authorizing the Chairman to sign Project Agreement AZ FLAP64-1(3), 199-1(1) and 288-1(3) with the Central Federal Lands Highway Division (CFLHD) of the Federal Highway Administration to become a partner in a project with CFLHD and the Tonto National Forest to replace the three low water crossings with bridges and provide a match in an amount not to exceed 5.75% of the total construction budget at the time of advertisement for the project. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

**H. Information/Discussion/Action to adopt Resolution No. 13-06-02 accepting Russell Road as described in fee numbers 2013-005085, 2013-005086, and 2013-005087, Gila County Records, as a public road and to be maintained as a public roadway in the Gila County Maintained Roadway System.**

Mr. Sanders explained that the County has received funding from the United States Department of Agriculture, Tonto National Forest, to do a double chip

seal on Russell Road. A recent survey of the road found approximately 1,000 feet of the road to cross private land. No formal dedication of that portion of the road can be found. Conversations with the owners of the property failed to turn up any evidence that prior dedications existed. The property owners asked if they could deed their portions of the roadway to the County, and it was agreed that this was in the best interest of all parties involved. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board adopted Resolution No. 13-06-02 accepting Russell Road as described in fee numbers 2013-005085, 2013-005086, and 2013-005087, Gila County Records, as a public road and to be maintained as a public roadway in the Gila County Maintained Roadway System. **(A copy of the Resolution is permanently on file in the Board of Supervisors' Office.)**

**I. Information/Discussion/Action to approve the creation of a new accounting fund to be called Fund 6855-Russell Gulch Expansion Reserve, and to authorize the transfer of \$1,600,000 of funds from Fund 6850-Recycle Landfill Fund into 6855-Russell Gulch Expansion Reserve Fund.**

Sharon Winters, Public Works Solid Waste Operations Manager, stated that by creating a new account for Fund 6855-Russell Gulch Expansion Reserve, it would provide better accounting of the expansion fund and make it easier to track expenses and keep the funds for this project separate from other landfill expenditures. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board approved the creation of a new accounting fund to be called Fund 6855-Russell Gulch Expansion Reserve, and authorized the transfer of \$1,600,000 of funds from Fund 6850-Recycle Landfill Fund into 6855-Russell Gulch Expansion Reserve Fund.

**J. Information/Discussion/Action to consider a sealed bid for the purchase of Assessor's tax parcel number 206-21-104-A.**

Marian Sheppard, Clerk of the Board, advised that the County has in place a process to sell state-owned land that has been deeded by the County Treasurer to the State of Arizona for non-payment of property taxes. This parcel of land didn't sell at the Board's 2011 annual property tax sale/auction; therefore, it is available for purchase through the County's sealed bid process. Ms. Sheppard advised that this property is located at 737 W. Smith Street in Miami, and it has an older home upon the lot, which appears to be occupied. The total lien amount on this property is \$2,348.65, which is the minimum acceptable bid. Chairman Pastor asked Ms. Sheppard to open the sealed bid and she announced that a bid was submitted by Shelby Lee Burback in the amount of \$2,348.65. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board accepted the bid of \$2,348.65 from Shelby Lee Burback for the purchase of Assessor's tax parcel number 206-21-104-A.

Chairman Pastor called for a recess at 10:41 a.m. in an unsuccessful attempt to reach Vice-Chairman Martin by telephone as she had requested to participate in the discussion and possible Board action on agenda item numbers 2K and 2L. He reconvened the meeting at 10:53 a.m. and advised that the Board would address the remaining agenda items beginning with agenda item 3, and then return to address agenda items 2K and 2L.

**Item 3 – CONSENT AGENDA ACTION ITEMS: (Any matter on the Consent Agenda will be removed from the Consent Agenda and discussed and voted upon as a regular agenda item upon the request of any member of the Board of Supervisors.)**

**A. Ratification of the Board of Supervisors' approval for the Health Department's submittal of an application to the Arizona Early Childhood Development and Health Board (First Things First) for a one-year renewal of Grantee Agreement No. GRA-STATE-13-0502-01 to provide Child Care Health Consultation services for the period of July 1, 2013, through June 30, 2014, in the amount of \$19,567, if approved by said Board.**

**B. Authorization of the Chairman's signature on Amendment No. 1 to Subgrantee Agreement 11-AZDOHS-HSGP-888300-01 between Gila County and the Arizona Department of Homeland Security to reflect a change in reporting requirements as outlined in Section X of the Subgrantee Agreement.**

**C. Approval of Contract No. 07012013-14 between the Arizona Community Action Association (ACAA) and the Gila County Division of Community Services, Community Action Program, whereby ACAA will administer funding in the amount of \$38,847.12 to provide weatherization services, utility repair and replacement, utility deposits and bill assistance to eligible citizens residing in Gila County for the period from July 1, 2013, through June 30, 2014.**

**D. Authorization of the Chairman's signature on a Highway Safety Contract (GOHS Contract 2013-164-044) between that Governor's Office of Highway Safety (GOHS) and the Gila County Sheriff's Office to accept GOHS alternative funding source #164 in the amount of \$6,029.98 for the purchase of DUI enforcement equipment to be spent by September 30, 2013.**

**E. Acknowledgment of the resignation of Mr. Richard Dixon from the Tri-City Sanitary District Governing Board and the appointment of Malissa Buzan to complete the term, from June 4, 2013, to December 31, 2016.**

**F. Acknowledgment of the resignation of Barry Dille from the Pleasant Valley Fire District Governing Board and appointment of Margaret Peggy**

**Slusher, term ending 12/31/2014, and the resignation of Patrick Hosman and the appointment of Pamela Sue Norman, term ending 12/31/2016.**

**G. Acknowledgment of the resignations of Cynthia Cheney, Jon Cheney and David Cheney from the Little Creek Land Company Domestic Water Improvement District Governing Board and the appointments of Keith N. Layton to complete the unexpired term of office through December 31, 2016; K. Aaron Layton to complete the unexpired term of office through December 31, 2014; and Adam Layton to complete the unexpired term of office through December 31, 2016.**

**H. Acknowledgment of the March 2013 monthly activity report submitted by the Globe Regional Constable's Office.**

**I. Acknowledgment of the April 2013 monthly activity report submitted by the Globe Regional Constable's Office.**

**J. Acknowledgment of the April 2013 monthly activity report submitted by the Payson Regional Constable's Office.**

**K. Acknowledgment of the April 2013 monthly activity report submitted by the Globe Regional Justice of the Peace's Office.**

**L. Acknowledgment of the April 2013 monthly activity report submitted by the Payson Regional Justice of the Peace's Office.**

**M. Acknowledgement of the April 2013 monthly activity report submitted by the Clerk of the Superior Court's Office.**

**N. Approval of the April 30, 2013, May 7, 2013, and May 14, 2013, BOS meeting minutes.**

**O. Acknowledgment of the Human Resources reports for the weeks of May 7, 2013, May 14, 2013, May 21, 2013 and May 28, 2013.**

### **MAY 7, 2013**

#### **DEPARTURES FROM COUNTY SERVICE:**

1. Joshua Beck – Health Services – Worksite Wellness Coordinator – 05/10/13 – Population Health Policy Initiative Fund – DOH 11/05/12 – Resignation
2. Pam Fisher – Board of Supervisors – Executive Administrative Assistant – 05/31/13 – General Fund – DOH 03/01/93 – Retirement
3. Kevin Kenney – Health Services – Administrative Clerk – 04/26/13 – WIC Fund – DOH 04/11/11 – Separated without prejudice

#### **HIRES TO COUNTY SERVICE:**

4. Vickey Zwall – Probation – Administrative Clerk Sr. – 05/09/13 – Juvenile Intensive Probation Supervision Fund – Replacing Sandra Yoder

5. Linda Shelby – Probation – Administrative Clerk Sr. – 05/09/13 – Various Funds – Replacing Karen Johnson

END PROBATIONARY PERIOD:

6. Herman V. Tijerina – Court Information Systems – IT Administrator & Support Specialist – 05/07/13 – General Fund

7. Melanie Howell – County Attorney’s Office – Legal Secretary Sr. – 07/01/12 – General Fund

8. Jolene Myers – Clerk of the Superior Court – Court Administrative Assistant – 04/04/13 – General Fund

9. Lorenzie Corvin – Probation – Juvenile Detention Shift Supervisor – 04/23/13 – General Fund

REQUEST PERMISSION TO POST:

10. Board of Supervisors/Constituent Services District II – Temporary Laborer (4 positions available) – Positions Vacated by Matthew Cruz, Tannyn Garcia, Robert Hernandez, Angel Perez

11. Public Works – Solid Waste Services Worker – Position Vacated by Thomas Dando

12. Assessor’s Office – Executive Administrative Assistant – Position Vacated by Hazel Dillon

13. Finance – Payroll Specialist – Position Vacated by Carrie Truesdell

**MAY 14, 2013**

DEPARTURES FROM COUNTY SERVICE:

1. Jendean Sartain – Health Services – Deputy Director of Health Services – 05/03/13 – Health Services Fund – DOH 08/03/92 – Retirement

2. Mary Allen – Globe Regional Justice Court – Justice Court Clerk Associate – 05/03/13 – General Fund – DOH 09/12/02 – Resignation

3. John DeSanti – Sheriff’s Office – Jail Intelligence/Professional Standards Investigator – 04/24/13 – General Fund – DOH 01/10/05 – Resignation

4. Sally Fulmer – Community Services – Career & Employment Specialist Sr. – 05/10/13 – Various Funds – DOH 02/02/11 – Resignation

5. James A. Eskew – Sheriff’s Office – Detention Commander – 06/30/13 – General Fund – DOH 05/24/93 – Retirement

6. Carrie Truesdell – Finance – Payroll Specialist – 05/16/13 – General Fund – DOH 08/27/12 – Resignation

7. James I. Mitchell – County Attorney’s Office – Deputy Attorney Sr. – 05/06/13 – Drug Prosecution Grant Fund – DOH 05/06/13 – Declined offer of employment

HIRES TO COUNTY SERVICE:

8. Shayla Rincon – Globe Regional Justice Court – Justice Court Clerk Associate – 05/16/13 – General Fund – Replacing Kristy Jackson

TEMPORARY HIRES TO COUNTY SERVICE:

9. Stephanie Mata – Globe Regional Justice Court – Justice Court Clerk Associate – 05/16/13 – General Fund

END PROBATIONARY PERIOD:

10. Lisa Modglin – Sheriff’s Office – IT Administrator Support Technician Sr. – 11/21/12 – General Fund
11. Gabriel Valenzuela – Sheriff’s Office – Deputy Sheriff – 04/30/13 – General Fund
12. Karen Shane Roberts – Clerk of the Superior Court – Court Clerk – 02/13/13 – Drug Enforcement/Superior Court Fund
13. Megan A. Miller – Clerk of the Superior Court – Courtroom Clerk – 02/20/13 – General Fund

DEPARTMENTAL TRANSFERS:

14. Sarah White – From Health Services – To Sheriff’s Office – From Executive Administrative Assistant – To Chief Administrative Officer – 05/20/13 – From Various Funds – To General Fund
15. Cheryl Sluyter – From County Attorney’s Office – To Board of Supervisors – From Diversion Officer – To Executive Administrative Assistant – 06/01/13 – From Diversion Program Fund – To General Fund

REQUEST PERMISSION TO POST:

16. Community Services – Career & Employment Specialist Sr. – Position Vacated by Sally Fulmer

**MAY 21, 2013**

DEPARTURES FROM COUNTY SERVICE:

1. Mark W. Daunce – Sheriff’s Office – Detention Officer – 05/17/13 – General Fund – DOH 08/20/12 – Resignation
2. Jessica Alexander – Health Services – Community Health Assistant – 06/30/13 – Health Start Program Fund – DOH 11/14/11 – Grant funding ended
3. Jullie Mercer – Health Services – Public Health Nurse – 05/07/13 – Health Service Fund – DOH 09/26/11 – Resignation
4. Cate Gore – Recorder – Recorder’s Clerk – 06/01/13 – General Fund – DOH 09/20/10 - Resignation

HIRES TO COUNTY SERVICE:

5. Nina Ruiz – Finance – Accountant Sr. – 05/28/13 – General Fund – Replacing Marion Barefoot

DEPARTMENTAL TRANSFERS:

6. Betty Vanta – Health Services – From Communicable Disease Specialist – To Administrative Assistant – 05/15/13 – From Various Funds – To Various Funds

END PROBATIONARY PERIOD:

7. Jay Boyer – Probation – Deputy Probation Officer Supervisor – 05/07/13 – Various Funds

OTHER CHANGES:

8. Mike Lemon – Health Services – Environmental Health Specialist Sr. – 05/08/13 – Health Service Fund – Increase in hours from 30 to 40 hours per week
9. Paula Horn – Health Services – Deputy Director of Prevention Services – 05/15/13 – Various Funds – Change in fund codes

10. Sarah Chavez – Health Services – Accounting Clerk – 05/15/13 – Various Funds – Change in fund codes

REQUEST PERMISSION TO POST:

11. Health Services – Executive Administrative Assistant – Position Vacated by Sarah White

12. Health Services – Communicable Disease Specialist – Position Vacated by Betty Vanta

**MAY 28, 2013**

DEPARTURES FROM COUNTY SERVICE:

1. Michael Fane – Sheriff’s Office – Deputy Sheriff Sgt. SRO – 05/30/13 – General Fund – DOH 05/19/03 – Retirement

2. Clint Lyman – Probation – Juvenile Detention Officer – 05/17/13 – General Fund – DOH 03/26/13 – Failure to complete Probationary Period

3. Minda Thompson – County Attorney’s Office – Legal Secretary Lead – 05/31/13 – General Fund – DOH 06/20/05 – Resignation

HIRES TO COUNTY SERVICE:

4. Amy Johnson – Health Services – Medical Case Manager – 06/03/13 – HIV Consortium – New position provided by the Ryan White Contract Amendment as signed by Gila County and the State of Arizona

5. Betty Hurst – Finance – Buyer – 05/28/13 – General Fund – Replacing Jennifer Alvarez

6. Courtland Bell – Probation – Juvenile Detention Officer – 05/27/13 – General Fund – Replacing Vanessa Barajas

TEMPORARY HIRES TO COUNTY SERVICE:

7. Matthew Cruz – Board of Supervisors – Temporary Laborer – 06/10/13 – General Fund/Constituent Services District II Fund

8. Christopher Thorne – Board of Supervisors – Temporary Laborer – 06/10/13 – General Fund/Constituent Services District II Fund

9. Tannyn Garcia – Board of Supervisors – Temporary Laborer – 07/01/13 – General Fund/Constituent Services District II Fund

DEPARTMENTAL TRANSFERS:

10. Debra Overholt – County Attorney’s Office – From Legal Secretary – To Legal Secretary Sr. – 06/17/13 – Diversion Program Fund

11. David Jones – Probation – From Deputy Probation Officer II – To Deputy Probation Officer Supervisor – 06/03/13 – From State Aid Enhancement Fund – To Various Funds

END PROBATIONARY PERIOD:

12. Louisa Talahytewa – Recorder – Voter Outreach Assistant – 04/19/13 – General Fund

13. Nancy Mach – Health Services – Home Visitation Coordinator – 05/13/13 – Maternal, Infants and Early Childhood Home Visits Fund

14. Mark Chacon – Public Works – Road Maintenance/Equipment Operator – 06/03/13 – Public Works Fund

OTHER CHANGES:

15. Vickey Zwall – Probation – Administrative Clerk Sr. – 05/13/13 – Juvenile Intensive Probation Supervision Fund – Correction of Hire Date from 05/09/13 to 05/13/13

REQUEST PERMISSION TO POST:

16. Elections – Elections Director – Position Vacated by Linda Eastlick

17. Health Services – Public Health Nurse I – Position Vacated by Jullie Mercer

**P. Acknowledgment of contracts under \$50,000 which have been approved by the County Manager for the weeks of April 22, 2013, to April 26, 2013; and April 29, 2013, to May 3, 2013; and May 6, 2013 to May 10, 2013.**

**Q. Approval of finance reports/demands/transfers for the weeks of April 23, 2013, May 21, 2013, May 28, 2013 and June 4, 2013.**

**April 23, 2013**

\$729,777.24 was disbursed for County expenses by check numbers 253504 through 253652.

**May 21, 2013**

\$696,571.56 was disbursed for County expenses by check numbers 254096 through 254246.

**May 28, 2013**

\$1,454,221.37 was disbursed for County expenses by check numbers 254247 through 254416.

**June 4, 2013**

\$193,959.95 was disbursed for County expenses by check numbers 254417 through 254508. **(An itemized list of disbursements is permanently on file in the Board of Supervisors' Office.)**

Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board approved Consent Agenda action items 3A through 3Q as presented.

Chairman Pastor returned to regular agenda item 2K.

**K. Information/Discussion/Action to approve a proposed settlement to resolve a lawsuit currently pending in Arizona Tax Court titled Land Holdings Investment Co., LLC vs. Gila County, NO. TX 2012-000130. Pursuant to A.R.S. § 38-431.03(A) (3), the Board may go into executive session to receive legal advice from its attorney. Pursuant to A.R.S. § 38-**

**431.03(A) (4), the Board may go into executive session in order to instruct its attorney on how to proceed in settlement discussions regarding the lawsuit.**

Chairman Pastor called upon Bryan Chambers, Deputy Attorney Principal, who provided a brief overview of this lawsuit. Should the Board decide to settle this case it would result in a reclassification of the property to agricultural for ranching purposes. Mr. Chambers stated that he worked with the Assessor's Office in trying to reach a settlement and the Assessor's Office agrees that the property should be classified as agricultural for ranching purposes. He advised the Board that it could vote to go into Executive Session on this matter. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board voted to go into Executive Session at 10:58 a.m.

Chairman Pastor reconvened the meeting at 11:14 a.m. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board approved a proposed settlement to resolve a lawsuit currently pending in Arizona Tax Court titled Land Holdings Investment Co., LLC vs. Gila County, NO. TX 2012-000130.

**L. Information/Discussion/Action to vote to go into executive session pursuant to A.R.S. § 38-431.03(A)(3), to receive legal advice from its attorney on a Summons and Complaint filed against Gila County by AJP Electric, and pursuant to A.R.S. § 38-431.03(A)(4), to consider its position in the litigation, direct its attorneys on how they should proceed in the litigation, and direct its attorneys on how or whether to engage in settlement discussions.**

Mr. Chambers advised that this matter involves a paving project with the Public Works Division and a dispute of the contractor. As a result of the dispute, a Summons and Complaint has been filed against Gila County by AJP Electric. He stated that the Board could vote to go into Executive Session to discuss and provide instruction to the County Attorney's office on how to proceed. Upon motion by Supervisor Marcanti, seconded by Chairman Pastor, the Board voted to go into Executive Session at 11:16 a.m.

Chairman Pastor reconvened the meeting at 12:10 p.m. Upon motion by Chairman Pastor, seconded by Supervisor Marcanti, the Board advised the County Attorney's Office to proceed as directed in the Executive Session.

**Item 4 – TO THE PUBLIC: Call to the Public is held for public benefit to allow individuals to address issue(s) within the Board's jurisdiction. Board members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to Arizona Revised Statute §38-431.01(H), action taken as a result of public comment will be limited to responding to criticism made by those who have addressed the Board of Supervisors,**

**may ask staff to review the matter or may ask that a matter be put on a future agenda for further discussion and decision at a future date.**

There were no requests to speak from the public.

**Item 5 – At any time during this meeting pursuant to A.R.S. §38-431.02(K), members of the Board of Supervisors and the Chief Administrator may present a brief summary of current events. No action may be taken on issues presented.**

Each Board member and the County Manager presented information on current events.

There being no further business to come before the Board of Supervisors, Chairman Pastor adjourned the meeting at 12:11 p.m.

**APPROVED:**

---

Michael A. Pastor, Chairman

**ATTEST:**

---

Marian Sheppard, Clerk of the Board

**ARF-1902**

**Consent Agenda Item 4- V**

**Regular BOS Meeting**

**Meeting Date:** 06/25/2013

**Reporting Period:** Report for County Manager Approved Contracts Under \$50,000 for Weeks Ending 05-17-13; and 05-24-13; and 05-31-13; and 06-07-13

**Submitted For:** Dana Hlavac, **Submitted By:**  
Interim Dana Sgroi, Contracts Support  
Finance Specialist, Finance Department  
Director

---

**Information**

**Subject**

Report for County Manager Approved Contracts Under \$50,000 for Weeks Ending 05-17-13; and 05-24-13; and 05-31-13; and 06-07-13

**Suggested Motion**

Acknowledgment of contracts under \$50,000 which have been approved by the County Manager for the weeks of May 13, 2013, to May 17, 2013; May 20, 2013, to May 24, 2013; May 27, 2013, to May 31, 2013; and June 3, 2013, to June 7, 2013.

---

**Attachments**

County Manager Approved Contracts Under \$50,000 for Weeks Ending 05-17-13; and 05-24-13; and 05-31-13; and 06-07-13

Service Agreement No. 050713-3 with Gazda Data Solutions

Service Agreement 050213 with Kino Floors

Professional Services Contract 042713 with Archaeological Consulting Services

Contract No. C1304036 with Cartegraph

Service Agreement No. 051513 with Noble Building

Service Agreement No. 051713 with Mountain Retreat

Agreement 040413-GCAZ-QL with The Vantage Group

Service Agreement No. 051313 with GFI Acoustics

Service Agreement No. 041713 with Superior Environmental Solutions

Service Agreement No. 051613-1 with Noble Building

Service Agreement No. 051613-2 with Noble Building

Amendment #1 with Tree Pro to Contract 041613

Service Agreement No. 051013 with Stanley Security

Amendment 1 with Husky Fire & Safety

Service Agreement No 050313 with KWIK KOOL Refrigeration

APS Extranet Agreement July 2013 to June 2014

Contract No. 100-0-121 with Tachyon Networks

Service Agreement No. 050913 with Integrity Fire Protection

Service Agreement No. 052213 with Humane Society of Central Arizona

Service Agreement No. 060513 with Mountain Retreat Builders

Service Agreement No. 060513-1 with Mountain Retreat Builders

Service Agreement No. 060513-2 with Mountain Retreat Builders

Service Agreement No. 051613 with C&M Communications

Service Agreement 050713-1 with S & D Recycling

Canyon State Maintenance Agreement - 2013

**COUNTY MANAGER APPROVED CONTRACTS UNDER \$50,000**

**May 13, 2013, to May 17, 2013**

Number / Vendor	Title	Amount	Term	Approved	Renewal Option	Summary
051713-3 Gazda Data Solutions	Service Agreement No. 051713-2 Fiber Installation for Public Works Complex	\$3,796.80	5-14-13 to 6-30-13	05-14-13	Expires	Contractor will run fiber through already in place conduit, from the Facilities building IDF through the conduit that runs under the road into the shop building IDF. Contractor to test fiber and install LIU to terminate in the existing rack in the Shop IDF.
050213 Kino Floors & Interiors LLC.	Service Agreement No. 050213 Treasurer's Office-Carpeting and Floor Tiles	\$7,719.60	5-14-13 to 6-30-13	05-14-13	Expires	Contractor will replace existing carpet in certain areas of the Treasurer's office. Contractor will also replace existing tile flooring in certain areas of the Treasurer's Office.
042713 Archaeological Consulting Services, Ltd.	Professional Services Contract No. 042713 Tonto Creek Southwestern Willow Flycatcher Surveys	\$12,054.00	5-20-13 to 12-31-13	05-14-13	Expires	Surveys for the endangered southwestern willow flycatcher (SWFL) along Tonto Creek near Punkin Center, Gila County, AZ.

**May 20, 2013, to May 24, 2013**

Number / Vendor	Title	Amount	Term	Approved	Renewal Option	Summary
No contracts signed during this period						

**May 27, 2013, to May 31, 2013**

<b>Number / Vendor</b>	<b>Title</b>	<b>Amount</b>	<b>Term</b>	<b>Approved</b>	<b>Renewal Option</b>	<b>Summary</b>
C1304036 Cartegraph	Contract No. C1304036 Software and Services Proposal	\$5,500.00	5-29-13 to 5-18-14	05-29-13	Expires	The Cartégraph program is set up to more efficiently track materials and labor maintaining roads. Whether it is sign replacing, blading dirt roads, patching, chipping or overlaying we can track it. There is also a module that we can enter the condition of pavement which will help us determine a maintenance schedule based on an evaluation standard. The data collection and entry is the reason for this training so everyone is trained the same.
051513 Noble Building, LLC.	Service Agreement No. 051513 Weatherization Project HH#8837	\$11,050.00	5-29-13 to 6-30-13	05-29-13	Expires	Work to be performed by contractor includes: Air Sealing, Duct Sealing, Mobile Belly repair, removal of existing gas furnace, installation of new 60,000 BTU 95% AFUE gas furnace and 2 ton 14.5 SEER air conditioning system and associated appurtenances.
051713 Mountain Retreat Builders	Service Agreement No. 051713 Pinal/Gila Emergency Funding Project No. HH#8893	\$1,918.00	5-29-13 to 6-30-13	05-29-13	Expires	The work to be done includes: removal of old steps and landing and replace with new red wood on deck, stairs and railing and hand rail.
040413-GCAZ-QL The Vantage Group, LLC.	Quote I.D. No. 040413-GCAZ-QL Price Quotation and Order Form	\$7,199.10	6-6-13 to 6-5-14	05-29-13	Expires	The onQ 288-20 appliance is a high availability disaster recovery system that will augment the County's current backup system by allowing for rapid recovery of critical business servers. If the current server failed the onQ appliance would step in and take over the server responsibilities allowing I.T. the time necessary to recover from the event and keep processes working.
051313 GFI Acoustics	Service Agreement No. 051313 Treasurer's Office Ceiling Tile Replacement	\$2,218.00	5-29-13 to 6-30-13	05-29-13	Expires	Treasurer's Office remodel project.

**May 27, 2013, to May 31, 2013**

<b>Number / Vendor</b>	<b>Title</b>	<b>Amount</b>	<b>Term</b>	<b>Approved</b>	<b>Renewal Option</b>	<b>Summary</b>
041713 Superior Environmental Solutions	Service Agreement No. 041713 Herbicide Weed Control at Pinal Cemetary	\$4,800.00	6-2013 to 1-2014	05-29-13	Expires	The land at the Pinal Cemetary needs to be treated for weed control.
051613-1 Noble Building, LLC.	Service Agreement No. 051613-1 Weatherization Project HH#9351	\$7,721.49	5-29-13 to 6-30-13	05-29-13	Expires	Work to be performed by contractor includes: Seal Ducts to 1 Pascal or less, install a 30-80 cfm continuously run fan, install heat pump and pressure balance rooms.
051613-2 Noble Building, LLC.	Service Agreement No. 051613-2 Weatherization Project HH#3716	\$12,881.60	5-29-13 to 6-30-13	05-29-13	Expires	Work to be performed by contractor includes: Air Sealing, Duct Sealing, removal of existing gas furnace, installation of new 95% AFUE gas furnace and 2 ton 14.5 SEER air conditioning system and associated appurtenances, bring attic up to an R-38, balance room pressure to less than 3 Pascal.
Amendment No. 1 to Contract No. 041613 Tree Pro	Amendment No. 1 to Contract No. 041613 Miscellaneous Tree Removals	\$1,600.00	4-25-13 to 4-24-14	05-29-13	Expires	In both Copper & Timber regions, there are times that tree(s) might pose a hazard in a Gila County right of way, next to a road that the County maintains. In some instances, the tree(s) need to be removed in an emergency situation because of the potential hazard to the public. A contract was executed on 04-25-13 in the amount of \$2,000.00. Public Works has requested an increase to the contract amount of \$1,600.00 for a project that will require approximately 16-18 hours of labor at a rate of \$110.00/hr. This amendment will allow for that project to be done and still have some room left on the contract for any emergencies that may arise.
051013 Stanley Security	Service Agreement No. 051013 Card Access for Payson Courthouse	\$39,947.67	5-29-13 to 6-30-13	05-29-13	Expires	Install card access system in the Payson Courthouse

**May 27, 2013, to May 31, 2013**

Number / Vendor	Title	Amount	Term	Approved	Renewal Option	Summary
Amendment No. 1 to Contract No. 042412 Husky Fire & Safety	Amendment No. 1 to Contract No, 042412 Fire Extinguisher Inspections Northern Gila County	\$2,500.00	7-01-13 to 6-30-14	05-29-13	Option to renew for one more 1 year period	Amendment No. 1 is to extend the term of the contract from July 01, 2013 to June 30, 2014. Contractor will perform annual fire extinguisher inspections for the estimated 94 extinguishers in Northern Gila County. They shall also perform maintenance and repair as needed upon County request.
050313 KWIK KOOL Refrigeration	Service Agreement No. 050313 PGC Climatization Work	\$3,788.23	5-29-13 to 6-30-13	05-29-13	Expires	The purpose of this contract will follow the Pinal-Gila Council for Senior Citizens mission to enhance the quality of life of elders and disabled through climate control services. The temperature is rising and this funding will allow the elderly and disabled to be able to live comfortably.
APS	APS Extranet Agreement	-	7-1-13 to 6-30-13	05-29-13	Expires	The Extranet Agreement guarantees on line bill assistance to APS for CAP low income clients. Gila County CAP has used this program for several years and this is the annual renewal. There is no cost to CAP for this program.
100-0-121 Tachyon Networks	Renewal TAP No. 100-0-121 Maintenance & Service Agreement	\$3,900.00	6-30-13 to 7-01-14	05-29-13	Expires	Renewal of a service agreement for contractor to provide voice communications via satellite for the Sheriff's Office mobile command trailer.
050913 Integrity Fire Protection	Service Agreement No. 050913 Sprinkler System Annual Inspections in Payson and Pine, AZ	\$2,000.00	5-29-13 to 6-30-13	05-29-13	Option to renew for two more 1 year periods	Annual inspection/maintenance of fire sprinkler systems to keep systems in safe operating condition.
052213 Humane Society of Central Arizona	Service Agreement No. 052213 Impound Agreement	\$31,200.00	7-1-13 to 6-30-14	05-29-13	Option to renew for two more 1 year periods	This agreement has been in existence for many years. It allows animals that have been captured by Rabies Control in Payson and surrounding areas to be impounded by the Contractor. This prevents daily transport from Payson to Globe.

*June 03, 2013, to June 07, 2013*

Number / Vendor	Title	Amount	Term	Approved	Renewal Option	Summary
060513 Mountain Retreat Builders	Service Agreement No. 060513 Weatherization Project No. HH#8335	\$5,315.60	6-5-13 to 6-30-13	06-5-13	Expires	Install insulation and duct sealing to meet code. Repair furnace, replace water heater.
060513-1 Mountain Retreat Builders	Service Agreement No. 060513-1 Weatherization Project No. HH#9384	\$6,247.20	6-5-13 to 6-30-13	06-5-13	Expires	Install insulation and duct sealing to meet code. Replace water heater.
060513-2 Mountain Retreat Builders	Service Agreement No. 060513-2 Weatherization Project No. HH#4548	\$10,725.46	6-5-13 to 6-30-13	06-5-13	Expires	Install new gas pack system on roof, insulation and duct sealing to meet code.
051613 C & M Communications	Service Agreement No. 051613 Replace Damaged Antenna on Mount Ord And Install New Antenna on Signal Peak	\$4,637.20	6-4-13 to 9-4-13	06-4-13	Expires	Installation of new antennae and feed line on existing radio communication towers on Signal Peak and Mount Ord in place of failed antennae, for purposes of relaying radio telemetry data for the flood warning system.
050713-1 S & D Recycling	Service Agreement No. 050713-1 Landfill Metal Pile Removal	The Contractor shall pay Gila County \$105.00/ton of metal removed	6-4-13 to 6-3-14	06-04-13	Expires	Contractor shall bale the metal at both the Buckhead Mesa and Russell Gulch Landfills, load the bales in its own trucks and transport to their end user. The trucks will be weighed at the landfill scale house prior to each load and after each load. The contractor will pay the county \$105.00 per ton for metal removed.
Canyon State Wireless	Canyon State Maintenance Agreement - 2013	\$6,693.00	6-1-13 to 5-31-14	06-06-13	Expires	Emergency Management has retained a local vendor for radio maintenance services for many years. The benefits of this local partnership have proved invaluable during emergency events and long term communications planning. The list of equipment is updated and tracked by the vendor in order to provide maintenance services.

Tommie C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**SERVICE AGREEMENT NO. 050713-3**  
**FIBER INSTALLATION FOR PUBLIC WORKS COMPLEX**

**THIS AGREEMENT**, made and entered into this 14th day of MAY, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and Gazda Data Solutions, Inc., of the City of Glendale, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 - SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below, and shall do so in a good, workmanlike, and substantial manner and to the satisfaction of the County under the direction of the IT Director or designee.

All work must be performed in conformance with industry standards and best practices. All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona.

Scope of Work: Refer to attached Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein.

**ARTICLE 2 - TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a waiver of subrogation against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

Each Claim	\$1,000,000
------------	-------------

Annual Aggregate

\$2,000,000

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
  2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
  3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.
- All certificates and endorsements are to be received and approved by the County before work commences.* Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.
- All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.
- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 – LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 – LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 – CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 – RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any

contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 - NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 - ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 - NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 - GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14- TERM:** Contract shall be effective date signed by the County Manager and expire June 30, 2013.

**ARTICLE 15 - PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$3,796.80 for completion of the service as described in Article 1 - Scope of Services.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

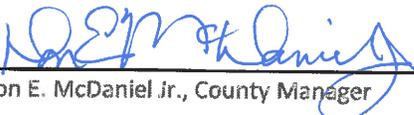
Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, Service Agreement No. 050713-3 has been duly executed by the parties hereinabove named, on the date and year first above written.

GILA COUNTY

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

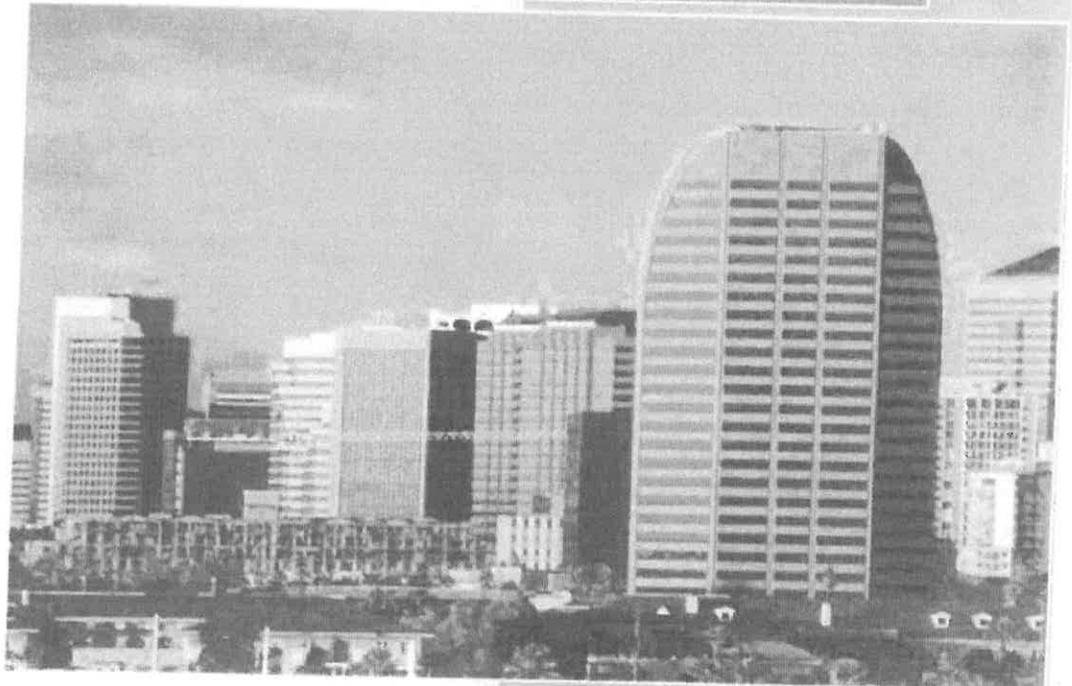
Date: 5/19/13

GAZDA DATA SOLUTIONS, INC.

  
\_\_\_\_\_  
Signature

Bruce E. Kilbourn  
Print Name

# GAZDA DATA SOLUTIONS, INC.



**Gila County  
Public Works**

**April 5, 2013**

**GAZDA DATA SOLUTIONS, INC.**

---

**Contents**

**CLIENT CONTACT INFORMATION:** ..... 3

**Gazda Data Solutions, Inc:** ..... 3

**Scope of Work:** ..... 6

**Three Year Warranty of Workmanship** ..... 7

**Manufacturer's Warranty** ..... 7

**Terms and Conditions** ..... 8

**Exclusions:** ..... 10

**Cabling Project Pricing:** ..... 11

**Acceptance** ..... 12

GAZDA DATA SOLUTIONS, INC.

---

## Contact Information

### CLIENT CONTACT INFORMATION:

Thomas Homan

745 N. Rose Mofford Way

Gila County Public Works , AZ 85501

Phone: 928-402-8515

Fax: 928-425-8104

E-mail: [thoman@gilacountyva.gov](mailto:thoman@gilacountyva.gov)

### Gazda Data Solutions, Inc:

Ryan Bretz

Sales Manager

5624 N 54<sup>th</sup> Ave

Glendale, Arizona 85301

Phone: (623) 209-8200

E-mail: [rbretz@gdscomm.com](mailto:rbretz@gdscomm.com)

## GAZDA DATA SOLUTIONS, INC.

---

### ABOUT US

---

Gazda Data Solutions is an experienced Arizona full-service physical layer installation and service company, with over 30 years of combined industry knowledge. We have a proven track record providing cost-effective solutions where quality products, expert installations and customer service are crucial.

Evaluation and deploying new technologies requires capability, experience, and resources. Many organizations lack one or more of these critical elements. Filling these gaps, or managing the entire project from inception to completion, is the role of Gazda Data Solutions. The GDS solutions combine highly skilled and qualified professionals with proven best practice methodologies developed through real world experience with our many clients. The results are projects that are delivered on time, on budget, within specifications and most importantly, a solution that aligns physical layer initiatives with our current and emerging business requirements and objectives.

### OUR MISSION

---

Our mission at Gazda Data Solutions, Inc. is to install and support a state of the art technical solution, for today as well as tomorrow's needs, backed by a team of highly trained and certified technicians, implemented with our flexible support programs. Additionally, as a valued client, you will be supported in the future by a team dedicated to your success.

## GAZDA DATA SOLUTIONS, INC.

---

### Data cabling installation Category 3, 5E and 6

- Voice & Data cabling installation
- Full physical layer design and implementation (cabling)
- Testing to meet and exceed TIA/EIA T56-67 standards
- Documentation standards followed TIA/EIA 606

### Fiber Optics

- Fiber optics in buildings, underground, and short Aerial runs
- Fiber optics splicing
- Full physical layer design and implementation (cabling)
- OTDR & Power meter light source testing

### Security systems

- Card access
- Security systems
- Video surveillance with remote access
- Digital Video Recording

### CCTV

- CCTV installation and design
- System balancing and design
- Head End design and implementation

### Overhead paging

- Full paging systems for inside buildings and outside buildings
- Sound reinforcement systems

### MDF and IDF

- Full build out and design of MDF's and IDF's
- Full build out and design of Data centers and Call centers

### Local Area Network installation

- Full design and implementation
- Full hardware service and installation
- Data recovery

### Wide Area Network installation

- Full design and implementation
- Full hardware service and installation
- Router Configuration and installation
- T-1 extensions and configuration

### Residential installation

- Full design and implementation of Residential wiring needs
- Security
- Surround Sound
- Local Area Network
- Intercom Systems
- Music throughout the house
- Central Vacuum

### Service

### On all physical layer applications

## GAZDA DATA SOLUTIONS, INC.

---

### Scope of Work:

- Provide and install One (1) 1RU fiber rack mount enclosure in existing rack and Two (2) 6 panel duplex 10gig LC fiber panels for termination of fiber.
- Provide and install Three Thousand (3,000) ft of 1" innerduct with pull string to be installed in existing conduit.
- Provide and install Twelve Hundred (1200) ft of 6 strand multi-mode fiber.
- Termination of the fiber will be as follows: At the fiber panel all fibers will be LC type connectors
- Testing of the fiber will be tested with a Certified Fiber Tester. An approved certified fiber tester will certify the cables to an applicable ANSI EIA/TIA and BICSI cabling standard.
- We will provide labeling at the work area outlet and at the server cabinet to meet Gila County Public Works numbering scheme.
- We will provide certified cable test results for all fiber housed within binders as well as a digital copy burned on a labeled CD.
- We will provide an "as Built" drawing showing the all-new cable installation, numbering scheme and cable pathways (given that Gila County Public Works provides a floor plan).

## GAZDA DATA SOLUTIONS, INC.

---

### Three Year Warranty of Workmanship

GDS provides a three (3) year labor warranty on the workmanship of the cable plant project from the date that the work is performed. GDS will repair any defects that are direct results of labor workmanship. In the event of a warranty service call but no labor or material defect is found, GDS will invoice its standard hourly rate for the service call. The warranty repair work is valid only during regular business hours, which are Monday-Friday from 8am - 5pm MST. If needed, overtime rates are billed at time and a half with Sundays and holidays billed at double time rates.

### Manufacturer's Warranty

If a certified structured cabling system is installed, the appropriate system manufacturer warranty will prevail. All claims for defective equipment and/or performance will be filed with the appropriate manufacturer. The quote is based on performing the Scope of Work during an 8-hour work day/ 40-hour workweek schedule. If needed, overtime rates are billed at time and a half with Sundays and holidays billed at double time rates.

**GAZDA DATA SOLUTIONS, INC.**

---

Terms and Conditions

- Regarding the scope of this project, a single point of contact will be established for both Gila County Public Works and GDS prior to the installation.
- A 50% deposit is required from Gila County Public Works in order for GDS to order all products and to schedule the work outlined above unless otherwise approved.
- GDS will in good faith deliver the products and services needed within the time specified, but will not be liable for any delay in delivery or failure to deliver caused by unavailability of materials, strike, Gila County Public Works, other trades, labor related difficulties, or forces of nature.
- If there are delays in the project due to other trades, GDS will invoice Gila County Public Works for a progress payment depending on the stage of the project. If the delay is during the beginning stage of the project, the 50% deposit will act as the progress payment; however, if the delay is during the final stage, GDS will ask for an additional 25% of the remainder 50% owed for the project.
- Project installation delays due to the Gila County Public Works will cause GDS to reschedule the project. The project will be rescheduled at the earliest convenience for Gila County Public Works and GDS.
- All change orders are work that is performed above and beyond the quote total.
- The Gila County Public Works shall provide accessibility to all work areas that affect the installation project. Delays caused by access difficulties may result in additional billable time. Any delays will immediately be brought to the Gila County Public Works attention.
- Prices quoted do not include any applicable sales taxes or bonds unless otherwise stated in the cost summary. GDS reserves the right to sub-contract qualified and approved labor resources to perform the tasks outlined.

## GAZDA DATA SOLUTIONS, INC.

---

- All projects will be scheduled upon receipt of order (ARO). GDS will expedite installations at an additional charge to the Gila County Public Works. The additional charge will be 15% of the total project price. (Minimum charge to expedite is \$150.00)
- Firewall penetrations, core drilling, panduit and conduit are not included in this proposal unless otherwise stated. If any of these items are needed to complete the project, there will be additional charges. The additional charges will be billed on a time and materials basis. GDS assumes all walls are hollow and fishable, all conduits and designated pathways are accessible.
- If ceilings are solid or lock tile type, additional charges may apply due to the inaccessibility, unless otherwise stated in the scope of work. GDS assume all walls are hollow and fishable; all conduits and designated pathways are accessible. All hardware material costs are subject to change without notice 120 days from the date of this quotation. Changes in costs are determined by price increases by the hardware manufacturers and suppliers.

## GAZDA DATA SOLUTIONS, INC.

---

### Exclusions:

- Cutting and/or coring of concrete walls and/or floors except when indicated on Scope of Work.
- Any required conduit and/or surface raceway except when indicated on Scope of Work.
- Overtime labor cost (pricing is based on straight time labor only).
- All asbestos, if any exists, will have been removed prior to the cable installation performed by GDS
- No OSHA class II, III, IV, or I work will be required of GDS Safety orientation programs and costs that may be required by Gila County Public Works projects. Providing and/ or installing fire-stopping products other than those used to fill sleeves.
- Any changes made at Gila County Public Works request, which results in previously purchased material being surplus, could be subject to a restocking charge.
- If Gazda Data Solutions, Inc. does not supply the materials for Gila County Public Works project; a material handling charge may be passed on to Gila County Public Works.

**GAZDA DATA SOLUTIONS, INC.**

---

**Cabling Project Pricing:**

Gazda Data Solutions will be paid by the owner for the sum specified in the Project Cabling pricing section of this proposal for the work performed. This may include any change orders processed during the duration of the project. Once the project has started Gazda Data Solutions will submit a monthly invoice for product and labor delivered. This is base on project progress.

The owner must understand that Gazda Data Solutions will hold the owner liable for any payment in regards to this contract.

Upon completion of this project Gazda Data Solutions will provide a final invoice for the entire balance of this contract and other signed change orders.

The Project Cabling Price is for Cabling and Termination only and is valid for 30 days.

Material Project Price:	\$ 2,850.80
<u>Labor Project Price:</u>	<u>\$ 946.00</u>
Total Project Price: (Freight and taxes not included)	\$ 3,796.80

GAZDA DATA SOLUTIONS, INC.

Acceptance

Any changes to the scope of this project will require a change order form and must be signed by both The Gila County Public Works and GDS. This installation is based on the condition that GDS can install the communications wiring prior to the move to the new facility.

Sincerely,

Accepted By:  Date: 5/9/13  
From: Gila County Public Works

Don E. McDaniel, Jr.  
Print Name: Don E. McDaniel, Jr.

Tommy C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 050213**  
**TREASURER'S OFFICE-CARPETING AND FLOOR TILES**

**THIS AGREEMENT**, made and entered into this 14th day of MAY, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and **Kino Floors & Interiors, LLC**, of the City of Globe, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 - SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below, and shall do so in a good, workmanlike and substantial manner and to the satisfaction of the County under the direction of the Facilities and Land Management Manager or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona.

Scope of Work: Refer to attached Quote Request, hereby identified as Attachment "A", by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to attached Quote Request, hereby identified as Attachment "A", by mention made a binding part of this agreement as set forth herein.

**ARTICLE 2 - TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a **waiver of subrogation** against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

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

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

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, Attention: Jeannie Sgroi, 1400 E. Ash St., Globe, AZ, 85501** and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, Attention: Jeannie Sgroi, 1400 E. Ash St., Globe, AZ, 85501** or via email to Ms. Sgroi at [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 - LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 - LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 - CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 – RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 – NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 – ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 – NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 – GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14– TERM:** The term of the agreement shall commence on the date of award, and expire June 30, 2013, unless terminated, canceled or extended as otherwise provided herein.

**ARTICLE 15 – PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$7,719.60 for completion of the project outlined in the scope of services.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

*IN WITNESS WHEREOF, Service Agreement No. 050213 has been duly executed by the parties hereinabove named, on the date and year first above written.*

**GILA COUNTY**

  
\_\_\_\_\_

Don E. McDaniel, Jr., County Manager

Date: \_\_\_\_\_

5/14/13

**KINO FLOORS AND INTERIORS, LLC**

  
\_\_\_\_\_

Signature

## REQUEST FOR QUOTE GILA COUNTY



### JOB/PROJECT DESCRIPTION

Project consists of replacing existing carpet and tile flooring in the Gila County Treasurer's Office.

Location: Gila County Court House  
1400 E. Ash Street  
Globe, AZ 85501

#### Scope of Work and Specifications:

- Replace existing carpeting with new BOIYU Cambridge Oxford III/8403 Faux Marble with secondary backing basic cushion (RT) in areas indicated by attachment.
- Replace existing tile flooring with new Mannington Cityscape 12" x 24"/262T24/Colorway name: Loft. Grout color to be determined in areas indicated by attachment.
- A mandatory site visit is required. Please contact Bob Hickman at 928-402-8591 to schedule a site visit. The attachment is only an estimate. If vendor does not complete a site visit, the County will not accept their bid.
- The contractor will be responsible for all material and labor to perform the above work. It is the contractor's responsibility to inspect the project site to determine the necessary materials to complete the project prior to providing a projected cost.

QUOTE DUE DATE: Please email or fax quote by Friday, April 19, 2013 to:

Jeannie Spurl, [jeannie@procurement.gila.net](mailto:jeannie@procurement.gila.net), fax 928-425-7056

Contractor Name: KINO FLOORS

Contractor Address: 401 N. BROAD ST GLOBE, AZ

Contractor Phone #: 928-425-9443 Email Address: KINFLOORS@GILACOUNTYAZ.NET

Contractor Signature:

#### TOTAL COST FOR MATERIAL & INSTALLATION

LABOR COST \$ 1851.25 (TAXES INCLUDED)

MATERIAL COST \$ 5863.35 (TAXES INCLUDED)

PLEASE ATTACH DETAIL QUOTE INCLUDING MATERIALS AND INSTALLATION CHARGE.

**Tommie C. Martin, District I**  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

**Michael A. Pastor, District II**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

**John Marcanti, District III**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

**Don E. McDaniel, Jr., County Manager**  
Phone (928) 425-3231 Ext.8761



FAX (928) 425-0319  
TTY: 7-1-1

**GILA COUNTY**

[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**GILA COUNTY**

**PROFESSIONAL SERVICES CONTRACT NO. 042713**

**TONTO CREEK SOUTHWESTERN WILLOW FLYCATCHER SURVEYS**

**THIS AGREEMENT**, made and entered into this 14~~th~~ day of MAY, 2013, by and between the Gila County Board of Supervisors, a political subdivision of the State of Arizona, hereinafter designated the **COUNTY**, and Archaeological Consulting Services, Ltd. of the City of Tempe, County of Maricopa, State of Arizona, hereinafter designated the **CONSULTANT**.

**WITNESSETH:** That the **Consultant**, for and in consideration of the sum to be paid him by the **County**, in the manner and at the time hereinafter provided, and of the other covenants and agreements herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE I – SCOPE OF WORK:** Refer to attached Attachment “A” by mention made a binding part of this agreement as set forth herein. The scope is for Project No. TCB-ENV, Tonto Creek Bridge Environmental, to conduct surveys for the endangered Southwestern Willow Flycatcher (SWFL) along Tonto Creek near Punkin Center, Gila County, Arizona, In order to stay compliant with federal requirements, prior to the commencement of construction, a study has to be conducted for three continuous years. Archaeological Consulting Services, Ltd. has been doing the study under contract with Kimley Horn for the bridge since July 2009.

- Archaeological Consulting Services, Ltd. (ACS) will follow the Sogge et al. SWFL survey Protocol when conducting SWFL surveys. ACS has extensive experience conducting surveys under this protocol and within the project area.
- ACS will conduct protocol surveys for SWFLs 0.5 mile upstream and downstream of the proposed bridge location near Punkin Center.
- The scope includes five (5) survey visits per protocol, spaced out within the three established surveys periods, 2013 (Year 1), 2014 (Year 2) and 2015 (Year 3), during the SWFL breeding season.
- Results of the surveys will be summarized in a brief report, which will include the survey forms, and will be submitted to the Arizona Game and Fish Department, the US Fish and Wildlife Service, and the US Forest Service.

**Special Status Species Survey for the Southwestern Willow Flycatcher**

The Consultant will survey the Tonto Creek area, near Punkin Center, using protocols adopted by the USFWS in May 1997 (revised May 2000). The USFWS recommends five (5) surveys for project-related surveys, with the first survey to be conducted between May 15 and May 31, the second between June 1 and June 21, and the third, fourth and fifth between June 22 and July 17. Survey's conducted in different survey periods, and multiple surveys within the third survey period, must be at least five (5) days apart.

**ARTICLE II – COST SUMMARY:**

<b>Project Cost Summary Table</b>	
▪ 2013 (Year 1).....	\$12,054.00
▪ 2014 (Year 2).....	\$12,330.00
▪ 2015 (Year 3).....	\$12,606.00
▪ <b>Total Estimated Budget</b> .....	<b>\$36,990.00</b>

**ARTICLE III – INDEMNIFICATION CLAUSE:** Consultant shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as “Indemnitee”) from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys’ fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as “Claims”) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Consultant or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers’ Compensation Law or arising out of the failure of such Consultant to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Consultant from and against any and all claims. It is agreed that the Consultant will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Consultant agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Consultant for the County.

**ARTICLE IV - INSURANCE REQUIREMENTS:** Consultant and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The County in no way warrants that the minimum limits contained herein are sufficient to protect the Consultant from liabilities that might arise out of the performance of the work under this contract by the Consultant, his agents, representatives, employees or subcontractors and Engineer is free to purchase additional insurance as may be determined necessary.

**A. MINIMUM SCOPE AND LIMITS OF INSURANCE:** Consultant shall provide coverage with limits of liability not less than those stated below.

**1. Commercial General Liability – Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Consultant".

**2. Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a waiver of subrogation against the County of Gila.

**3. Professional Liability (Errors and Omissions Liability)**

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

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

- B. ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Consultant even if those limits of liability are in excess of those required by this Contract.
  2. The Consultant's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
  3. Coverage provided by the Consultant shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- C. NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to Jeannie Sgroi, 1400 E. Ash St., Globe, AZ 85501 and shall be sent by certified mail, return receipt requested.
- D. ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Consultant from potential insurer insolvency.
- E. VERIFICATION OF COVERAGE:** Consultant shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to Jeannie Sgroi, 1400 E. Ash St., Globe, AZ 85501. The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Consultants' certificate(s) shall include all subcontractors as additional insured's under its policies or Consultant shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE V – CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. § 38-511. The Consultant shall be considered in default of this contract and such default will be considered as cause to terminate the contract for any of the following reasons if the Consultant:

- a. Fails to perform the work or fails to provide sufficient workers, equipment or data to assure completion of work in accordance with the terms of the contract; or
- b. Performs the work unsuitably or neglects or refuses to follow the Scope of Work; or
- c. Discontinues the prosecution of the work; or
- d. Fails to resume work which as been discontinued within a reasonable time after notice to do so; or
- e. Becomes insolvent or is declared bankrupt, or commits any act of bankruptcy or insolvency; or
- f. Makes assignment for the benefit or creditors.

**ARTICLE VI – PAYMENT:** For and in consideration of the performance of the services of the work herein described in Attachment "A", the County agrees to pay the Consultant a flat rate of \$12,054.00 for 2013 (Year 1), as identified in Article II-COST SUMMARY, Project Cost Summary Table. Consultant shall submit monthly invoices, following the last day of the month for services performed and expenses incurred during the billing period. Consultant shall submit monthly invoices, beginning with the month Consultant receives a Notice to Proceed, and ending with the final report submittal, which will be in December 2013. Should the County choose to continue the survey for years 2014 (Year 2) and 2015 (Year 3), the County shall

pay those years at the rates as identified in Article II-COST SUMMARY, Project Cost Summary Table. Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

**ARTICLE VII – TERMINATION OF CONTRACT:** Either party, in writing, may terminate this contract in whole, or in part, at any time before the date of expiration. Neither party shall incur any new obligations for the terminated portion of this contract after the effective date and shall cancel as many obligations as is possible. Full credit shall be allowed for each party’s expenses and all non-cancelable obligations properly incurred up to the effective date of termination.

IN WITNESS WHEREOF, two (2) identical counterparts of this contract, each which shall include original signatures and for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY  
PROFESSIONAL SERVICES CONTRACT NO. 042713  
TONGO CREEK SOUTHWESTERN WILLOW FLYCATCHER SURVEYS**

GILA COUNTY

ARCHAEOLOGICAL CONSULTING SERVICES, LTD.

  
Don E. McDaniel Jr., County Manager

  
Signature

Date: 5/19/13

Margerie Green  
Print Name

APPROVED AS TO FORM:

  
Bryan E. Chambers, Deputy Attorney Principal  
for Bradley D. Beauchamp, County Attorney



Archaeological Consulting Services, Ltd.  
Cultural Resource, Environmental Management, and GIS Services  
a woman-owned business enterprise, established 1977

424 West Broadway Road  
Tempe, AZ 85282-1339  
(480) 894-5477 • FAX (480) 894-5478  
www.acsiempe.com

1 April 2013  
ACS Project 13-059

Jeannie Sgroi  
Gila County Finance Department  
Contracts Support Specialist  
1400 E. Ash Street  
Globe, AZ 85501

RE: Proposal for 2013, 2014, and 2015 Southwestern Willow Flycatcher Surveys along Tonto Creek near Punkin Center, Gila County, Arizona

Dear Ms. Sgroi:

Thank you for contacting Archaeological Consulting Services, Ltd. (ACS) regarding surveys for the endangered southwestern willow flycatcher (SWFL) along Tonto Creek near Punkin Center, Gila County, Arizona. As in previous years, ACS will conduct protocol surveys for SWFLs 0.5 mile upstream and downstream of the proposed bridge location near Punkin Center. This proposal includes costs for surveys in 2013, 2014, and 2015, if needed.

#### Scope of Work

ACS personnel will follow the Sogge et al. SWFL Survey Protocol when conducting SWFL surveys. Tracy McCarthy and Laura Stewart have extensive experience conducting surveys under this protocol and within the project area. We have included five survey visits per protocol spaced out within the three established surveys periods during the SWFL breeding season. Results of the surveys will be summarized in a brief report, which will include the field survey forms, and will be submitted to the Arizona Game and Fish Department, the US Fish and Wildlife Service, and the US Forest Service.

#### Cost Estimate and Schedule

The estimated lump sum cost for 2013 (Year 1) surveys is **\$12,054.00**. We have added a 2.5% cost of living increase for each subsequent year of the 3-year contract that surveys are needed; therefore the lump sum cost for the 2014 (Year 2) surveys is **\$12,330.00** and for the 2015 (Year 3) surveys, **\$12,606.00**. Total cost for the entire 3-year contract period is **\$36,990.00**. The SWFL breeding season extends through August; therefore, we will submit our draft report to Gila County for review by 1 October 2013. This cost proposal is valid for 60 days.

Please do not hesitate to call if you have any questions or comments. We look forward to working with Gila County again.

Sincerely,

A handwritten signature in black ink that reads "Tracy McCarthy".

Tracy McCarthy  
Director, Environmental Division / Senior Biologist

Copy: Gloria Aguirre

# Cartegraph

3600 DIGITAL DRIVE | DUBUQUE, IA 52003

---

To: Tom Homan  
Organization: Gila County  
From: Mary Ronek  
Date: May 8, 2013  
RE: Cartegraph Sales Proposal

---

Attached, please find a proposal from your Sales representative at Cartegraph Systems, Inc. We are pleased with the prospect of serving you and hope this meets with your approval.

Should the products and/or services and the associated pricing terms be agreeable to you as stated, please sign in the area indicated and return all pages of the proposal to Cartegraph by one of the following means:

- By email – [salesoperations@cartegraph.com](mailto:salesoperations@cartegraph.com)
- By fax – (563)556-8149, Attn: Sales Operations
- By mail – Cartegraph  
Attn: Sales Operations  
3600 Digital Drive  
Dubuque, IA 52003

Please be aware that in order for Cartegraph to process an order, we must receive all of the following items:

- ✓ Fully-executed Cartegraph proposal returned in its entirety
- ✓ Approved Purchase Order from your organization

Should you have any questions about the contents of the proposal, please contact your Sales representative at (800) 688-2656.

Thank you!



3600 Digital Drive | Dubuque, Iowa 52003 | (800) 688-2656 | (563) 556-8120 | fax (563) 556-8149  
 Federal ID: 42-1419553

## Software and Services Proposal

**Date:** May 8, 2013

**Proposal Expiration Date:** June 30, 2013

**Contract No.:** C1304036

**Organization** Gila County

**Contact** Tom Homan

**Department**

**Address** 745 N Rose Mofford Way

**City** Globe

**State/Prov.** AZ

**Zip/Code**

85501

	Purchase Type	Qty.	Unit Price	Total Price
<b>PROJECT SERVICES</b>				
<b>Implementation Services (Fee for Service)</b>				
Implementation Service	Fixed Fee Service	1	\$4,000.00	\$4,000.00
<i>ESTIMATED EXPENSES</i>				<i>\$1,370.00</i>
<b>TOTAL PROJECT COST INCL. ESTIMATED EXPENSES</b>				<b>\$5,370.00</b>

**NOTES:** One day training each at the following 2 locations: 745 N. Rose Mofford Way, Globe, AZ and 5320 E. Hwy 260, Star Valley, AZ 85541. **Attachment "A" by mention made a binding part of this agreement as set forth herein.**

### Not-to-Exceed Proposal

**Cartegraph** will not exceed the total included in this Proposal without written approval from **Customer**. In the event it becomes apparent to **Cartegraph** that additional service efforts will be needed due to any changes in the scope of this proposal, **Cartegraph** will notify **Customer** prior to exceeding the approved efforts and obtain written approval if additional software or services are required.

### Additional Services

**Cartegraph** can also provide additional fixed fee business and technical services as may be requested by **Customer**, including:

- Business Assessment Services
- Data Conversion Services
- Modification Services

Any additional services are available to **Customer** at the rate of \$150 per hour (2-day minimum required for on-site service) plus travel expenses.

### Project Services Scope

Cartegraph staff will provide project services, listed below, for training on WorkDirector. Specific items include:

- Detailed review of project scope.
- Develop a project timeline based upon the project scope discussion.

- Conduct direct training to end-users (up to 10) or conduct Champion (train-the-trainer) sessions on the Cartegraph application. This training will be scheduled based on mutually agreeable times, to occur both on the client's Cartegraph database utilizing any customized forms, filters, and reports as mutually determined. Before the training, both parties will discuss and agree as to the location of the facilities and any equipment required for the training, including server and client computers as necessary. These services are more particularly described as:
  - The client will approve custom training agendas prior to training delivery, and Cartegraph agrees to consult with the client prior to developing the training agenda.
  - The client will advise Cartegraph as to the number of expected attendees for any particular class.
- Provide project management expertise throughout the duration of the project.
  - The Cartegraph Project Manager will provide guidance in the management of this implementation project and will take responsibility for the resources Cartegraph allocates to the project.
  - The Cartegraph Project Manager will manage all project activities that are the responsibility of Cartegraph, serve as a liaison with the client, and be available and responsible to the client for consultation and assistance.
  - The Cartegraph Project Manager will attend and participate in project status meetings, and will provide timely, informed responses to operational and administrative inquiries arising from the project.

During the duration of the project, the client will appoint a project coordinator to be responsible for the following aspects of the project:

- Approve the Project Status Report
- Authorize the project work
- Acceptance of deliverables defined in the Project Status Report
- Ensure the project is in compliance with and satisfies the requirements of the Project Status Report
- Consult with the Cartegraph Project Manager on a continuing basis
- Provide leadership on all issues related to the client, such as policy, organization, staff, technical architecture, data, and current systems.
- Monitor progress of the project, including the review of Cartegraph regular status reports and managing internal resources.

## Payment Terms and Conditions

In consideration for the Services and Products provided by **Cartegraph** to **Customer**, **Customer** agrees to pay **Cartegraph** Software Costs and Professional Service Fees in U.S. Dollars as described below:

1. **Delivery:** Software Products shall be licensed upon acceptance of this Proposal. Project Services will be scheduled and delivered upon your acceptance of this Proposal, which will be considered as your notification to proceed.
2. **Services Scheduling:** **Customer** agrees to work with **Cartegraph** to schedule Project Services in a timely manner. All undelivered Project Services shall expire 365 days from the signing of this Proposal.
3. **Invoicing:** Invoicing for any given Software Products shall occur upon delivery. Invoicing occurs monthly for Project Services as they are incurred on the project. Partial billings on fixed fee costs will be invoiced monthly as incurred.
4. **Expenses:** In providing the services included in this Proposal, **Cartegraph** shall be reimbursed for any reasonable out-of-pocket costs, including, but not limited to, travel, lodging, and meals. Out-of-pocket expenses are billed based on actual costs incurred and are due separately. Estimated expenses noted in the table above include one (1) trip to **Customer's** site.
5. **Payment Terms:** All payments are due Net 30 days from date of invoice.

This Proposal constitutes the complete and exclusive agreement between Cartegraph Systems, Inc., and the above company, superseding all other proposals, oral or written and all other communication with respect to the terms of the agreement. Proposal must be executed and returned to **Cartegraph** prior to the expiration date shown above or all terms contained herein are invalid and the entire Proposal is void.

**Customer** acknowledges that all materials and documents associated with this project are proprietary in nature. **Customer** further agrees not to copy or otherwise make available such materials outside of **Customer's** organization and its divisions and departments without the prior written consent of **Cartegraph**, except as required by law.

Acceptance

The parties, each acting under due and proper authority, have executed this Proposal as of the date written below:

GILA COUNTY, AZ

By:   
Signature

Date: 5/29/13

Please  
Print

DON E. MCDANIEL, JR. / COUNTY MANAGER  
Name Title

CARTEGRAPH SYSTEMS, INC.

By:   
Mark Weber, CFO

Date: 5/08/2013

**ATTACHMENT "A"**

**Anti-Terrorism Warranty:** Pursuant to A.R.S. §35-393.06(B) and 35-391.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**Legal Arizona Workers Act Compliance:** Firm hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Firm shall further ensure that each subcontractor who performs any work for Firm under this contract likewise complies with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Firm and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

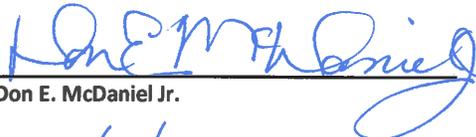
Any breach of Firm's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Firm to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Firm shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Firm shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

**Cancellation:** This agreement is subject to cancellation pursuant to A.R.S. §38.511.

**GILA COUNTY:**

**GILA COUNTY MANAGER**

  
\_\_\_\_\_  
Don E. McDaniel Jr.

5/14/13  
\_\_\_\_\_  
Date

**CARTEGRAPH**

  
\_\_\_\_\_  
Individual Authorized to Sign

Mark Weber  
\_\_\_\_\_  
Print Name

C.F.O  
\_\_\_\_\_  
Title

5/8/2013  
\_\_\_\_\_  
Date

Tommie C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 051513**  
**WEATHERIZATION PROJECT NO. HH#8837**

**THIS AGREEMENT**, made and entered into this 29th day of May, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and Noble Building LLC, of the City of Payson, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 - SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below for Weatherization Project HH#8837, and shall do so in a good, workmanlike, and substantial manner and to the satisfaction of the County under the direction of the Housing Services Manager or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona and consistent with all Weatherization guidelines.

Scope of Work: Refer to attached Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein.

**ARTICLE 2 - TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as

"Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a waiver of subrogation against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

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

a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be

maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

- B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
  2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
  3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 - LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the

"State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 - LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 - CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 - RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by

Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 – NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 – ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 – NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 – GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14-- TERM:** Contract shall be effective date signed by the County Manager and expire June 30, 2013.

**ARTICLE 15 – PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$11,050.00 for completion of the projects as outlined in the Scope of Services, in two (2) increments. Contractor shall submit an invoice for fifty percent (50%) upon commencement of the project, followed by an invoice for the remaining fifty percent (50%) upon completion of the project.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, Service Agreement No. 051513 has been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 5/29/13

**NOBLE BUILDING LLC.**

  
\_\_\_\_\_  
Signature

J. Byron Tancik  
Print Name

582204

CUSTOMER'S ORDER NO		DEPARTMENT		DATE	
NAME HH 8837					
ADDRESS					
CITY, STATE, ZIP					
BOLD BY		CASH	C.O.D.	CHEQUE	CREDIT
QUANTITY	DESCRIPTION			PRICE	ACCOUNT
1	5-6-13 @ 1826 called Rodriguez Construction and left a message NWM				
2					
3					
4	5-6-13 @ 0926 called Mountain Retreat and they said "No." NWM				
5					
6					
7	5-7-13 @ 1523 Rodriguez called back and said "No." NWM				
8					
9					
10	5-1-13 Nable sent bid of \$11,050.00 NWM				
11					
12					
13					
14					
15					
16					
17					
18					
RECEIVED BY					

KEEP THIS SLIP FOR REFERENCE



### GILA COUNTY COMMUNITY SERVICES DIVISION

Location: 5515 South Apache Ave., Globe, AZ 85501

PHONE: (928) 425-7631 FAX: (928) 425-9468

"Improving the Quality of Life for all Residents"

Gila County Community Action/Housing Services  
Weatherization Program

#### BID RESULTS FORM

Quote Request Date: 5-6-12 Job Number: HH 8837

Name: HH 8837

Address: \_\_\_\_\_

The following bids were received at the Gila County Housing Services Department, 5515 S. Apache Ave Suite 200, Globe, AZ 85501; at 9:26 am pm. Bidding should be at least 72 hours from the time of the initial request.

NAME OF BIDDER:	VERBAL CONTACT	BID AMOUNT:
<u>Rodriguez Construction</u>		\$ <u>No bid</u>
<u>Mountain Retreat</u>		\$ <u>No bid</u>
<u>Noble Building</u>		\$ <u>11,050.00</u>
_____		\$ _____
_____		\$ _____
_____		\$ _____

Person opening bids: Nikolas Montoya

Witness: Abraul E. Ejlicio

Bidder Selected: Noble Building

Supervisor Sign-off: [Signature]

Date: 5/12/2012

Housing Rehabilitation      Community Action      Section 8 Housing      GEST

Workforce Investment Act      REPAC      Weatherization Program



ARIZONA GOVERNOR'S OFFICE OF ENERGY POLICY (OEP)  
WEATHERIZATION ASSISTANCE PROGRAM

PRIOR APPROVAL BY OEP FIELD REPRESENTATIVE

Name of Weatherization Subgrantee: Gila County  
Client's Name: Arthur Standiford Address: 307 E Aero Drive  
Payson, AZ 85541  
is hereby authorized for:

This waiver must be approved by OEP staff PRIOR to the commencement of ANY WORK.

- Replacement of heating or cooling equipment not indicated by audit. REM Design (.big) file to be submitted with waiver form.
- Site Specific REM Design for dwellings. (For use when not using priority lists.)
- Switching of any fuel source.
- Evaporative cooling switched to central air conditioning. (Requires doctor's note and must be changed to subgrantee's health and safety budget only)
- Change in order of single family priority list.
- Change in order of mobile home priority list.
- Completion of measures with a SIR of less than one prior to completion of all higher SIR measures. REM Design (.big) file to be submitted with waiver form.
- Re-weatherization of a building weatherized after September 30, 1994.
- Other: Please Describe

Reason for waiver or additional notes:

- HVAC Replacement approved by .B SIR  
- Air Sealing approved @ 11.1

Total Cost: \$11,050<sup>00</sup>

Funding Source: URD, APS, Gila other

Signature of OEP Field Representative: [Signature]

Date: 5/6/13

Signature of OEP Program Manager: [Signature]

Date: 5-8-13



236 W. Thompson Road  
PAYSON, AZ 85541

# Estimate

5/1/2013

NI88837  
307 E. Acre dr.  
Payson AZ 85541

P.O. No.

Description	Total
1) Air Sealing	800.00T
2) Duct sealing	1,800.00T
3) Mobile Home Roof Insulation (no room)	
4) Mobile Sully repair	300.16T
5) CFLs (Taken care of in no cost low cost)	
6) Heat Pump Water Heater (no room)	
7) Refrigerator Replacement (not Necessary)	
8) Low E Storm Windows (can't buy and install for \$15 sq ft or less)	
9) Removal and proper disposal of existing gas furnace. Installation of new 80,000 BTU 96% AFUE gas furnace and 2 ton 14.6 SEER air conditioning system. Installation of new return air box/transition and bar-faced filter frame in hallway. Installation of new digital programmable thermostat near return air, and new 8 conductor stat wire. Installation of new insulated copper refrigeration lines and new R410A refrigerant. Installation includes new gas box	7,800.00T

Subtotal	\$10,332.16
Sales Tax (6.32%)	\$652.85
<b>Total</b>	<b>\$11,050.00</b>

excepted \_\_\_\_\_



338 W. Thompson Road  
PAYSON, AZ 85541

# Scope of Work

051513

HH0657  
307 E. Aero dr.  
Payson AZ 85541

P.O. No.

Description
<p>1) Air Sealing            2) Duct sealing            3) Mobile Home Roof Insulation (no room)            4) Mobile Home repair            5) CFLs (Taken care of in no cost low cost)            6) Heat Pump Water Heater (no room)            7) Refrigerator Replacement (not Necessary)            8) Low E Storm Windows (can't by and install for 316 sq ft or less)            9) Removal and proper disposal of existing gas furnace. Installation of new 80,000 BTU 95% AFUE gas furnace and 2 ton 14.8 SEER air conditioning system. Installation of new return air boot/transition and bar-faced filter frame in hallway. Installation of new digital programmable thermostat near return air, and new 6 conductor stat wire. Installation of new insulated copper refrigeration lines and new R410A refrigerant. Installation includes new gas flex            Sales Tax-Payson &amp; Gila County</p>

Tommie C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 051713**  
**PINAL/GILA EMERGENCY FUNDING PROJECT NO. HH#8893**

**THIS AGREEMENT**, made and entered into this 29th day of May, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and Mountain Retreat Builders, of the City of Globe, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 - SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below for Weatherization Project HH#8893, and shall do so in a good, workmanlike, and substantial manner and to the satisfaction of the County under the direction of the Housing Services Manager or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona and consistent with all Weatherization guidelines.

Scope of Work: Refer to attached Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein. Contractor will be paid fifty (50) percent upon presentation of an invoice at the beginning of the project, and the remaining fifty (50) percent upon presentation of an invoice upon completion of the project.

**ARTICLE 2 - TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "**The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor.**"

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a **waiver of subrogation** against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

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

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

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies **or** Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 - LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 - LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 - CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 - RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 - NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 - ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 - NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 - GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14- TERM:** Contract shall be effective date signed by the County Manager and expire on June 30, 2013.

**ARTICLE 15 - PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$1,918.00 for completion of the projects as outlined in the Scope of Services.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, Service Agreement No. 051713 has been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 5/29/13

**MOUNTAIN RETREAT BUILDERS**

  
\_\_\_\_\_  
Signature  
John Opponetto  
\_\_\_\_\_  
Print Name





# THE VANTAGE GROUP, LLC

## PRICE QUOTATION & ORDER FORM

701 Parkcenter Drive, Suite 200  
 Santa Ana, CA 92705  
 (888)316-4431 Fax (888)351-2704  
[sales@vantage-grp.com](mailto:sales@vantage-grp.com)  
**Fed ID: 95-4671090**

**CONTACT INFORMATION:**

Company: Gila County AZ  
 Primary Contact: Kelly Riggs  
 Phone: 928-402-8772  
 E-mail: [kriggs@co.gila.az.us](mailto:kriggs@co.gila.az.us)  
 Technical Contact:  
 Phone:  
 E-mail:

**SHIP TO:**

Name: Kelly Riggs  
 Company: Gila County AZ  
 Address:

**BILL TO:**

Name:  
 Company:  
 Address:

**INSTALLATION ADDRESS:**

Name:  
 Company:  
 Address:

SUBMITTED BY	QUOTATION DATE	EXPIRATION DATE	SHIPPING INSTRUCTIONS	QUOTE ID	PAYMENT TERMS
Les Flammer	05/13/13	05/29/13	Best Way	040413R-GCAZ-QL	Net 30 days

ITEM	DESCRIPTION	PRICE	# UNITS	EXTENDED PRICE
1	OnQ Standard Software Maintenance & Support Renewal - 1 Year Term: 06/06/13 - 06/05/14	\$ 7,199.10	1	\$ 7,199.10
<b>Attachment "A", by mention is made a binding part of this agreement as set forth therein</b>				
<b>Note: Shipping, Insurance, and Sales Tax not included</b>				

SUBTOTAL	\$ 7,199.10
SHIPPING & HANDLING	N/A
SALES TAX	N/A
<b>TOTAL</b>	<b>\$ 7,199.10</b>

**NOTES:**  
 To place your order, fax a signed copy of this form and your Purchase Order to The Vantage Group at (888) 351-2704 and return the originals to the Vantage Accounting Department at the address shown on this form.  
 Products are licensed subject to The Vantage Group, LLC's and manufacturer's standard License Terms for use at the customer's installation address only unless otherwise specified. Product licenses are not transferable. This quote may not include any state or local taxes (if applicable), shipping charges or travel and living expenses. Payment of all applicable taxes, shipping charges, travel expenses and living expenses directly related to the delivery of the products and services included in this quote are the responsibility of the Customer.

Authorized Signature

*Lester E. Flammer*

Name: Lester E. Flammer

GILA COUNTY:

*Don E. McDaniel, Jr.*  
 Don E. McDaniel, Jr.  
 County Manager

*5/29/13*  
 DATE

Title: Managing Partner

Date:

13-May-13

**ATTACHMENT "A"**

**Anti-Terrorism Warranty:** Pursuant to **A.R.S. 35-393.06(B) and 35-391.06(A)** the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**Legal Arizona Workers Act Compliance:** Firm hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Firm shall further ensure that each subcontractor who performs any work for Firm under this contract likewise complies with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Firm and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Firm's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Firm to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Firm shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Firm shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

**Cancellation:** This agreement is subject to cancellation pursuant to A.R.S. §38.511.

THE VANTAGE GROUP



Individual Authorized to Sign

LESTER E. FLAMMER

Print Name

MANAGING PARTNER

Title

05/13/2013

Date

Tommie C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John D. Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**SERVICE AGREEMENT NO. 051313**  
**TREASURER'S OFFICE CEILING TILE REPLACEMENT**

**THIS AGREEMENT**, made and entered into this 29th day of May, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and GFI Acoustics of the City of Mesa, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 - SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below and shall do so in a good, workmanlike and substantial manner and to the satisfaction of the County under the direction of the Facilities and Land Management Director or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona and consistent with all Gila County guidelines.

Scope of Work: Refer to attached Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein. To the extent that the terms and conditions of this Service Agreement conflict with the Terms and Conditions of Attachment "A", the terms and conditions of this service agreement will prevail and govern the contractual relationship between the parties.

**ARTICLE 2 - TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: **"The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor"**.

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a **waiver of subrogation** against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

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

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

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 - LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 - LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 - CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 – RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 – NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 – ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 – NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 – GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14– TERM:** Contract shall be effective on the date it is awarded and be in full force and effect through June 30, 2013.

**ARTICLE 15 - PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$2,218.00 for completion of the projects as outlined in the Scope of Services.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF,** Service Agreement No. 051313 has been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 5/29/13

**GFI ACOUSTICS**

  
\_\_\_\_\_  
Signature

WILLIAM KENNEDY  
\_\_\_\_\_  
Print Name

# REQUEST FOR QUOTE/RE-BID GILA COUNTY



## JOB/PROJECT DESCRIPTION

Project consists of replacing existing ceiling tiles in the Gila County Treasurer's Office.

Location: Gila County Court House  
1400 E. Ash Street  
Globe, AZ 85501

### Scope of Work and Specifications:

- Replace existing ceiling tile with new Certain Teed Bet 2'x2'x5/8" reveal edge, in Areas 1 and 2 of supplied drawing.
- Install new grid and ceiling tiles in Areas 3 and 4 of supplied drawing.
- A mandatory site visit is required. Please contact Bob Hickman at 928-402-8591 to schedule a site visit.
- The contractor will be responsible for all material and labor to perform the above work. It is the contractor's responsibility to inspect the project site to determine the necessary materials to complete the project prior to providing a projected cost.

QUOTE DUE DATE: Please email or fax quote by, Monday, May 08, 2013 to, Jeannie Sgroi, [dsgr01@co.gila.az.us](mailto:dsgr01@co.gila.az.us), fax 928-425-7056

Contractor Name:	<u>GFI Acoustics</u>		
Contractor Address:	<u>41629 E. Grandview St. Mesa AZ 85205</u>		
Contractor Phone #:	<u>480-832-1014</u>	Email Address:	<u>gfiacoustics@yahoo.com</u>
Contractor Signature:	<u>[Signature]</u>		
<b>TOTAL COST FOR MATERIAL &amp; INSTALLATION</b>			
LABOR COST	\$	<u>830<sup>00</sup></u>	(TAXES INCLUDED)
MATERIAL COST	\$	<u>1388<sup>00</sup></u>	(TAXES INCLUDED)
PLEASE ATTACH DETAIL QUOTE INCLUDING MATERIALS AND INSTALLATION CHARGE.			

**G.F.I. Acoustics Inc.**  
 4629 E. Grandview St.  
 Mesa, AZ 85205  
 roc 156839-156840

**Estimate**

Date	Estimate #
1/28/2013	4308

Customer	Ship To
Gila County Finance Department ATTN: Accounts Payable 1400 E Ash Street Globe, AZ 85301	Gila County Courthouse

Description	Total
Suspended acoustical ceilings supplied and installed per plans	2,218.00
Scope - approx: 912 sq.ft. of new grid and tile #BB1-197 2x4' sq.edge ceiling tile approx: 192 sq.ft. of new ceiling tile only #BET-197 2x4' sq.edge ceiling tile approx: 240 sq.ft. of new ceiling tile only #RT-154 2x2' regular edge ceiling tile	
Includes - slack wires for lights	
Excludes - any demo - any insulation	
Sales Tax	0.00

<b>Total</b>	<b>\$2,218.00</b>
--------------	-------------------

Respectfully Submitted by:

This proposal is good for 30 days  
**ACCEPTANCE OF PROPOSAL**

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined below. Net 30 days from receipt of invoice or as governed by ARS# 32-1129 "Prompt Pay" legislation requirements.

Date \_\_\_\_\_ Signature \_\_\_\_\_

Phone #	Fax #	E-mail
480-632-1614	480-634-1830	gfiaoustics@yahoo.com

Tommie C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John D. Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext.8761

FAX (928) 425-0319  
TTY: 7-1-1

**SERVICE AGREEMENT NO. 041713**  
**HERBICIDE WEED CONTROL AT PINAL CEMETARY**

**THIS AGREEMENT**, made and entered into this 29th day of May, 2013, by and between Gila County a political subdivision of the State of Arizona, hereinafter designated the County, and **Superior Environmental Solutions, Inc.**, of the City of Superior, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 - SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below and shall do so in a good, workmanlike and substantial manner and to the satisfaction of the County under the direction of the BOS Constituent Services II or designee. All work must be performed in conformance with industry standards and best practices.

Scope of Work: Refer to attached Attachment "A", by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A", by mention made a binding part of this agreement as set forth herein. To the extent that the terms and conditions of this Service Agreement conflict with the Terms and Conditions of Attachment "A", the terms and conditions of this service agreement will prevail and govern the contractual relationship between the parties.

**ARTICLE 2 - TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 – INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 – INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

**1. Commercial General Liability – Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: **"The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".**

**2. Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a **waiver of subrogation** against the County of Gila.

- B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
  2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
  3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to the **Gila County Purchasing, 1400 E. Ash St., Globe, AZ, 85501** and shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 – LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws. Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 – LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7– ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 – CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 - RELATIONSHIP OF THE PARTIES:** Contractor is an independent Contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 - NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 - NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 12 - GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 13- TERM:** The term of the contract shall commence on June 01, 2013 and shall remain in effect through January 31, 2014, unless terminated, canceled or extended as otherwise provided herein.

**ARTICLE 14 - PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$4,800.00 for completion of the project outlined in the scope of services.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the Contractor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

*IN WITNESS WHEREOF, Service Agreement No. 041713 has been duly executed by the parties hereinabove named, on the date and year first above written.*

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 5/29/13

**SUPERIOR ENVIRONMENTAL SOLUTIONS,  
INC.**

  
\_\_\_\_\_  
Signature

Mario SAXE  
\_\_\_\_\_  
Print Name



**SUPERIOR ENVIRONMENTAL SOLUTIONS, INC.**  
 331 WEST PALO VERDE DRIVE  
 SUPERIOR, ARIZONA 85273  
 CELL 520.827.0067 FAX / PHONE 520.689.2448

130408

Customer

**ESTIMATE**

<b>Name</b>	Michael Pastor	<b>Date</b>	4/8/2013
<b>Address</b>	1400 E. Ash Street	<b>Order No.</b>	
<b>City</b>	Globe State AZ ZIP 85501	<b>Rep</b>	
<b>Phone</b>	928-402-8753	<b>FOB</b>	

Qty	Description		TOTAL
11	Spray pre and post emergent Hebrides to the PINAL CEMETARY. (areas described in map provided)	\$400.00	\$4,400.00
	Chemicals used: Glyphosate (Clean up pro) Mec Amine LI700 Simazine Turf Mark		
1	Spot spray Bermuda grasses with imazpyr *Treatments should be made twice annually to substantially reduce the weed population.	\$400.00	\$400.00
	Warning - Pesticides can be harmful. Keep children and pets away from pesticide applications until dry, dissipated, or aerated. For more information contact Superior Environmental Solutions, Inc. - 520-827-0067 Lic# 8460		

**Payment Details**

Cash  
 Check

**TERMS - due upon receipt**

\_\_\_\_\_

\_\_\_\_\_

Subtotal	\$4,800.00
Shipping & Handling	\$0.00
Taxes	
<b>TOTAL</b>	<b>\$4,800.00</b>

Office Use Only

\_\_\_\_\_

\_\_\_\_\_

superioreenvironmental@gmail.com

Tommie C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext. 8761

1400 E. Ash Street  
Globe, AZ 85501

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 051613-1**  
**WEATHERIZATION PROJECT NO. HH#9351**

**THIS AGREEMENT**, made and entered into this 29th day of May, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and Noble Building LLC, of the City of Payson, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 - SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below for Weatherization Project HH#9351, and shall do so in a good, workmanlike, and substantial manner and to the satisfaction of the County under the direction of the Housing Services Manager or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona and consistent with all Weatherization guidelines.

Scope of Work: Refer to attached Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein.

**ARTICLE 2 - TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as

"Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a waiver of subrogation against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

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

a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be

maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

- B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
  2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
  3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 - LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the

"State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 - LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 - CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 - RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by

Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 – NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 – ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 – NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 – GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14– TERM:** Contract shall be effective date signed by the County Manager and expire June 30, 2013.

**ARTICLE 15 – PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$7,721.49 for completion of the projects as outlined in the Scope of Services, in two (2) increments. Contractor shall submit an invoice for fifty percent (50%) upon commencement of the project, followed by an invoice for the remaining fifty percent (50%) upon completion of the project.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

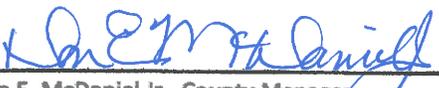
Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, Service Agreement No. 051613-1 has been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

**NOBLE BUILDING LLC.**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

  
\_\_\_\_\_  
Signature

Date: 5/29/13

J. Byron Tanenhaus  
Print Name



236 W. Thompson Road  
 PAYSON, AZ 85541

# Estimate

4282013

WING 8387  
 2113 N. Puermas rd  
 Payson, AZ 85541

P.O. No.

Description	Total
1) Air Sealing (already tight)	
2) Attic insulation (ins R-30)	
3) Dense Pack Walls (ins R-19 batts)	
4) CFLs (taken care of in No Cost Low Cost)	
5) Seal doors to 1 Percent or less	
6) Heat pump water heater (only one resident)	212.00T
7) Refrigerator Replacement (unnecessary)	
8) Low E Storm Windows (can't buy and install for \$18 sq ft or less)	
9) No Cost Low Cost	
10) Install a 30-30 cfm continuous run fan	280.00T
11) install heat pump	600.00T
12) Pressure Balance Rooms	6,000.00T
	380.00T

Subtotal	67,552.00
Sales Tax (6.32%)	4282.00
<b>Total</b>	<b>67,721.40</b>

excepted \_\_\_\_\_



235 W. Thompson Road  
PAYSON, AZ 85641

# Scope of Work

4/2/2013

MH# 8381  
2113 N. Florence rd  
Payson, AZ 85641

P.O. No.

Description
<ul style="list-style-type: none"><li>1) Air Sealing (already Sght)</li><li>2) Attic insulation (ins R-30)</li><li>3) Basse Pack Walks (ins R-18 batts)</li><li>4) CFLs (taken care of in No Cost Low Cost)</li><li>5) Seal ducts to 1 Pascal or less</li><li>6) Heat pump water heater- (only one resident)</li><li>7) Refrigerator Replacement (unnecessary)</li><li>8) Low E Storm Windows (can't buy and install for \$16 sq ft or less)</li><li>9) No Cost Low Cost</li><li>10) Install a 36-60 cfm continuous run fan</li><li>11) Install heat pump</li><li>12) Pressure Balance Rooms</li></ul> <p>Sales Tax-Payson &amp; Gila County</p>

Tommie C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 051613-2**  
**WEATHERIZATION PROJECT NO. HH#3716**

**THIS AGREEMENT**, made and entered into this 29th day of May, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and Noble Building LLC, of the City of Payson, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 - SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below for Weatherization Project HH#3716, and shall do so in a good, workmanlike, and substantial manner and to the satisfaction of the County under the direction of the Housing Services Manager or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona and consistent with all Weatherization guidelines.

Scope of Work: Refer to attached Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein.

**ARTICLE 2 - TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as

"Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

**1. Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

**2. Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a **waiver of subrogation** against the County of Gila.

**3. Professional Liability (Errors and Omissions Liability)**

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

a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be

maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

- B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:
1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
  2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
  3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 – LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the

"State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 – LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 – CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 – RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by

Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 – NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 – ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 – NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 – GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14– TERM:** Contract shall be effective date signed by the County Manager and expire June 30, 2013.

**ARTICLE 15 – PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$12,881.60 for completion of the projects as outlined in the Scope of Services, in two (2) increments. Contractor shall submit an invoice for fifty percent (50%) upon commencement of the project, followed by an invoice for the remaining fifty percent (50%) upon completion of the project.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

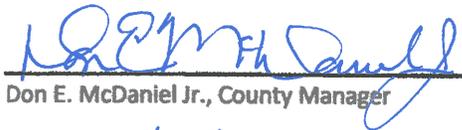
Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

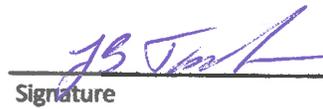
**IN WITNESS WHEREOF**, Service Agreement No. 051613-2 has been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 5/29/13

**NOBLE BUILDING LLC.**

  
\_\_\_\_\_  
Signature

J. Byron Taborhaus  
Print Name



226 W. Thompson Road  
PAYSON, AZ 85641

# Scope of Work

4/21/2013

10113710  
183 N. Spring rd  
Payson az 85641

P.O. No.

### Description

- 1) Removal and proper disposal of existing gas furnace and air conditioning equipment. Installation of new 80% AFUE gas furnace with 14.5 SEER air conditioning.
  - 2) Air Sealing
  - 3) Seal Ducts to one Pascal or less
  - 4) Bring attic up to an R-38
  - 5) Balance room pressures to less than 3 Pascals
  - 6) Install a 30-60 cfm continuous run fan
- Sales Tax-Payson & Gila County



230 W. Thompson Road  
PAYSON, AZ 85541

# Estimate

409/2013

0003705  
 183 N. Spring rd  
 Payson az 85541

P.O. No.

Description	Total
1) Removal and proper disposal of existing gas furnace and air conditioning equipment. Installation of new 95% AFUE gas furnace with 14.5 SEER air conditioning.	6,863.90Y
2) Air Sealing	852.20Y
3) Seal Ducts to one Pascal or less	1,767.00Y
4) Bring attic up to an R-35	1,881.11Y
5) Balance room pressures to less than 3 Pascal	708.43Y
6) Install a 30-60 cfm continuous run fan	500.00Y

Subtotal	912,114.88
Sales Tax (6.32%)	5788.72
<b>Total</b>	<b>917,903.60</b>

excepted \_\_\_\_\_



**AMENDMENT NO. 1**

The following amendments are hereby incorporated into the contract documents for the below stated project:

---

**CONTRACT 041613  
MISCELLANEOUS TREE REMOVALS**

**TREE PRO**

Effective April 25, 2013, Gila County and Tree Pro entered into a contract whereby Tree Pro agreed to provide Miscellaneous Tree Removals to Gila County for a term of twelve (12) months, ending April 24, 2014.

The contract was issued for a flat fee amount of \$2,000.00. Public Works in Payson has a project that will require approximately sixteen to eighteen hours of labor at One Hundred Ten dollars and no cents (\$110.00) per hour, per Tree Pro's quote. Public Works has requested an amendment to the contract to increase Tree Pro's contract by One Thousand Six Hundred dollars and no cents (\$1,600.00).

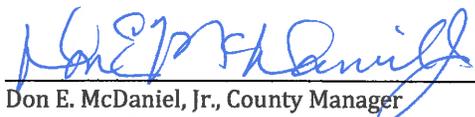
Amendment No. 1 is being issued to increase the original contract amount by One Thousand Six Hundred dollars and no cents (\$1,600.00).

Contractor will continue to bill for services pursuant to Attachment "A" of the original contract, but in no event shall charges for the April 25, 2013 to April 24, 2014 contract exceed \$3,600.00 without prior written agreement of the County.

All other terms and conditions of the original agreement shall remain in full force and affect during the term of the contract.

**IN WITNESS WHEREOF**, two (2) identical counterparts of this amendment, each which shall include original signatures and for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on this 29 day of MAY, 2013.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel, Jr., County Manager

**CONTRACTOR**

**TREE PRO**

  
\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

Tommie C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John D. Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 051013**  
**CARD ACCESS FOR PAYSON COURTHOUSE**

**THIS AGREEMENT**, made and entered into this 29<sup>th</sup> day of May, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and Stanley Security Solutions, of the City of Tempe, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 - SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below and shall do so in a good, workmanlike and substantial manner and to the satisfaction of the County under the direction of the Public Works Director or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona and consistent with all Gila County guidelines.

Scope of Work: Refer to attached Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein. To the extent that the terms and conditions of this Service Agreement conflict with the Terms and Conditions of Attachment "A", the terms and conditions of this service agreement will prevail and govern the contractual relationship between the parties.

**ARTICLE 2 - TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: **"The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor"**.

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a **walver of subrogation** against the County of Gila.

**3. Professional Liability (Errors and Omissions Liability)**

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

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

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 - LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 - LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 - CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 – RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 – NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 – ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 – NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 – GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14– TERM:** Contract shall be effective on the date it is awarded and be in full force and effect through June 30, 2013.

**ARTICLE 15 - PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$39,947.67 for completion of the projects as outlined in the Scope of Services.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, Service Agreement No. 051013 has been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 5/28/13

**STANLEY SECURITY SOLUTIONS**

  
\_\_\_\_\_  
Signature

Michael Robert  
\_\_\_\_\_  
Print Name

## Gila County - Payson Courthouse Access Summary

Portal #	Location Description	IDF (need to confirm)	Reader Type	Special Notes
A-1	Court to Jury Room	Downstairs	RP15	Existing Leverset
A-2	Court to Judge Chambers	Downstairs	RP15	Existing Leverset
A-3	Clerk Office	Downstairs	RP15	Current Door Strike
A-4	Probation	Downstairs	RP15	Current Door Strike
A-5	Main Lobby	Downstairs	RP15	Double Storefront Doors
A-6	Probation Rear Entry	Downstairs	RP15	HES 9600
A-7	County Attorney	Upstairs	RP15	Current Door Strike w/ Door Release
A-8	JP Employee Entrance	Downstairs	RP15	Electronic Leverset
A-9	Inmate Court Entry	Downstairs	RP15	HES 9600
A-10	JP Court Entry	Downstairs	RP15	HES 9600
A-11	Upstairs Existing Standalone	Upstairs	RP15	Existing
A-12	Upstairs Existing Standalone	Upstairs	RP15	Existing
A-13	Upstairs Existing Standalone	Upstairs	RP15	Existing

\*Most wire runs will need to be done with wire molding.

Prepared By Matt Alvey

For Gila County - Payson

**STANLEY**

Security Solutions

Provider of



Products and Services

## Services Summary

Name	Description
Basic eDataManager	Basic eDataManager provides the real-time ability to: view and edit open/close schedules, view and edit notification and contact lists, view and print alarm reports, contact the PNC data entry team, change the eDataManager access password, create service requests, view frequently asked questions and system enhancements. National Account customers can view their NA Performance Scorecard with Basic eDataManager. Limited access and usage.
Standard Service Plan	(Monday – Friday, 8am – 4pm) Stanley Standard Service Plan covers labor and equipment costs during normal business hours. The service plan can cover all types of protection systems including intrusion alarms, fire alarms, camera systems and access control systems. This plan covers normal “wear and tear”, repair or replacement. Repair or replacement of equipment damaged by the customer, acts of God or vandalism is not covered. Service labor rates for after hours work are not included and are based on current Stanley service labor rate schedule. Includes access to the Stanley TAC (24x7).

Matt Alvey

Cell: 480.216.9273 Email: malvey@stanleyworks.com

**Product Summary****BASIS Enterprise Access Control:****Equipment**

Quantity	Equipment	Part Number
2	12/24VDC 4A/3A UL PS	OH-HP400ULX
6	Dual Reader Interface Module (Series Two) 12/24 VDC, 2 Reader Interface, W/M 8 Inputs, 6 (5A) Form C Relays, Rho, Co And UL294 Certified	BAS 1323
1	Lenel UL Listed Hardware Enclosure (12X 16 X 4.5) Only With Lock And Tamper Switch Support Up To Two Lenel Access Hardware Modules (UL Approved)	BAS CTX
1	UNIV BUTTON PNEUMATIC TIMER	SF UB1PN
10	On Site - Adjustable Shutter And Relay Time	CK -S310XX
14	Recessed Side Door Contact w/wire Leads 3/4" Diameter, Closed Loop Wide Gap, Brown, 3/4" Gap Size	1079CW-N
13	RDR RP15 MULTICLSS UNIV BLK 16"	HU-5145CKXCS
1	Lenel UL listed hardware enclosure (24" x 16 x 4.5), only with lock and tamper switch support up to six Lenel access hardware modules (UL Approved) (can house up to 6 boards)	LNL-CTX 6
1	Intelligent Dual Reader Control for 12 VDC or 24 VDC @ 700mA, size (6" (152mm) W x 8" (203mm) L x 1" (25mm) H) 15 year lithium battery or 3 months full run) 6 MB standard cache per flash memory, 50,000 of Event memory, maximum of 32 devices. On board I2	LNL-2220
1	PS 12/24V 5A FUSED OUT W/PDS	AX 520ULXPOB
1	Miscellaneous Hardware, Wire Modeling	
1	Door Hardware: Best certified lever set w built in ROL	BSKDCU19506ROE
1	Cable/Wire 18/2 and 22/6 wire	
1	Door Hardware: Electrified Hinge	
1	Door Hardware: Mag Lock for Door A 5	
3	Door Hardware: HES 9900 strike for Von Duerin	HE-990010401

**Investment Numbers- Quote #3 5/13/13**

Option	Equipment Acquisition and Installation	Monthly Service*
BASIS Enterprise Access Control	\$42,010.00 = Normal Price	\$345.00
Installation, Programming and Labor	\$38,050.00 = Contract Price List	\$295.00
Tax	\$1,879.67	
<b>TOTAL</b>	<b>\$39,947.67</b>	

\*Per-Month Rate Includes service calls, labor, Replacement Guarantee, 24/7 Emergency Service Call Response, Stanley's eServices Access, and tech-support line for lifetime of system\*



## **AMENDMENT NO. 1**

The following amendments are hereby incorporated into the contract documents for the below stated project:

---

### **SERVICE AGREEMENT NO. 042412 FIRE EXTINGUISHER INSPECTIONS NORTHERN GILA COUNTY**

#### **HUSKY FIRE & SAFETY**

Effective July 01, 2012, Gila County and Husky Fire & Safety entered into a contract whereby Husky Fire & Safety agreed to provide Fire Extinguisher Inspections to various locations in Northern Gila County. Per Article 14 of the contract, this period may be renewed by Gila County, at its' sole option, for two (2) additional one (1) year periods.

The contract expires June 30, 2013. Per page 5, Article 14 - Term: The contractor agrees that Gila County shall have the right, at its sole option, to renew the agreement for two (2) additional one (1) year periods. The parties hereby agree to exercise this option and agree to extend the contract term for one (1) year from July 01, 2013, to June 30, 2014.

Contractor will continue to bill for services pursuant to Exhibit "A" Price Sheet of the original contract, but in no event shall charges for the July 01, 2013 to June 30, 2014 extension exceed \$2,500.00 without prior written agreement of the County.

All other terms and conditions of the original agreement shall remain in full force and affect during the term of the contract.

**IN WITNESS WHEREOF**, two (2) identical counterparts of this amendment, each which shall include original signatures and for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on this 29 day of MAY, 2013.

#### **GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel, Jr., County Manager

#### **CONTRACTOR**

#### **HUSKY FIRE & SAFETY**

  
\_\_\_\_\_  
Authorized Signature

ROBERT G. TURNER  
\_\_\_\_\_  
Print Name

Tommie C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John D. Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext. 8761

Joseph T. Heatherly, Finance Director  
Phone (928) 425-3231 Ext. 8743

1400 E. Ash Street  
Globe, AZ 85501

**SERVICE AGREEMENT NO. 050313**

**PGC CLIMATIZATION WORK**

**THIS AGREEMENT**, made and entered into this 29<sup>th</sup> day of May, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and KWIK KOOL Refrigeration, of the City of Globe, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 – SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below and shall do so in a good, workmanlike and substantial manner and to the satisfaction of the County under the direction of the Community Services Director or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona and consistent with all Gila County guidelines.

Scope of Work: Refer to attached Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein. To the extent that the terms and conditions of this Service Agreement conflict with the Terms and Conditions of Attachment "A", the terms and conditions of this service agreement will prevail and govern the contractual relationship between the parties.

**ARTICLE 2 – TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a waiver of subrogation against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

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

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

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 - LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 - LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 - CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 – RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 – NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 – ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 – NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 – GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14– TERM:** The term of the Contract shall commence upon award and remain in effect through June 30, 2013.

**ARTICLE 15 – PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$ 3,788.23 for completion of the projects as outlined in the Scope of Services.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, Service Agreement No. 050313 has been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

  
Don E. McDaniel Jr., County Manager

Date: 5/29/13

**KWIK KOOL REFRIGERATION, INC.**

  
Signature

Kenneth W Crick  
Print Name

5-13-17

**KWIK KOOL Refrigeration, Inc.**  
**Service Call Rate Chart**

**Basic Service Call Rate for Globe-Miami:**

**Residential - \$50.00 + \$5.00 fuel surcharge**

**Commercial - \$65.00 + \$5.00 fuel surcharge**

**Basic Service Call Rate for Surrounding Area Including Peridot, San Carlos,**

**Superior: Residential & Commercial - \$65.00 + \$10.00 fuel surcharge**

**Basic Service Call Rate for Hayden, Winkelman, Kearny, Roosevelt Lake**

**Residential & Commercial - \$75.00 + \$10.00 fuel surcharge**

**Basic Service Call Rate for Bylas, Mammoth, Apache Jct., etc.:**

**Residential & Commercial - \$100.00 + \$10.00 fuel surcharge**

**Hourly Rates:**

**Note: Can charge 30 minute minimum**

**One Technician:**

**Residential - \$50.00 (All locations)**

**Commercial - \$65.00 (All locations)**

**One Technician & Helper:**

**Residential - \$75.00 (All locations)**

**Commercial - \$97.50 (All locations)**

**Note: No overtime charged to customer at any time**

---



## *APS Extranet Agreement*

Arizona Public Service Company ("APS") is pleased to offer Community Action Program Gila County ("Agency"), a non-profit organization organized under the laws of the state of Arizona, access to APS' Extranet to provide a pay guarantee service to APS customers, subject to Agency's acceptance of the terms and conditions set forth in this Agreement effective 07/01/2013 ("Effective Date"). As you are aware, APS offers restricted, password-protected access to certain information and services to qualified entities, through its Internet website, located at [aps.com](http://aps.com) ("Site"). This enhanced information and services area on the Site is known as APS's Extranet (the "Extranet"). This agreement supersedes all prior agreements between the parties regarding the Extranet .

### **Designated Access Administrator, Authorized Users and Agency Guarantee.**

Upon receipt of signed Agreement and Exhibit B, APS will activate and deliver to the "Designated Access Administrator" a Login Name and Password that allow access to the Agency Guarantee Area on the Extranet. In this area, Agency will be able to view certain information of APS customers who have requested Agency to guarantee their customer payment to APS.

Once the Agency has posted an approval of payment on the Extranet for an APS customer, Agency will be deemed to have guaranteed payment of that customer's account and be responsible for the amount indicated unless, **within ten (10) working days of having made the guarantee**, Agency notifies APS in writing (email is acceptable) that the guarantee is reversed. Upon receipt of such written notification, the customer will be held responsible for any payment due.

Payment for the guarantee **must be received** by APS within **ninety (90) days** of received guarantee. If payment is not received, the customer's account will be debited for the outstanding balance.

Agency will pay the guarantees by way of check either from Agency funds or from other funding sources directly. Agency will indicate the funding source for each guarantee. When paying by check, the bank account will be debited upon receipt of the check by APS. If the transaction is returned by the financial institution for any reason, return check charges may apply. APS will seek restitution for the return check charges and amount of check from the maker of the check.

The Designated Access Administrator shall be an individual whom Agency would entrust with its own confidential or otherwise sensitive information, and of whom the Agency would have no reason to question its trust or confidence in that person's honesty, trustworthiness, and propensity for legal and ethical compliance. Each year, as well as each time that Agency changes its Designated Access Administrator and/or Authorized User, Agency shall complete a Designated Access Administrator and Authorized User Acknowledgment Agreement, attached as Exhibit B as described below, and submit it to APS. If Agency has not submitted a Designated Access Administrator and Authorized User Acknowledgment Agreement within fifteen (15) days of any change of Designated Access Administrator or any letter or email request from APS for

## *APS Extranet Agreement*

such information, APS may, without further notice, terminate this Agreement and/or Agency's access to the Extranet for any or all functions.

Using the Master Account, Agency Designated Access Administrator may identify additional Authorized Users for its department to access the Agency Guarantee Area on the Extranet. The Administrator will be able to issue a user identification, password and one of four levels of access to the Agency employees who have been authorized by Agency to perform functions on the Extranet. Besides the Administrator level, which shall have access to the Extranet functions and information as set forth in the attached Exhibit A, the four other levels of access are View & Make Guarantees, View Submit/Cancel Payment Requests, Authorize/Cancel Payment Requests, and Run & View Reports. APS will periodically require Agency to verify the names of the Agency individuals who have been provided access to the Extranet, and confirm they are an active representative with the Agency. If APS has not received written acknowledgement from the Agency within fifteen (15) days of the letter/email requesting such verification and confirmation, APS may, without further notice, terminate this Agreement and/or Agency's access to the Extranet for any or all functions.

A list of data fields that may be accessed or entered at each of the five (5) authorization levels is set forth in the attached Exhibit A. Agency Designated Access Administrator shall not grant a level of access in excess of that needed for the authorized employee to perform the functions applicable to that employee's role in the payment guarantee process. Agency shall be responsible for all access, use and misuse of the information available to its employees and representatives through the Extranet. Agency employees and representatives shall not share Login Names and/or Passwords, and APS may terminate this Agreement for any such sharing.

The Agency's Designated Access Administrator, and each of its Authorized Users agree to access and use the Extranet solely for this Agency, and solely for the internal business purposes of guaranteeing, authorizing and paying APS customer accounts for this Agency. Before being granted a Login Name and Password or accessing any APS customer information, the Designated Access Administrator and each of the Authorized Users shall sign the Acknowledgement form attached hereto as Exhibit B. Agency shall provide a copy of such forms to APS within fifteen (15) days of completion of the form, and retain the signed originals of these forms in its file for at least one (1) year after the termination of that employee or representative from the Agency. From time to time, and upon the request of APS, Agency shall produce the original, signed documents within thirty (30) days and provide any additional copies requested by APS.

### **APS Customer Authorization.**

Prior to viewing any APS customer information, Agency must first obtain a written authorization from the applicable APS customer consenting to Agency employees or representatives having access to view that customer's APS account information. That written authorization shall contain language substantially similar to that set forth in the attached Exhibit C, and be valid for one occasion of reviewing and qualifying that customer's account for payment. Agency shall submit an example of its customer authorization form for APS's approval prior to accessing the Extranet.

Agency must keep all original signed customer authorization forms on file for a period of one year after the date Agency last accessed the APS customer's information. From time to time, and upon the request of APS, Agency will produce the original, signed documents within thirty

## *APS Extranet Agreement*

(30) days and provide any copies requested by APS. The records must be contained in a 'locked' file or 'locked room' with limited access.

APS may conduct unannounced on-site evaluations quarterly to ensure forms are properly administered and secured, and the identified Administrators and Authorized Users remain active representatives of the Agency. Agency shall cooperate and provide APS reasonable access to perform these evaluations.

### **Confidentiality.**

All APS customer information to which Agency Authorized Users have access, such as account number, payment history, address, phone numbers, and any other customer information, is strictly confidential and shall not be disclosed to third parties nor used for anything other than the intended purpose of qualifying and authorizing payment on the applicable customer's account.

Agency will protect from unauthorized use or disclosure the Login Name and Password for the Designated Access Administrator and each of its Authorized Users to the same extent that Agency protects its other computer access codes to sensitive or confidential information, which shall be no less than reasonable care.

**Agency shall promptly disable, as applicable, the Designated Access Administrator's or Authorized User's Login Name and Password, and notify APS as soon as possible, but no later than ten (10) business days, in the event of any of the following: (a) the Designated Access Administrator or Authorized User is no longer employed by or represents the Agency, (b) the Designated Access Administrator or Authorized User no longer requires access to the Extranet, or (c) there is any indication to Agency that the Designated Access Administrator or an Authorized User has not or may not abide by its confidentiality obligations, or Agency otherwise questions that person's honesty, trustworthiness, or propensity for legal and ethical compliance. Agency further agrees to cooperate in reviewing and confirming in writing the list of Authorized Users, from time to time, upon the request of APS.**

**Agency shall immediately notify APS of any breach of electronic or physical security mechanisms employed by APS or Agency to protect APS customer information, or any theft or unauthorized use of APS customer information of which it becomes aware. Agency shall fully cooperate with APS in providing any notifications to APS customers, agencies and third parties identified by APS, of such security breach, theft or unauthorized use.**

The automated and manual processes by and through which Agency guarantees the payments of APS customers, which shall include the Extranet and its functions, algorithms, sequence, structure, organization, user interface, software and documentation, are or include trade secrets of APS. Agency shall maintain the secrecy and confidentiality of any such trade secrets which Agency learns through its use of the Extranet or its guaranteeing of APS customer payments. The confidentiality obligation pertaining to such trade secrets shall not extend to a trade secret that (i) is or becomes (through no fault of the Agency) generally available to the public, (ii) was in Agency possession or known by it without restriction imposed by APS prior to its access or use, (iii) was rightfully disclosed to Agency by a third party not under restriction of

## *APS Extranet Agreement*

confidentiality with respect to such trade secret, (iv) was independently developed by employees of Agency (other than employees who have been granted access to APS' trade secrets) without use of or reference to any trade secret of APS; or (v) the disclosure of which is required by law.

### **Other Agreements**

By allowing its employees/representatives to access the Extranet, Agency agrees that all of the terms and conditions contained in the Terms of Use and Privacy Policy agreements posted on the Site, as amended by APS from time to time, shall be incorporated by reference and made a part of this Agreement. Before designating any employee or representative as an Authorized User, Agency agrees to inform each of its Authorized Users that their use of the Extranet is subject to the terms and conditions of this Agreement and the above referenced agreements. Agency is responsible for the conduct of its Designated Access Administrator and each of its Authorized Users while using the Extranet, and for any consequences if such persons misuse the Extranet or violate such terms and conditions.

In addition to the other provisions in our Privacy Policy agreement posted on our website, we ask that you particularly note that, although we use industry-standard technologies when electronically transferring and receiving customer information directly through our website, information transmitted via email is generally not secure or encrypted unless specific measures are taken to separately encrypt the information. Also, it may be possible for an unauthorized person to gain access to your information notwithstanding our use of security measures. Therefore, please note that Agency enters information on our website and communicates via email at its own risk.

Agency represents and warrants that it has procedures and measures in place to identify any red flags of identity theft and to respond appropriately to prevent or mitigate identity theft of APS customers that are existing or potential Agency clients. APS (directly or through third party auditors) shall have the right, during Agency's normal hours of operation, to review or audit Agency in regards to security measures employed by Agency to protect APS customer information and Agency shall cooperate with APS and its auditors in regards to such review or audit.

Agency shall not transmit APS customer account numbers or Social Security numbers through email unless that information is encrypted.

If there is a conflict between the terms and conditions of the Terms of Use and Privacy Policy agreements and this Agreement, this Agreement shall control.

### **Indemnification**

Agency agrees to indemnify, defend, and hold harmless APS, and its officers, directors, employees, agents, advisers, representatives, affiliates, successors, and assigns (collectively "APS Indemnities") from and against any and all claims, demands, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, including damages arising from or related to the loss, theft, disclosure or misuse of APS customer information, but only to the extent that such Claims arise out of or result from Agency's breach of this Agreement or the act, omission, negligence, misconduct, or other fault of the Agency, its officers, officials, agents, employees, representatives or volunteers.

## *APS Extranet Agreement*

### **Insurance**

Agency represents that it will maintain appropriate insurance or self-insurance coverage at all times, and upon the signing of this Agreement, and at any subsequent time upon the request by APS, Agency shall provide to APS a copy of a certificate or certificates of insurance showing current and in force worker's compensation and employer liability coverage in no less than the applicable statutory limits, and general liability coverage in amounts not less than \$1,000,000.00, and providing notice to APS, no less than thirty (30) days prior to any cancellation. Except for Workers' Compensation insurance, all the policies required of this Agreement shall name APS and APS Indemnitees as additional insureds. The policies shall stipulate that the insurance shall be primary insurance and that any insurance carried by APS or any APS Indemnitee shall not be contributory insurance.

### **Termination**

Either party may terminate the contract, in whole or in part, upon thirty (30) days written notice to the other, specifying the effective date. Notwithstanding the foregoing, APS may immediately take any action it reasonably determines is necessary to conduct its operations in an efficient, safe, and secure manner, including terminating or suspending Agency access to the Extranet or APS customer information, or any other measures related to efficient business operation, safety or security.

Each party acknowledges that the unauthorized disclosure or use of any APS customer or trade secret confidential information may cause irreparable harm and significant injury that may be difficult to ascertain. Agency therefore agrees that specific performance or injunctive relief, in addition to other legal and equitable relief, are appropriate remedies for any actual or threatened violation or breach of this Agreement.

Any provision of this Agreement that imposes or contemplates continuing obligations on a party shall survive the expiration, cancellation or termination of this Agreement, including but not limited to those guarantees of APS customer payments made by Agency prior to such expiration, cancellation or termination, and those obligations under the Confidentiality and Indemnification sections.

## APS Extranet Agreement

### Miscellaneous

Agency may not assign its rights or delegate its duties under this Agreement without the prior written consent of APS. Any assignment or delegation by Agency in breach of this Section shall be null and void and of no legal force or effect, Agency shall be responsible and liable for any and all guarantees granted, or acts or omissions performed by, any party to whom Agency does, or attempts to, delegate, contract or assign rights or duties under this Agreement.

If any provision of this Agreement is held to be invalid, void, or unenforceable by any court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining provisions of this Agreement.

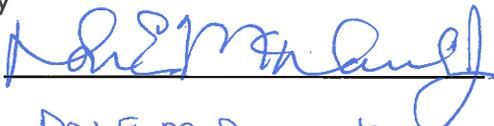
This Agreement, including any other agreements referenced and incorporated herein, constitutes the final and complete agreement between the parties concerning its subject matter and supersedes all prior agreements and conduct, whether written or oral. This Agreement shall be governed by and interpreted under the laws of Arizona, without giving effect to the doctrine of conflict of laws. This Agreement shall only be amended in a writing signed by both parties; any purported oral modification of this Agreement shall be void and of no effect whatsoever.

To indicate your agreement to the above terms and conditions, and to obtain access to the Extranet on our Internet website, please countersign in the space provided below, and return one copy of this Agreement, a copy of a completed Exhibit B signed by Agency Designated Access Administrator and an example of your Agency customer consent form.

Agreed to and accepted:

Agency

By:



Print:

DON E. MCDANIEL, JR.

Title:

COUNTY MANAGER

Date:

5/29/13

## *APS Extranet Agreement*

### **Exhibit A Electronic Agency Guarantee Views and Data**

Through an Administrator section, the Agencies can add users and assign different levels of access. Five Security accesses are available and allow the user to perform the following functions:

- 1) View & Make Guarantees
- 2) View Submit/Cancel Payment Requests
- 3) Authorize/Cancel Payments Requests
- 4) Run & View Reports
- 5) Administrator Functions

**NOTE:** The function of Administrator has access to all functions and information for their Agency. The other functions provide access to data as follows:

#### **View & Make Guarantees Access**

(Data available only for guarantees submitted by that agent)

- 1) View Guarantees Function (all items display only)
  - Customer Account number
  - Customer Name
  - Guarantee Amount
  - Guarantee Type (Standard or Deposit Account)
  - User ID
  - Guarantee Date
- 2) View Guarantees Detail (all items display only)
  - Service Address
  - Service Status
  - Medical Monitoring indicator (On or Off)
  - Customer Account number
  - Total amount due
  - Delinquent amount
  - Pending payments (aps.com only)
  - Pending Guarantees
  - Total of payments and guarantees
  - Total remaining delinquent amount (Delinquent Amount less payments and guarantees)
  - Guaranteed amount for the specific guarantee selected
  - Name of the person making the Guarantee
- 3) Make Guarantee Search Function (enterable fields for validation)
  - Customer Last Name
  - Customer Account Number
  - Street Number

## *APS Extranet Agreement*

### 4) Make Guarantee Detail

- Service Address (display)
- Service Status (display)
- Medical Monitoring indicator - On or Off (display)
- Customer or Deposit Account number (display)
- Unpaid Deposit or Total amount due (display)
- Delinquent amount (display)
- Pending payments (aps.com only) (display)
- Pending Guarantees (display)
- Total of payments and guarantees (display)
- Total remaining Deposit or Delinquent amount (Delinquent Amount less payments and guarantees) (display)
- Deposit Guarantee Type (deposits only) - Monetary, URRD, Non-monetary (radio button selection)
- Amount of Guarantee (enterable)
- Name of the person making the Guarantee (radio button selection or enterable)
- Id of the person making the Guarantee – (radio button selection or enterable)
  - Customer Name (display)
  - Name (enterable)
  - ID (enterable)

### 4) Cancel Guarantee (all items display only). This function is only available to APS associates.

- Customer Account number
- Customer Name
- Guarantee Amount
- Guarantee Type (Standard or Deposit Account)
- User ID
- Guarantee Date
- Cancel (selectable)

## *APS Extranet Agreement*

### **View Submit/Cancel Payment Requests Access**

- 1) View/Edit Payment Accounts
  - Payment Account number (display)
  - Account Name (display)
  - Account Number (display)
  - Routing Number (display)
  - Account Type (display)
  - Edit (selectable)
  - Delete (selectable)
  
- 2) Add/Edit Payment Account
  - Agency Name (display)
  - Bank Name (enterable)
  - Account Type – Checking or Savings (radio button selection)
  - Bank Routing number (enterable)
  - Bank Account number (enterable)
  
- 3) Submit Payment Request
  - Customer Account number (display)
  - Customer Name (display)
  - Guarantee Amount (display)
  - Amount Owed (display)
  - Guarantee Type (Standard or Deposit Account) (display)
  - User ID (display)
  - Guarantee Date (display)
  - Selectable (check box)

## *APS Extranet Agreement*

### **Authorize/Cancel Payment Request Access**

- 1) Authorize Payment Request
  - Select Payment Account (selectable drop-down list)
  - User ID (display)
  - Total (display)
  - Request Date (display)
  - Selectable (check box)
  - Payment Details (selectable)
  - Delete (selectable)
  
- 2) Scheduled Payment Details
  - User ID – user that created the payment request (display)
  - Request Submitted – date (display)
  - Total – amount of request (display)
  - Customer Account number (selectable to view guarantee)
  - Customer Name (display)
  - Guarantee Amount (display)
  - Amount Owed (display)
  - Guarantee Type (Standard or Deposit Account) (display)
  - User ID – user that made the guarantee (display)
  - Guarantee Date (display)

## *APS Extranet Agreement*

### **Run & View Reports**

- 1) Guarantees report has five (5) sections
  - A header section that lists the Agency, date (display)
  - A search section that would allow the agency to select what is shown on the report (enterable)
  - Unpaid guarantees section (display)
  - Paid guarantees section (display)
  - Unclaimed non-monetary guarantees section (display)
- 2) Payments report has four (4) sections
  - A header section that lists the Agency, date (display)
  - A search section that would allow the agency to select what is shown on the report (enterable)
  - Pending payments section (display)
  - Posted payments section (display)
- 3) Non-monetary Guarantees report has two (2) sections
  - A header section that lists the Agency, date (display)
  - Non-monetary guarantees claims section (display)
- 4) Guarantee Report: (Option to view paid or unpaid Guarantees) (display only)
  - Heading: Agency Name & Date
  - Date and time the Guarantee was made
  - Customer Name that was chosen or provided when the Guarantee was made
  - Customer Account Number.
  - CA Type
  - Guarantee amount
  - Agency's associate login id[/name]
- 5) Payment Report: (display only)
  - Heading: Agency Name & Date
  - Date and time the payment was made
  - Customer Account Number the payment was made to
  - Amount of payment
  - Agency's associate login id/[name]
  - If they payment was electronic or paper
- 6) Non-Monetary Claim Report: (display only)
  - Heading: Agency Name & Date
  - Date and time the claim was submitted
  - Customer Account Number the claim was made on
  - Amount of Claim
  - APS's CSR log-in ID
  - Status of the Claim, Paid – yes or no

## *APS Extranet Agreement*

### **Administrator Functions**

#### 1) Add & Update User information

- User ID – pre-assigned (display)
- Password - pre-assigned (secured – asterisks only)
- First Name (enterable)
- Last Name (enterable)
- Access Level (check box)
  - View Guarantee (pre-selected)
  - Make Guarantees
  - Submit Payment Requests
  - Run/View Reports
  - Authorize Payment / Bank Account Set-up

#### 2) Add Admin User

- User ID – pre-assigned (display)
- Password - pre-assigned (secured – asterisks only)
- First Name (enterable)
- Last Name (enterable)
- Email address (enterable)

#### 3) Edit/Delete Users

- Name – First and Last (display)
- Access – Administrator or User (display)
- User ID (display)
- Edit (selectable)
- Delete (selectable)
- Search page (enterable)

#### 4) Edit User

- User ID – pre-assigned (display)
- Password - reset (selectable)
- First Name (display)
- Last Name (display)
- Access Level (check box)
  - View Guarantee (pre-selected)
  - Make Guarantees
  - Submit Payment Requests
  - Run/View Reports
  - Authorize Payment / Bank Account Set-up



APS Extranet Agreement

Exhibit B

Designated Access Administrator and Authorized User Acknowledgement

I, \_\_\_\_\_, am an employee or representative of Community Action Program Gila County ("Agency"). Agency has designated me as one of its authorized agents to process guarantees by Agency of APS customer payments on the APS Agency Guarantee Extranet ("Extranet"). Pursuant to my authorization, I hereby acknowledge and agree to the following:

- 1. That the password that I receive to access the Extranet, and the APS customer information to which I may have access are strictly confidential and are to be treated as such. I further agree (a) not to disclose such information to any third parties, and (b) to only disclose such information to those Agency employees who are authorized to access the Extranet and who have a need to know the information in regards to processing an APS customer payment guarantee.
2. That I will not access any information or conduct any transactions on the Extranet using another person's password. I will log off the Extranet during absences to prevent any unauthorized or improper use.
3. That I will only access APS customer information for those APS customers who have first provided Agency a signed document in which the APS customer consents to the Agency accessing that APS customer's information.
4. That I will use the Extranet and its information only for purposes related to providing financial assistance to APS customers or guaranteeing an APS customer's payment. I further agree that I will not do any of the following (a) falsify any information I input into the Extranet, (b) use the Extranet or its information for any personal use or gain, or (c) conduct any transactions involving my own APS customer account.
5. I understand that my use of the Extranet may be monitored by Agency and APS, and any unauthorized access or misuse of the Extranet or APS customer information may be reported to the appropriate legal authorities for prosecution.
6. I further understand that the automated and manual processes by and through which Agency guarantees the payments of APS customers, which shall include the Extranet and its functions, algorithms, sequence, structure, organization, user interface, software and documentation, are or include trade secrets of APS. I agree to maintain the secrecy and confidentiality of any such trade secrets which I learn through my use of the Extranet or guaranteeing of APS customer payments.
7. Agency shall not transmit APS customer account numbers, financial account or Social Security numbers through email unless that information is encrypted.

DATED this \_\_\_\_ of \_\_\_\_\_, \_\_\_\_.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

*APS Extranet Agreement*

**Exhibit C**

**APS Customer Consent Form Language**

I hereby consent to and authorize \_\_\_\_\_ ("Agency") to access any information from Arizona Public Service Company ("APS") concerning my payment history, delinquencies, outstanding amounts owed, required deposits, usage history and other related information, and to use such information in connection with my application for financial assistance on this date. This consent and authorization shall expire following Agency's review of my APS customer account information for qualification of Agency financial assistance on this date.

APS Account Number: \_\_\_\_\_

Date:

Name of APS Customer of Record \_\_\_\_\_

Service Address \_\_\_\_\_

Client Receiving Assistance \_\_\_\_\_  
(if different than Customer of Record)

**Must check one of the following:**

I am the APS Customer of Record

I reside at the above address and the above named APS Customer of Record has authorized me to grant consent to the Agency access to the APS information for the Customer of Record at this residence for the purpose of obtaining financial assistance.

Signature: \_\_\_\_\_



Quote Date	5/18/2013
Quote Number	GC0518
Quote Expires	6/14/2013
Prepared By	Marc Giroux
Preparer Phone	858-882-8173

BILLING DETAILS		SHIPPING DETAILS			
Company	Gila County Sheriff	Renewal TAP # 100-0-121 SO# 33135-1			
Billing Address	POB 311 1100 South Street Globe, AZ 85502				
Contact	Chief Admin Sarah White				
Phone	928-402-8572			Shipping Method	Ground
Email	<a href="mailto:swhite@co.gila.az.us">swhite@co.gila.az.us</a>			Est. Ship Date	TBD
		Target Install Date	TBD		

HARDWARE INFORMATION (Non-recurring costs)				
QUANTITY	DESCRIPTION	Part #	PRICE	TOTALS
<b>Hardware sub-total:</b>				<b>\$0.00</b>

SERVICE INFORMATION (Monthly recurring costs)					
QUANTITY	SERVICE TYPE--(Primary, Redundant, Temporary)	MB	TERM	PRICE	TOTALS
1	1544Kbps download x 512Kbps upload (Backup). Additional price per MB \$1.40 with a monthly cap of \$7,000	600	12 mo.	\$275.00	\$3,300.00
2	DID number's provided to Gila County \$25.00 per DID per month		12 mo.	\$25.00	\$600.00
	Customer will have the availability to switch to Primary service should a disaster occur for a minimum of 30days. 1544Kbps download x 512Kbps upload at a cost of \$1500 per month with a 5GB MVG				
1	VOIP 500 Included Minutes per Month (overage fee's \$.55 per minute). Will have the ability to turn on when Primary service is added for a minimum of 60days at a cost of \$180 per month.				
QUANTITY		RESPONSE TIME	PRICE	TOTALS	
<b>Monthly charge sub-total</b>			<b>\$325.00</b>		
<b>Service Sub-total:</b>				<b>\$3,900.00</b>	

INSTALLATION DETAILS	
Additional Details	Backup plan provides 600MB monthly usage. Additional MB are \$1.40 each per month with a monthly cap of \$7,000 <b>** Attachment "A" by mention made a binding part of this agreement as set forth **</b>

PAYMENT TERMS:	SUBTOTAL:	\$3,900.00
<b>PROPOSAL OVERVIEW:</b> Renewal of SO # 33135 starting June 30,2013 through July 1, 2014. Tachyon to provide voice communication services via satellite to Gila County for 12months. Site will have the option to switch to primary service with a minimum of 30days. All pricing remains unchanged to previous order.	Estimated Installation:	\$0.00
	Estimated Shipping & Handling:	\$0.00
	<b>ORDER TOTAL:</b>	<b>\$3,900.00</b>

All prices stated herein are US Dollar amounts.

All Quotations and acceptance of orders are based on Tachyon, Inc. terms and conditions of sale.

Hardware is FOB. San Diego, CA. All Taxes, Duties and Freight are not included.

**I agree that the information above is correct and I wish to proceed with this order.**

Signed by Client: [Signature] Print Name: DON E. McDANIEL, Jr. Date: 5/29/13  
COUNTY MANAGER

Accepted by Tachyon: [Signature] Print Name: TRISA S. HEINLE Date: 5.23.13

**ATTACHMENT "A"**

**Anti-Terrorism Warranty:** Pursuant to **A.R.S. §35-393.06(B) and 35-391.06(A)** the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**Legal Arizona Workers Act Compliance:** Firm hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Firm shall further ensure that each subcontractor who performs any work for Firm under this contract likewise complies with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Firm and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Firm's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Firm to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Firm shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Firm shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

**Cancellation:** This agreement is subject to cancellation pursuant to A.R.S. §38.511.

**TACHYON NETWORKS**

Tara D. Heintz  
Individual Authorized to Sign

TARA D. HEINTZ  
Print Name

Corporate Counsel  
Title

5.23.13  
Date

Tommie C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 050913**  
**SPRINKLER SYSTEM ANNUAL INSPECTIONS IN PAYSON AND PINE, AZ**

**THIS AGREEMENT**, made and entered into this 29<sup>th</sup> day of MAY, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and Integrity Fire Protection, of the City of Litchfield Park, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 – SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below, and shall do so in a good, workmanlike, and substantial manner and to the satisfaction of the County under the direction of the Public Works-Payson Manager or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona.

Scope of Work: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein.

**ARTICLE 2 – TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "**The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor**".

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a **waiver of subrogation** against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

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

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

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 - LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 - LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 - CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 – RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 – NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 – ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 – NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 – GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14– TERM:** The term of the contract shall commence upon award and shall remain in effect for a period of twelve (12) months unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that Gila County shall have the right, at its sole option, to renew the contract for two (2) additional one (1) year periods. In the event the County exercises such a right, all terms, conditions and provisions of the original contract shall remain the same and apply during the renewal period.

**ARTICLE 15 - PAYMENT/BILLING:** Contractor shall be paid an amount up to but not to exceed **\$2,000.00** for completion of the projects as outlined in the Scope of Services.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

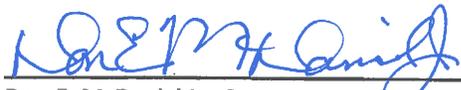
Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, Service Agreement No. 050913 has been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 5/29/13

**INTEGRITY FIRE PROTECTION, LLC**

  
\_\_\_\_\_  
Signature

Mike James  
\_\_\_\_\_  
Print Name

### REQUEST FOR QUOTE 050913 GILA COUNTY



#### JOB/PROJECT DESCRIPTION

Project consists of sprinkler system annual inspections in Payson and Pine, AZ.

Location #1: 608/610 E. Highway 260, Payson, AZ

Location #2: 3180 Old County Road, Pine, AZ

#### Scope of Work and Specifications:

- Provide yearly inspection of sprinkler systems.
- Make repairs to sprinkler systems as necessary as determined by yearly inspections and/or other repairs that cannot be anticipated.
- Provide an hourly labor rate that would be charged for repairs not included in the yearly inspection cost.
- Contact David Buffington with Gila County Facilities Management in Payson, AZ. at 928-970-1640, with any questions or to visit the sites.
- The contractor will be responsible for all material and labor to perform the above work. It is the contractor's responsibility to inspect the project site to determine the necessary materials to complete the project prior to providing a projected cost.

QUOTE DUE DATE: Please email or fax quote by, Wednesday, May 15, 2013 to,  
Jeannie Sgroi, [dsgr01@co.gila.az.us](mailto:dsgr01@co.gila.az.us), fax 928-425-7056

Contractor Name: Integrity Fire Protection

Contractor Address: PO Box 1549

Contractor Phone #: 623-243-7008 Email Address: Integr. by fire@cox.net

Contractor Signature: Donna E. Jarro

#### TOTAL COST FOR MATERIAL & INSTALLATION

LABOR COST \$ 85.00 p/hr. (TAXES INCLUDED)

MATERIAL COST \$ \_\_\_\_\_ (TAXES INCLUDED)

PLEASE ATTACH DETAIL QUOTE INCLUDING MATERIALS AND INSTALLATION CHARGE.



**For Honest Dependable Service**

---

---

**PROPOSAL**

Submitted To: Gila County Finance  
1400 E. Ash Street  
Globe, AZ 85501

Date: February 14, 2011  
Attention: Jeannie Sgroi  
Phone: (928) 402-8612  
Email: [dsgroi@gilacountyaz.gov](mailto:dsgroi@gilacountyaz.gov)

Integrity Fire Protection LLC, is pleased to provide you with the following quotation for your consideration

**WET-AUTOMATIC FIRE SPRINKLER SYSTEM PER NFPA 25**

Annual service & inspection of fire sprinkler systems to include (if applicable):

- Visual inspection of system pressure gauges. (Gauges have to be re-calibrated or replaced every five years.)
- Testing for static & residual pressures to verify unobstructed & adequate water supply.
- Operate inspectors test valve to activate water motor gong/electric bell & verify functional flow of system.
- Audible & physical test of water motor gong/electric bell & trim accessories.
- Testing of flow & tamper switches.
- Draining & refilling of entire system on an annual basis.
- Exercise and lubricate valves as needed.
- Visual inspection of spare sprinkler head box.
- Visual inspection of accessible sprinkler heads for condition & coverages (as required).
- Service interval tag installed on system riser & inspectors test valve.
- A detailed system report provided to customer for submittal to insurance company and/or fire department

608/610 E. Highway 260 in Payson Fire Sprinkler System @ \$225.00 per test  
3180 Old County Rd in Pine Fire Sprinkler Annual Test @ \$ 95.00 per test

All work is guaranteed, insured, and done by licensed personnel. Any other work or extra materials will be discussed prior to being done.

Respectfully Submitted,

Mike James  
Integrity Fire Protection, LLC.  
623-243-7008

**ACCEPTANCE OF PROPOSAL**

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Contract may be canceled by either party providing thirty day written notice. Payment will be made as outlined. **NET 30 DAYS.**

Accepted \_\_\_\_\_

Signature

Title

Date

PO Box 1549 • Litchfield Park, AZ 85340 • Phone 623-694-4794 • Fax 623-535-5751 • ROC#256156

**Tommie C. Martin, District I**  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

**Michael A. Pastor, District II**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

**John Marcanti, District III**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



**GILA COUNTY**  
[www.gilacountvaz.gov](http://www.gilacountvaz.gov)

**Don E. McDaniel Jr., County Manager**  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**SERVICE AGREEMENT NO. 052213**  
**IMPOUND AGREEMENT**

**HUMANE SOCIETY OF CENTRAL ARIZONA, INC.**  
**AND**  
**GILA COUNTY DIVISION OF HEALTH AND EMERGENCY SERVICES**

This Agreement is entered into by and between Humane Society of Central Arizona, Inc, hereinafter referred to as **Contractor**, and Gila County Division of Health and Emergency Services, hereinafter referred to as **County**.

This Agreement contains all the terms and conditions agreed to by the parties. No other understanding, or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties' hereto. Nothing in this Agreement shall be construed as consent to any suit or waiver of any defense in a suit brought against the State of Arizona, County, or Contractor in any State or Federal Court.

**GENERAL PROVISIONS**

1. **General Requirements**

- A. The term of this Agreement shall be construed in accordance with Arizona law, any action thereon shall be brought in the appropriate court in the State of Arizona.
- B. The Contractor shall, without limitation, obtain and maintain all licenses, permits and authority necessary to do business, render services, and perform work under this Agreement, and shall comply with all laws regarding unemployment insurance, disability insurance, and worker's compensation.
- C. The Contractor is an independent Contractor in the performance of work and the provision of services under this Agreement and is not to be considered an officer, employee, or agent of the County.

2. **Amendments**

All Amendments to this Agreement must be in writing and signed by both parties

3. **Assignments/Subcontracting**

No right, liability, obligation of duty under this Agreement can be assigned, delegated or subcontracted in whole or in part, without the prior written approval of the Gila County Manager.

4. Default

The County may suspend, terminate, or modify this Agreement immediately upon written notice to Contractor in the event of a nonperformance of stated objectives or other material breach of contractual obligations; or upon the happening of any event which would jeopardize the ability of the Contractor to perform any of its contractual obligations.

5. Termination

A. Either party may terminate this Agreement at any time, with thirty (30) days notice in writing to the other party (unless terminated by Gila County under Availability of Funds provision). Such notice shall be given by personal delivery or by Registered or Certified mail.

B. This Agreement may be terminated by mutual agreement of the parties specifying the termination date therein.

6. Severability

Any provision of this Agreement which is determined to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and remaining provisions shall remain in full force and effect.

7. Non-Liability

The County, its officers and employees and its Grantor agencies shall not be liable for any act or omission by the Contractor or Subcontractor or any employee, officer, agent, or representative of Contractor or Subcontractor occurring in the performance of this Agreement, nor shall these entities be liable for purchases or agreements made by the Contractor in anticipation of funding hereunder.

8. Indemnity

The Contractor agrees to indemnify, hold harmless, and defend the County, its officers and employees, its Grantor agencies, their officers, boards, commissions and employees, from and against any and all claims, damages, costs or expenses of every type, all or any part thereof arising out of or in connection with or by reason of any act or omission of the Contractor or any Subcontractor or anyone directly or indirectly employed by either the Contractor or the Subcontractor. Contractor shall reimburse the County for its costs and for time spent by its attorneys based upon reasonable attorney's fees prevailing in the community, for defense of any litigation. Contractor shall include a clause to this effect in all subcontracts enduring to the benefit of the above named entities.

9. Technical Assistance

The County shall provide reasonable technical assistance to the Contractor to assist in complying with state and Federal laws, regulations, and accountability for diligent performance and compliance with the terms and conditions of this Agreement and all applicable laws, regulations and standards. However, this in no way relieves the Contractor of full responsibility and accountability for its actions and performance in compliance and in accordance with the terms of this Agreement.

10. Officials Not to Benefit

No member of the County, the Arizona State Legislature, or member of or delegate to Congress, or a resident Commissioner shall be admitted to any share or part of this Agreement, or to any benefit that may arise there from; but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

11. Prohibition of Lobbying  
The Contractor agrees that Contractor's employees or agents shall not utilize any Federal funds under the terms of this Agreement to solicit or influence, or to attempt to solicit or influence, directly or indirectly, any member of Congress regarding pending or prospective legislation.
12. Religious Activities  
The Contractor agrees that costs, planned or claimed, including costs endured by any Subcontractor shall not include any expense for any religious activity or for any religious organization.
13. Political Activity Prohibited  
None of the funds, materials, property or services contributed by the County or Contractor under this Agreement shall be used in the performance of this Agreement for any partisan political activity, or to further the election or defeat of any candidate for public office.
14. Covenant Against Contingent Fees  
The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warranty the County shall have the right to annul this Agreement without liability.
15. Contract Compliance Monitoring  
The County shall monitor the Contractor's compliance with, and performance under, the terms and conditions of this Agreement. On-site visits for Agreement compliance monitoring may be made by the County and/or its grantor agencies at any time during the Contractor's normal business hours, announced or unannounced. The Contractor shall make available for inspection and/or copying by the County's monitors, all record and accounts relating to the work performed or the services provided under this Agreement, or for similar work and/or service provided under other grants and Agreements.
16. Minimum Wage Requirements  
The Contractor agrees and warrants that it shall pay all its employees engaged in performing work or providing services under the terms of this Agreement not less than the minimum wage under Section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended if Contractor has any such employees.
17. Recognition of County Support  
The Contractor agrees to give recognition to the County and the funding source of its support when the Contractor publishes material or releases public information which is paid for totally or in part with funds received by the Contractor under the terms of this Agreement
18. Non-Discrimination  
The Contractor in connection with any service or other activity under this Agreement shall not in any way otherwise discriminate against any person on the grounds of race, color, religion, sex, national origin, age, handicap, political affiliation or belief. The Contractor shall include a clause to this effect in all Subcontracts enduring to the benefit of the Contractor or the County.

19. Financial Management

The Contractor shall establish and maintain a special (separate) bank account for funds provided under this Agreement, or any accounting system that assures the safeguarding and accountability of all assets provided under this Agreement. No part of the funds deposited in the special bank account shall be commingled with other funds of the Contractor. This bank account will be a non-interest bearing account. Any interest earned must be disposed of in a manner specified by the County in accord with applicable State and Federal regulations. If a separate bank account is established, the Contractor will provide a signed special bank account agreement authorizing the County to obtain information about the account. If any accounting system is used it must meet generally accepted accounting principles.

20. Retention of Records

The Contractor agrees to retain all financial books, records, and other documents relevant to this Agreement for four (4) years after final payment or until after the resolution of any audit questions which could be more than four (4) years, whichever is longer, and the County, Federal auditors and any other persons duly authorized by the County shall have full access to, and the right to examine, copy and make use of any and all said materials.

21. Legal Arizona Workers Act Compliance

Firm hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Firm shall further ensure that each subcontractor who performs any work for Firm under this contract likewise complies with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Firm and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Firm's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Firm to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Firm shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, as soon as possible so as not to delay project completion.

Firm shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

22. Anti-Terrorism Warranty

Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

23. Cancellation

This agreement is subject to the cancellation provisions of A.R.S. § 38-511.

24. Notifications

Notice under this Agreement shall be given by personal delivery or by registered or certified mail to the addresses set forth below and shall be effective upon receipt by the party to who addressed unless otherwise indicated in said notice.

Humane Society of Central Arizona, Inc.  
Attn: Sara Hock, Manager  
605 W. Wilson Court  
Payson, Arizona 85541  
Phone: 928-474-5590

Gila County Division of Health & Emergency  
Services  
Attn: Michael O'Driscoll, Director  
5515 S. Apache Avenue, Suite 100  
Globe, Arizona 85501  
Phone: 928-402-8767

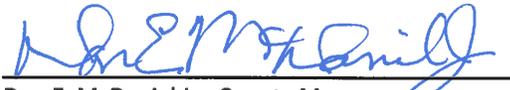
### SPECIAL PROVISIONS

1. All Gila County Rabies Control Officers will check in at the Humane Society of Central Arizona Shelter Office upon arrival. However, it is not necessary to call the shelter manager after hours.
2. Gila County Rabies Control Officers, when on Humane Society of Central Arizona property, will follow the shelter's policies. Officers are also expected to work with the shelter manager.
3. Gila County Rabies Control Officers will conduct themselves in a professional and respectful manner towards animals, staff, volunteers and visitors while conducting business at the Humane Society of Central Arizona Shelter.
4. Animals left after the three (3) working day period, are the property of the Contractor and will be treated the same as any other Humane Society of Central Arizona animal.
5. All County impounded animals will receive the same medical care, daily board provisions and staff care as Human Society of Central Arizona animals. Modification as follows: County impounded animals will receive a check up four (4) times a year by a Veterinarian at the shelter. If any animal requires immediate medical attention, it will be taken to the Veterinarian's office.
6. One (1) cage will be kept available for County use during staff off hours.
7. An unlimited number of animals will be accepted by the Contractor from the Gila County Rabies Control Officers.
8. Animals which need to be quarantined in excess of ten (10) days will be quarantined in a location other than the Payson Humane Society.
9. Quarantines, for ten (10) days, will be charged one hundred dollars (\$100.00) to the owner and the shelter will keep the total fee.

10. All impound fees are to be kept by the Contractor.
11. The County will be billed each month for the monthly base fee of Two Thousand Six Hundred Dollars (\$2,600.00). Payment will be due in thirty (30) calendar days. The fee will be pre-billed one (1) month in advance by the Contractor and pre-paid by the County. All invoices submitted by the Contractor shall reference the County Purchase Order Number and be submitted to Gila County Accounts Payable, 1400 E. Ash Street, Globe, Arizona, 85501.
12. The above listed terms shall be in effect from July 1, 2013, to June 30, 2014. The County shall have the option to extend the Agreement for two (2) more one (1) year terms upon agreement of both parties.
13. Any disputes which arise and cannot be settled between the County and the Contractor will be settled by a neutral third party arbiter.

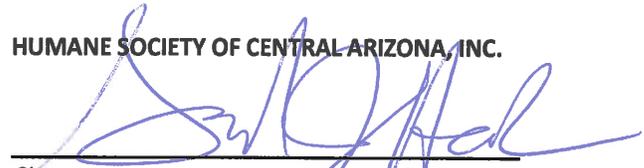
**IN WITNESS WHEREOF**, Service Agreement No. 052213 has been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 5/29/13

**HUMANE SOCIETY OF CENTRAL ARIZONA, INC.**

  
\_\_\_\_\_  
Signature

Sarah S Hack  
\_\_\_\_\_  
Print Name

**Tommie C. Martin, District I**  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

**Michael A. Pastor, District II**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

**John Marcanti, District III**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



**Don E. McDaniel Jr., County Manager**  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 060513**  
**WEATHERIZATION PROJECT NO. HH#8335**

**THIS AGREEMENT**, made and entered into this 05TH day of JUNE, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and Mountain Retreat Builders, of the City of Globe, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 – SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below for Weatherization Project HH#8335, and shall do so in a good, workmanlike, and substantial manner and to the satisfaction of the County under the direction of the Housing Services Manager or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona and consistent with all Weatherization guidelines.

Scope of Work: Refer to attached Attachment “A” by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment “A” by mention made a binding part of this agreement as set forth herein. Contractor will be paid fifty (50) percent upon presentation of an invoice at the beginning of the project, and the remaining fifty (50) percent upon presentation of an invoice upon completion of the project.

**ARTICLE 2 – TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "**The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor**".

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a **waiver of subrogation** against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

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

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

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 – LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor’s employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the “State and Federal Immigration Laws”). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party’s compliance with the State and Federal Immigration Laws.

Any breach of Contractor’s or any subcontractor’s warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County’s rights, and the subcontractor’s obligations, under this Article by including a provision in each subcontract substantially in the following form: “Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor’s employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor’s books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract.”

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor’s approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 – LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 – CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 - RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 - NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 - ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 - NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 - GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14- TERM:** Contract shall be effective date signed by the County Manager and expire on June 30, 2013.

**ARTICLE 15 - PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$5,315.60 for completion of the projects as outlined in the Scope of Services, in two (2) increments. Contractor shall submit an invoice for fifty percent (50%) upon commencement of the project, followed by an invoice for the remaining fifty percent (50%) upon completion of the project.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, Service Agreement No. 060513 has been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 6/5/12

**MOUNTAIN RETREAT BUILDERS**

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Print Name



**GILA COUNTY COMMUNITY SERVICES DIVISION**

Location: 5515 South Apache Ave., Globe, AZ 85501

PHONE: (928) 425-7631 FAX: (928) 425-9468

"Improving the Quality of Life for all Residents"

Gila County Community Action/Housing Services  
Weatherization Program

**BID RESULTS FORM**

Quote Request Date: 5/29/2013 Job Number: 8335

Name: HH8335

Address: \_\_\_\_\_

The following bids were received at the Gila County Housing Services Department, 5515 S. Apache Ave Suite 200, Globe, AZ 85501; at 8:23 am pm. Bidding should be at least 72 hours from the time of the initial request.

NAME OF BIDDER:	VERBAL CONTACT	BID AMOUNT:
<u>Noble Buildings</u>		\$ <u>No Bid</u>
<u>Rodriguez Contrstuction</u>		\$ <u>No Bid</u>
<u>Mountain Retreat</u>		\$ <u>5,315.60</u>
_____		\$ _____
_____		\$ _____
_____		\$ _____

Person opening bids: Shelbae M. Taylor

Witness: Shelbae M. Taylor 5-29-13

Bidder Selected: Mountain Retreat

Supervisor Sign-off: [Signature]

Date: 5/29/2013

Housing Rehabilitation     
  Community Action     
  Section 8 Housing     
  GEST  
 Workforce Investment Act     
  REPAC     
  Weatherization Program

# Scope of Work

## Mountain Retreat Builders, LLC.

ROC #170186

745 E. Senita Dr.  
 Globe AZ 85502  
 Phone 928-606-4674

**TO:**  
 Gila County Community Services Division  
 Weatherization Program  
 5515 S. Apache Ave. Suite #200  
 Globe, AZ 85501  
 928-425-7631

**FOR: HH# 8335**

Item	DESCRIPTION	AMOUNT
1.	Air Sealing:	
2.	Insulation: installation , fixing voids, misalignments, and travel.	
3.	Dense pack side wall insulation (Contractor opts out)	
4.	Cf's: Installation included in Lc/Nc	
5.	Duct sealing:	
6.	Water heater: (Contractor opts out)	
7.	Refrigerator Replacement: (Contractor opts out)	
8.	Install low-e windows: (Contractor opts out)	
9.	Lc/Nc:	
10.	H&S: Repairs / replace Water heater	
11.	Repair furnace	

# Estimate HH # 8335

**Mountain Retreat Builders, LLC.**

ROC #170186

745 E. Senita Dr.  
 Globe AZ 85502  
 Phone 928-606-4674

**TO:**

Gila County Community Services Division  
 Weatherization Program  
 5515 S. Apache Ave. Suite #200  
 Globe, AZ 85501  
 928-425-7631

**FOR: HH# 8335**

Item	DESCRIPTION	AMOUNT
1.	Air Sealing:	\$850.00
2.	Insulation: Installation , fixing voids, misalignments, and travel.	\$1,400.00
3.	Dense pack side wall insulation (Contractor opts out)	\$0.00
4.	Cff's: Installation Included in Lc/Nc	\$0.00
5.	Duct sealing:	\$1,150.00
6.	Water heater: (Contractor opts out)	\$0.00
7.	Refrigerator Replacement: (Contractor opts out)	\$0.00
8.	Install low-e windows: (Contractor opts out)	\$0.00
9.	Lc/Nc:	\$250.00
10.	H&S: Repairs / replace Water heater	\$950.00
11.	Repair Furnace	\$250.00
<b>Sub Total</b>		<b>\$4,850.00</b>
<b>TAX (9.6%)</b>		<b>\$465.60</b>
<b>TOTAL</b>		<b>\$5,315.60</b>

**Tommie C. Martin, District I**  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

**Michael A. Pastor, District II**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

**John Marcanti, District III**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



**Don E. McDaniel Jr., County Manager**  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 060513-1**  
**WEATHERIZATION PROJECT NO. HH#9384**

**THIS AGREEMENT**, made and entered into this 05<sup>TH</sup> day of JUNE, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and Mountain Retreat Builders, of the City of Globe, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 – SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below for Weatherization Project HH#9384, and shall do so in a good, workmanlike, and substantial manner and to the satisfaction of the County under the direction of the Housing Services Manager or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona and consistent with all Weatherization guidelines.

Scope of Work: Refer to attached Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein. Contractor will be paid fifty (50) percent upon presentation of an invoice at the beginning of the project, and the remaining fifty (50) percent upon presentation of an invoice upon completion of the project.

**ARTICLE 2 – TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

**1. Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "**The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor**".

**2. Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a **waiver of subrogation** against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

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

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

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 - LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 - LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 - CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 – RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker’s Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker’s Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 – NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County’s obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 – ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 – NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 – GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14– TERM:** Contract shall be effective date signed by the County Manager and expire on June 30, 2013.

**ARTICLE 15 – PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$6,247.20 for completion of the projects as outlined in the Scope of Services, in two (2) increments. Contractor shall submit an invoice for fifty percent (50%) upon commencement of the project, followed by an invoice for the remaining fifty percent (50%) upon completion of the project.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, Service Agreement No. 060513-1 has been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 4/5/13

**MOUNTAIN RETREAT BUILDERS**

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Print Name



### GILA COUNTY COMMUNITY SERVICES DIVISION

Location: 5515 South Apache Ave., Globe, AZ 85501

PHONE: (928) 425-7631 FAX: (928) 425-9468

"Improving the Quality of Life for all Residents"

Gila County Community Action/Housing Services  
Weatherization Program

#### BID RESULTS FORM

Quote Request Date: 8-29-13 Job Number: 9384

Name: 17H 9384

Address: \_\_\_\_\_

The following bids were received at the Gila County Housing Services Department, 5515 S. Apache Ave Suite 200, Globe, AZ 85501; at 8:27 am pm. Bidding should be at least 72 hours from the time of the initial request.

NAME OF BIDDER:	VERBAL CONTACT	BID AMOUNT:
<u>Noble Building</u>		\$ <u>No bid</u>
<u>Rodriguez Construction</u>		\$ <u>No bid</u>
<u>Mountain Retreat</u>		\$ <u>16,247.20</u>
_____		\$ _____
_____		\$ _____
_____		\$ _____

Person opening bids: Nicholas Montague Witness: David E. Egan 5-29-13

Bidder Selected: Mountain Retreat  
Bruce Lynn \_\_\_\_\_  
Supervisor Sign-off Date 05/29/13

<b>Housing Rehabilitation</b>	<b>Community Action</b>	<b>Section 8 Housing</b>	<b>GEST</b>
<b>Workforce Investment Act</b>	<b>REPAC</b>	<b>Weatherization Program</b>	

# Estimate

**Mountain Retreat Builders, LLC.**

ROC #170186

745 E. Senita Dr.  
 Globe AZ 85502  
 Phone 928-606-4674

TO:  
 Gila County Community Services Division  
 Weatherization Program  
 5515 S. Apache Ave. Suite #200  
 Globe, AZ 85501  
 928-425-7631

FOR: HH# 9384

Item	DESCRIPTION	AMOUNT
1.	Air Sealing: total infiltration = 4356cfm, without ducts infiltration = 2970cfm. Deduction of 50% = 1485cfm	\$980.00
2.	Insulation: installation 1360sqft, fixing voids, misalignments, and travel.	\$1,200.00
3.	Dense pack side wall insulation (Contractor opts out)	\$0.00
4.	Cff's: Installation included in Lc/Nc	\$0.00
5.	Duct sealing: currently leaking 1128cfm reduce leakage by 1000cfm	\$2,270.00
6.	Water heater: (Contractor opts out)	\$0.00
7.	Refrigerator Replacement: (Contractor opts out)	\$0.00
8.	Install low-e windows: (Contractor opts out)	\$0.00
9.	Lc/Nc:	\$250.00
10.	H&S: Repairs / replace Water heater	1000.00
<b>Sub Total</b>		<b>\$5,700.00</b>
<b>TAX (9.6%)</b>		<b>\$547.20</b>
<b>TOTAL</b>		<b>\$6247.20</b>

# Scope of Work

**Mountain Retreat Builders, LLC.**  
ROC #170186

745 E. Senita Dr.  
Globe AZ 85502  
Phone 928-606-4674

**TO:**  
Gila County Community Services Division  
Weatherization Program  
5515 S. Apache Ave. Suite #200  
Globe, AZ 85501  
928-425-7631

**FOR: HH# 9384**

Item #	DESCRIPTION
1.	Air Sealing: total infiltration = 4366cfm, without ducts infiltration = 2970cfm. Deduction of 50% = 1485cfm
2.	Insulation: installation 1360sqft, fixing voids, misalignments, and travel.
3.	Dense pack side wall insulation (Contractor opts out)
4.	Cf's: Installation included in Lc/Nc
5.	Duct sealing: currently leaking 1128cfm reduce leakage by 1000cfm
6.	Water heater: (Contractor opts out)
7.	Refrigerator Replacement: (Contractor opts out)
8.	Install low-e windows: (Contractor opts out)
9.	Lc/Nc:
10.	H&S: Repairs / replace Water heater

**Tommie C. Martin, District I**  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

**Michael A. Pastor, District II**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

**John Marcanti, District III**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



**Don E. McDaniel Jr., County Manager**  
Phone (928) 425-3231 Ext.8761

1400 E. Ash Street  
Globe, AZ 85501

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 060513-2**  
**WEATHERIZATION PROJECT NO. HH#4548**

**THIS AGREEMENT**, made and entered into this 05<sup>TH</sup> day of JUNE, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and Mountain Retreat Builders, of the City of Globe, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 – SCOPE OF SERVICES:** The Contractor shall provide the services and products listed in the Scope of Work below for Weatherization Project HH#4548, and shall do so in a good, workmanlike, and substantial manner and to the satisfaction of the County under the direction of the Housing Services Manager or designee.

All work performed by the Contractor shall be completed to local codes and regulation per Gila County and the State of Arizona and consistent with all Weatherization guidelines.

Scope of Work: Refer to attached Attachment "A" by mention made a binding part of this agreement as set forth herein.

Contractor Fee's: Refer to Attachment "A" by mention made a binding part of this agreement as set forth herein. Contractor will be paid fifty (50) percent upon presentation of an invoice at the beginning of the project, and the remaining fifty (50) percent upon presentation of an invoice upon completion of the project.

**ARTICLE 2 – TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: **"The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor"**.

2. **Worker's Compensation and Employers' Liability**

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

a. Policy shall contain a **waiver of subrogation** against the County of Gila.

3. **Professional Liability (Errors and Omissions Liability)**

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

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

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to **Gila County Purchasing Department, 1400 E. Ash St., Globe, AZ, 85501** or email to [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 – LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor’s employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the “State and Federal Immigration Laws”). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party’s compliance with the State and Federal Immigration Laws.

Any breach of Contractor’s or any subcontractor’s warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County’s rights, and the subcontractor’s obligations, under this Article by including a provision in each subcontract substantially in the following form: “Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor’s employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor’s books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract.”

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor’s approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 – LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7– ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 – CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 - RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 - NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 - ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 - NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 - GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14- TERM:** Contract shall be effective date signed by the County Manager and expire on June 30, 2013.

**ARTICLE 15 - PAYMENT/BILLING:** Contractor shall be paid a flat fee of \$10,725.46 for completion of the projects as outlined in the Scope of Services, in two (2) increments. Contractor shall submit an invoice for fifty percent (50%) upon commencement of the project, followed by an invoice for the remaining fifty percent (50%) upon completion of the project.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, Service Agreement No. 060513-2 has been duly executed by the parties hereinabove named, on the date and year first above written.

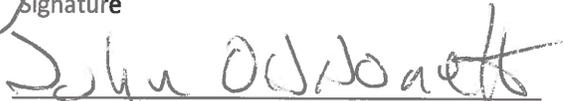
**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

Date: 6/4/13

**MOUNTAIN RETREAT BUILDERS**

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Print Name



### GILA COUNTY COMMUNITY SERVICES DIVISION

Location: 5515 South Apache Ave., Globe, AZ 85501

PHONE: (928) 425-7631 FAX: (928) 425-9468

"Improving the Quality of Life for all Residents"

Gila County Community Action/Housing Services  
Weatherization Program

#### BID RESULTS FORM

Quote Request Date: 5-29-13 Job Number: 4548

Name: HH# 4548

Address: \_\_\_\_\_

The following bids were received at the Gila County Housing Services Department, 5515 S. Apache Ave Suite 200, Globe, AZ 85501; at 8:23 am pm. Bidding should be at least 72 hours from the time of the initial request.

NAME OF BIDDER:	VERBAL CONTACT	BID AMOUNT:
<u>Rodriguez Construction</u>		\$ <u>No bid</u>
<u>Noble Building</u>		\$ <u>No bid</u>
<u>Mountain Retreat</u>		\$ <u>10,725.46</u>
_____		\$ _____
_____		\$ _____
_____		\$ _____

Person opening bids: Nicholas Montoya

Witness: Abraim E. Aguirre 5-30-13

Bidder Selected: Mountain Retreat

Supervisor Sign-off: [Signature]

Date: 5/30/13

<b>Housing Rehabilitation</b>	<b>Community Action</b>	<b>Section 8 Housing</b>	<b>GEST</b>
<b>Workforce Investment Act</b>	<b>REPAC</b>	<b>Weatherization Program</b>	

# Estimate

## Mountain Retreat Builders, LLC.

ROC #170186

745 E. Senita Dr.  
Globe AZ 85502  
Phone 928-606-4674

TO:  
Gila County Community Services Division  
Weatherization Program  
5515 S. Apache Ave. Suite #200  
Globe, AZ 85501  
928-425-7631

FOR: HH# 4548

Item	DESCRIPTION	AMOUNT
1.	Installing new gas pack system on the roof 68Kbtuh 80afue 2.5 Ton A/C 14 SEER unit.	\$5,286.80
2.	Installing a new r-8 flex duct system.	\$1,000.00
3.	Eliminating duct leakage by 95%.	\$1,500.00
4.	Adding Insulation to meet code currently of r-38 (currently r-0 misaligned and voids).	\$1,498.00
5.	Health and safety:	
	1. Disconnect improper gas supply to existing fireplace.	\$136.60
	2. Fix electrical issues with outlet in bed 1	\$136.60
	3. CFM vent fan (Asura 62.2 Code)	\$228.00
6.	Lc/Nc 1. CFL light bulbs	-NA-
<b>Sub Total</b>		<b>\$9786.00</b>
<b>TAX (9.6%)</b>		<b>\$939.46</b>
<b>TOTAL</b>		<b>\$10,725.46</b>

# Scope of Work

**Mountain Retreat Builders, LLC.**  
ROC #170186

745 E. Senita Dr.  
Globe AZ 85502  
Phone 928-606-4674

**TO:**  
Gila County Community Services Division  
Weatherization Program  
5515 S. Apache Ave. Suite #200  
Globe, AZ 85501  
928-425-7631

**FOR: HH# 4548**

Item #	DESCRIPTION
1.	Installing new gas pack system on the roof 68Kbtuh 80afue 2.5 Ton A/C 14 SEER unit.
2.	Installing a new r-8 flex duct system.
3.	Eliminating duct leakage by 95%.
4.	Adding insulation to meet code currently of r-38 (currently r-0 misaligned and voids).
5.	Health and safety: <ul style="list-style-type: none"><li>1. Disconnect improper gas supply to existing fireplace.</li><li>2. Fix electrical issues with outlet in bed 1</li><li>3. CFM vent fan (Asura 62.2 Code)</li></ul>
6.	Lc/Nc 1. CFL light bulbs

Tommy C. Martin, District I  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

Michael A. Pastor, District II  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

John D. Marcanti, District III  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



Don E. McDaniel Jr., County Manager  
Phone (928) 425-3231 Ext.8761

FAX (928) 425-0319  
TTY: 7-1-1

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 051613**  
**REPLACE DAMAGED ANTENNA ON MOUNT ORD**  
**AND**  
**INSTALL NEW ANTENNA ON SIGNAL PEAK**

**THIS AGREEMENT**, made and entered into this 04<sup>TH</sup> day of JUNE, 2013, by and between Gila County, a political subdivision of the State of Arizona hereinafter designated the County, and C & M Communications, of the City of Payson, State of Arizona, hereinafter designated the Contractor.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 – SCOPE OF SERVICES:** The Contractor shall provide for the services described in the scope of work below, and shall do so in a good, workmanlike and substantial manner and to the satisfaction of the County under the direction of the Chief Engineer for the Gila County Flood District or designee. All work must be performed in conformance with industry standards and best practices.

**Scope of Work**

Refer to attached Request for Quote 051613 and Attachment "A" to Request for Quote 051613, by mention made a binding part of this agreement as set forth herein.

**ARTICLE 2 – TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

a. The policy shall be endorsed to include the following additional insured language: "The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. **Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$100,000

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

a. Policy shall contain a **waiver of subrogation** against the County of Gila.

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing, 1400 E. Ash St., Globe, AZ, 85501** and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

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

All certificates required by this Contract shall be sent directly to the attention of Jeannie Sgroi at **Gila County Finance, 1400 E. Ash St., Globe, AZ, 85501**. Certificates may be emailed to Ms. Sgroi at [dsgroi@co.gila.az.us](mailto:dsgroi@co.gila.az.us). The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies or Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 - LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. §23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. §23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Contractor's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Contractor shall be entitled to an extension of time, but not costs.

**ARTICLE 6 - LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7- ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. §35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 - CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 - RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 - NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 - ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 - NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision

**ARTICLE 13 - GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14- TERM:** Contract shall be effective date signed by the County Manager and expire 90 days thereafter.

**ARTICLE 15 - PAYMENT/BILLING:** Contractor shall be paid \$4,637.20 for completion of the service as prescribed in Article 1 - Scope of Services.

Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

Gila County employs a "Net 15" payment term for services meaning the payment will be issued fifteen (15) days from the date the County receives the invoice from the Contractor. Purchase orders sent to the Contractor reflect these terms and conditions.

All invoices shall be submitted to Gila County Accounts Payable, 1400 E. Ash St, Globe, Arizona and include the following information:

- Purchase Order Number
- Contract Number
- Invoice Number
- Service Location
- Vendor Name and Address
- Description of Service

The Contractor shall have a current I.R.S. W-9 form on file with the County unless not required by law. The County shall not remit payment if the Contractor does not have a current W-9.

**IN WITNESS WHEREOF**, two (2) identical counterparts of **Contract No. 051613**, each for all purposes shall be deemed an original thereof, have been duly executed by the parties hereinabove named, on the date and year first above written.

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel Jr., County Manager

**C&M COMMUNICATIONS**

  
\_\_\_\_\_  
Signature  
Christopher F. Salsot  
\_\_\_\_\_  
Print Name

**REQUEST FOR QUOTE NO. 051613  
GILA COUNTY**



**JOB/PROJECT DESCRIPTION**

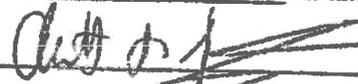
Project consists of the installation of two antennae and associated parts.

Location 1: Mount Ord  
Location 2: Signal Peak

**Scope of Work and Specifications:**

- Per Attachment "A", Scope and Photos
- The contractor will be responsible for all material and labor to perform the above work. It is the contractor's responsibility to inspect the project site to determine the necessary materials to complete the project prior to providing a projected cost.
- Please contact the Project Manager, Darde de Rouillac at 928-402-7116 with any questions.

**QUOTE DUE DATE:** Please email or fax quote by, Wednesday, May 29, 2013 to, Jeannie Sgroi, [dsgrui@co.gila.az.us](mailto:dsgrui@co.gila.az.us), fax 928-425-7056

Contractor Name: <u>C&amp;M COMMUNICATIONS</u>	
Contractor Address: <u>77 S. WALTERS LANE PAYSON, AZ 85541</u>	
Contractor Phone #: <u>928 472-9777</u>	Email Address: <u>cmcommaz@aol.com</u>
Contractor Signature: <u></u>	
<b>TOTAL COST FOR MATERIAL &amp; INSTALLATION</b>	
LABOR COST	\$ <u>2500.00</u> (TAXES INCLUDED)
MATERIAL COST	\$ <u>2137.20</u> (TAXES INCLUDED)

Quote includes all related material shipping costs, and travel to and from each site location. Exact customer specified part numbers for materials will be used whenever possible. Any substitutions will be of a equal or higher quality component. Current lead time for the SY-303 antennas is 45 days, all other materials are readily available.

**REQUEST FOR QUOTES 051613**

**SCOPE OF WORK:**

**SITE 1 – MT ORD:**

The following work is to be performed at the Gila County repeater building at Mt. Ord, with all necessary parts and equipment to be supplied by the consultant:

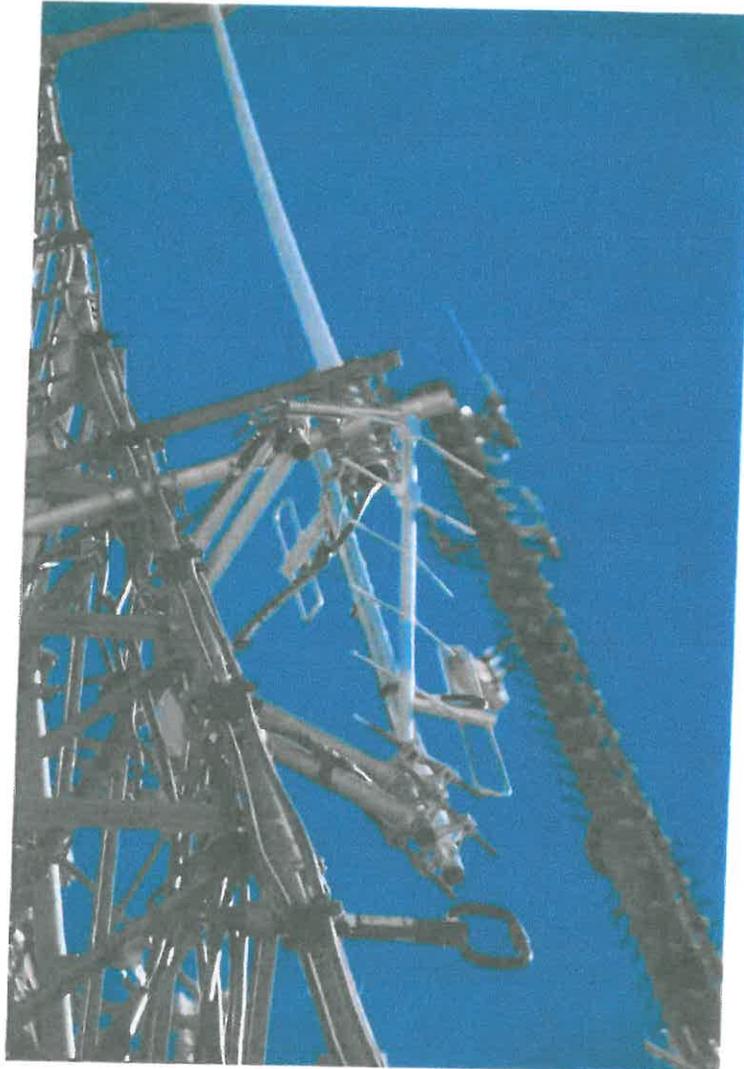
Replace damaged UHF antenna (approx. 30 ft above ground on the tower) with a Sinclair Technologies SY303-SF1SNM(CCC) ruggedized antenna or equal (6 dBd gain, 403-430 MHz, horizontally polarized), using existing feedline. Antenna is to be pointed toward Signal Peak. Weatherproof the connection. Install ice bridge above antenna.

**SITE 2 – SIGNAL PEAK:**

The following work is to be performed at the Gila County repeater building at Signal Peak, with all necessary parts and equipment to be supplied by the consultant:  
Install new UHF antenna, Sinclair Technologies SY303-SF1SNM(CCC) ruggedized antenna or equal (6 dBd gain, 403-430 MHz, horizontally polarized), at approximately 20 feet above ground on the tower, pointing towards Mt. Ord. Install new 1/2-inch diameter feedline (Commscope/Andrew LDF4-50A or equal, with L4TNM-PSA & L4TNF-PSA connectors or equal). Weatherproof all connections. Clamp feedline to tower sufficient to avoid excessive movement. Install feedline grounding to the tower and to the existing grounding bar on the outside of the building, using Commscope /Andrew 294500 ground kits or equal. Terminate the feedline with a new lightning protector (Polyphaser IS-50-NX-C2 or equal), grounded to the existing grounding bar on the equipment rack near the southwest corner of the south room of the equipment building. Install ice bridge above antenna.

See pages 2-4 for photographs to clarify the scope of work.

**SITE PHOTOGRAPHS**



**Broken Antenna at Mt. Ord**



**Signal Peak Tower**

**(Install new antenna below lowest antenna)**

**Approx  
new antenna height** -----



**Feedline Entrance into Building - Signal Peak**



**Feedline Termination Point inside Building - Signal Peak**

**Tommie C. Martin, District I**  
P.O. Box 2297 Payson, AZ. 85547  
(928) 474-2029

**Michael A. Pastor, District II**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8753

**John D. Marcanti, District III**  
1400 E. Ash St. Globe, AZ. 85501  
(928) 425-3231 Ext. 8511



**Don E. McDaniel Jr., County Manager**  
Phone (928) 425-3231 Ext.8761

FAX (928) 425-0319  
TTY: 7-1-1

**GILA COUNTY**  
[www.gilacountyaz.gov](http://www.gilacountyaz.gov)

**SERVICE AGREEMENT NO. 050713-1**  
**LANDFILL METAL PILE REMOVAL**

**THIS AGREEMENT**, made and entered into this 04th day of JUNE, 2013, by and between Gila County a political subdivision of the State of Arizona, hereinafter designated the **County**, and S & D Recycling LLC, of the Town of Show Low, State of Arizona, hereinafter designated the **Contractor**.

**WITNESSETH:** The Contractor, for and in consideration of the sum to be paid him by the County, in the manner and at the time hereinafter provided, and of the other covenants and agreement's herein contained, hereby agrees, for himself, his heirs, administrators, successors, and assigns as follows:

**ARTICLE 1 – SCOPE OF SERVICES:** The Contractor shall provide for the complete provision in the scope of work below and shall do so in a good, workmanlike and substantial manner and to the satisfaction of the County under the direction of the Gila County Recycle and Landfill Management Manager or designee.

**Scope of Work**

Job Location 1: Buckhead Mesa Landfill, Highway 87, Mile Post 263, Payson, Arizona  
Job Location 2: Russell Gulch Landfill, 5891 E. Hope Lane, Globe, Arizona.

The landfill face at Buckhead Mesa and Russell Gulch has moved quickly towards the metal pile and the metal needs to be removed in order to provide an area for greater space utilization at both landfills.

The Contractor shall bale the metal, loading its own trucks, and transport the baled metal to the Contractor's end user.

The Contractor's trucks will record a tare weight at the landfill scale house prior to loading and record the outgoing weight prior to leaving the landfill with each metal load.

**Payment**

Metal will be weighed on the landfill scale for each location and the Contractor shall pay to the County One Hundred Five dollars (\$105.00) per ton for metal removed.

**ARTICLE 2 – TERMINATION:** The County reserves the right to terminate the Contract, in whole or in part at any time, when in the best interest of the County, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work as directed in the notice. If the contract is terminated, the County shall be liable only for the services rendered under this contract and accepted material received by the County before the effective date of termination.

**ARTICLE 3 - INDEMNIFICATION:** Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

**ARTICLE 4 - INSURANCE REQUIREMENTS:** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

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

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability - Occurrence Form**

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

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

- a. The policy shall be endorsed to include the following additional insured language: "**The County of Gila shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor**".

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. On insurance policies where the County of Gila is named as an additional insured, the County of Gila shall be an additional insured to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage or endorsed to lower limits except after thirty (30) days prior written notice has been given to the County. Such notice shall be sent directly to **Gila County Purchasing, 1400 E. Ash St., Globe, AZ, 85501** and shall be sent by certified mail, return receipt requested.

- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or approved unlicensed companies in the state of Arizona and with an "A.M. Best" rating of not less than B+ VI. The County in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the County with certificates of insurance (ACORD form or equivalent approved by the County) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.  
**All certificates and endorsements are to be received and approved by the County before work commences.** Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.
- All certificates required by this Contract shall be sent directly to **Gila County Purchasing, 1400 E. Ash St., Globe, AZ, 85501**. The County project/contract number and project description shall be noted on the certificate of insurance. The County reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.
- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as additional insured's under its policies **or** Contractor shall furnish to the County separate certificates and endorsements for each subcontractor. All coverage's for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the County Attorney, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

**ARTICLE 5 – LEGAL ARIZONA WORKERS ACT COMPLIANCE:** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws. County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

**ARTICLE 6 – LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Contractor shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Contractor. The Contractor shall comply with the applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and applicable federal regulations under the Act.

**ARTICLE 7– ANTI-TERRORISM WARRANTY:** Pursuant to A.R.S. § 35-393.06(B) and 35-301.06(A) the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

**ARTICLE 8 – CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511. If the Agreement is terminated, the county shall be liable only for payment for services rendered and accepted material received by the County before the effective date of termination.

**ARTICLE 9 – RELATIONSHIP OF THE PARTIES:** Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. Contractor warrants that he has obtained or will obtain Worker's Compensation Insurance for his employees working on this contract and that any subcontractors will likewise obtain Worker's Compensation Insurance for of their employees working on this contract. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

**ARTICLE 10 – NON-APPROPRIATIONS CLAUSE:** Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

**ARTICLE 11 – ENTIRE CONTRACT CLAUSE:** The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral agreement or oral provision outside this Contract shall have any force or effect.

**ARTICLE 12 – NON-WAIVER OF ENFORCEABILITY:** Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision.

**ARTICLE 13 – GOVERNING LAW:** Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

**ARTICLE 14- TERM:** Contract shall be effective date signed by the County Manager and expire one year later.

**ARTICLE 15 - PAYMENT:** The Contractor shall pay to Gila County, \$105.00 per ton, for metal removed from the Buckhead Mesa Landfill in Payson and the Russell Gulch Landfill in Globe.

*IN WITNESS WHEREOF, Service Agreement No. 050713-1 has been duly executed by the parties hereinabove named, on the date and year first above written.*

**GILA COUNTY**

  
\_\_\_\_\_  
Don E. McDaniel, Jr., County Manager

**S & D RECYCLING LLC**

  
\_\_\_\_\_  
Joanna Banta, CEO

Date: 6/4/13



June 1, 2013

Debra Williams, Deputy Director  
Gila County Emergency Services  
5515 S Apache Ave. Ste. 400  
Globe, AZ 85501

### RADIO COMMUNICATIONS MAINTENANCE AGREEMENT

The agreement provides maintenance, repair and/or replacement service of mobile, portable and repeater radio equipment located at Globe Arizona. This agreement covers the period from June 1, 2013 through May 31, 2014. **Attachment "A"** is a binding part of this agreement as set forth herein. The cost is based on the number of radio communications units in service at the monthly rates per the attached schedule dated 6/1/2013 (see M/A Contract attachment). This agreement includes on-site service covering all parts and labor for mobile and portable units listed and will be provided on site Monday through Friday between the hours of 8:00 am to 5:00 pm. This agreement includes on-site service covering all parts and labor for repeaters listed and will be provided on site seven days a week, twenty four hours a day. Pick up and deliverer of mobile and portable equipment is to be provided at the Gila County, Emergency Services facility located in Globe Arizona.

Installations and removals are not included within this agreement, however, will be provided at the prevailing contract rates and billed separately.

This agreement does not cover portable radio batteries, transmission line, radio station/ repeater antennas, radio installation, radio removal or radio programming except for program review/change performed during annual maintenance check.

In consideration of the Radio Communications Maintenance Agreement, Gila County Emergency Services will pay to Canyon State Wireless the following amount.

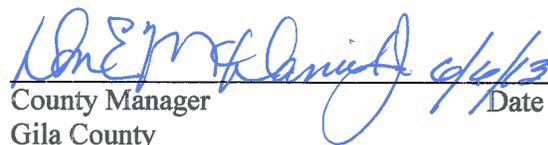
Monthly: \$ 557.75

Annually: \$ 6,693.00

 5-22-13

Lori Pitts  
Vice President  
Canyon State Wireless

Date

 6/6/13

County Manager  
Gila County

Date

DON E. MCDANIEL, JR.

# M/A Contract

## CANYON STATE WIRELESS, INC.

M/AContract: GILA EOC

StartDate: 6/1/2013

Company: GILA COUNTY DEPT OF EMER MGM

EndDate: 5/31/2014

AccountID: GILA-EM

MonthlyAmt:\$557.75

Contract Type: 7 X 24

AnnualAmt: \$6,693.00

Contract Notes:

### Unit Summary

Qty	Item	Each	Monthly	Annual
14	H46KDD9PW5	\$6.25	\$87.50	\$1,050.00
9	AAH25KDF9AA5	\$6.25	\$56.25	\$675.00
6	AAM25KKF9DU6	\$6.25	\$37.50	\$450.00
4	T5365A	\$75.00	\$300.00	\$3,600.00
2	AAH25SDH9DP7	\$3.25	\$6.50	\$78.00
1	T5766A	\$45.00	\$45.00	\$540.00
1	D43MJA7JA5AK	\$6.25	\$6.25	\$75.00
2	D43MJA7DAJCK	\$6.25	\$12.50	\$150.00
1	H01KDC9AA3BN	\$6.25	\$6.25	\$75.00

### Unit Details

Item	Serial Number	Description	Location	Monthly Rate
H46KDD9PW5	407CGX0686	XTS2500	EMS	\$6.25
H46KDD9PW5	407CGX0687	XTS2500	EMS	\$6.25
H46KDD9PW5	407CGX0688	XTS2500	EMS	\$6.25
H46KDD9PW5	407CGX0684	XTS2500	EMS	\$6.25
H46KDD9PW5	407CGX0682	XTS2500	EMS	\$6.25
H46KDD9PW5	407CGX0685	XTS2500	EMS	\$6.25
AAH25KDF9AA5	749TDC4952	HT1250	EMS	\$6.25
AAM25KKF9DU6	103TDQ4837	CDM1550LS	BT	\$6.25
H46KDD9PW5	407CFX1004	XTS2500	EMS	\$6.25
H46KDD9PW5	407CJR1983	XTS2500	HS	\$6.25
H46KDD9PW5	407CJR1980	XTS2500	HS	\$6.25
H46KDD9PW5	407CJR1981	XTS2500	HS	\$6.25
H46KDD9PW5	407CJR1979	XTS2500	HS	\$6.25
H46KDD9PW5	407CJR1982	XTS2500	HS	\$6.25
H46KDD9PW5	407CJR1984	XTS2500	HS	\$6.25
H46KDD9PW5	407CGX0683	XTS2500	BT	\$6.25
AAM25KKF9DU6	103TEGQ566	CDM1550LS	BT	\$6.25
AAM25KKF9DU6	103TEGQ623	CDM1550LS	BT	\$6.25
AAM25KKF9DU6	103TEET263	CDM1550LS	EM	\$6.25

AAM25KKF9DU6	103TEET267	CDM1550LS	EM	\$6.25
AAM25KKF9DU6	103TEET261	CDM1550LS	EM	\$6.25
T5365A	448CFF0167	QUANTAR	SIGNAL PEAK	\$75.00
T5365A	448CFH0065	QUANTAR	MT. ORD	\$75.00
AAH25KDF9AA5	749TDC5330	HT1250	BT	\$6.25
AAH25KDF9AA5	749TDC5329	HT1250	BT	\$6.25
AAH25KDF9AA5	749TDC5332	HT1250	BT	\$6.25
AAH25KDF9AA5	749TDC5321	HT1250	BT	\$6.25
AAH25KDF9AA5	749TDC5323	HT1250	BT	\$6.25
AAH25KDF9AA5	749TDC5303	HT1250	BT	\$6.25
AAH25KDF9AA5	749TDC5322	HT1250	EM	\$6.25
AAH25KDF9AA5	749TDC4949	HT1250	EM	\$6.25
AAH25SDH9DP7	008TDG0964	HT1250LS	BT	\$6.25
AAH25SDH9DP7	008TDL0388	HT1250LS	BT	\$6.25
T5766A	512CYZ0072	MTR2000	EM	\$45.00
D43MJA7JA5AK	428TZW1731	MAXTRAC	EM	\$6.25
D43MJA7DAJCK	154SUC0215	MAXTRAC	EM	\$6.25
D43MJA7DAJCK	154SUC0216	MAXTRAC	EM	\$6.25
H01KDC9AA3BN	402AUN3570	HT1000	EM	\$6.25
T5365A	448CFF0166	QUANTAR		\$75.00
T5365A	488CFH0066	QUANTAR		\$75.00

Customer: *Don E. McDaniel, Jr.*  
Date: *6/4/13*

Service Provider: *Jim Pate*  
Date: *5-22-13*

DON E. MCDANIEL, JR., COUNTY MANAGER  
GILA COUNTY

## ATTACHMENT "A"

### Gila County Contractor Standard Terms and Conditions Addendum

#### A. Addendum Applicability

Contractor and Gila County agree that the terms and conditions of this Addendum shall apply to and govern the contractual relationship between Contractor and Gila County and shall supplement any other contract or agreement entered into between the parties. In the event that the terms and conditions in this Addendum conflict with any provision of any other agreement entered into between the Contractor and Gila County (including a superiority provision similar to this provision), the terms and conditions of this Addendum shall control the contractual relationship between the parties and shall supersede any conflicting provisions found in any other contract or agreement. Contractor understands that acceptance of the terms and conditions contained in this Addendum is a condition precedent to entering into a contractual relationship with Gila County.

#### B. Contract Defined

As used in this Addendum, the term "Contract" shall refer to any written agreement between Gila County and a person, organization, corporation, company or other entity that provides supplies or services to Gila County regardless of the title or other name applied to that written agreement. The term includes by this reference all the terms and conditions of this Addendum.

#### C. Contractor Defined

As used in this Addendum, the term "Contractor" shall refer to a person, provider, organization, corporation, company or other entity providing supplies or services to Gila County pursuant to a written agreement regardless of the title or other name applied to "Contractor" in that written agreement.

#### D. Relationship to Parties

Contractor is an independent contractor of the County. Contractor represents that he has or will secure, at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this contract shall be fully qualified and shall be authorized or permitted under State and local law to perform such services. It is further agreed by Contractor that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Contractor nor any employee of the Contractor shall be deemed an officer, employee, or agent of the County.

#### E. Non-Appropriations Clause

Contractor acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that the County shall only activate this non-appropriation provision as an emergency fiscal measure. The County shall not activate this non-appropriation provision for its convenience, to circumvent the requirements of this contract, or to enable the County to contract with another Contractor for the same supplies or services covered under this Addendum.

#### F. Hold Harmless/Indemnification Clause

Contractor shall indemnify, defend, save and hold harmless the County of Gila and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that the Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In

consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the County, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the County.

G. Entire Contract Clause

The Contractor and the County have read this Contract and agree to be bound by all of its terms, and further agree that it constitutes the entire contract between the two parties and may only be modified by a written mutual contract signed by the parties. No oral provision in conflict with this Contract shall have any force or effect.

H. Non-Waiver of Enforceability

Failure of the County to enforce, at any time, any of the provisions of this Contract, or to request at any time performance by Contractor of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this contract or any part thereof, or the right of the County to enforce each and every provision.

I. Governing Law

Both parties agree that this Contract shall be governed by the laws of the state of Arizona. The parties further agree that the jurisdiction for any legal disputes arising out of this Contract shall be the Superior Court of the State of Arizona. The parties agree that even if this Contract does not specifically reference any provision required by state or federal law, those state and federally required provisions are incorporated into this Contract by this reference as though they were specifically listed herein.

J. Cancellation

Cancellation pursuant to A.R.S. §38-511. This contract is subject to the cancellation provisions of A.R.S. §38-511.

K. Anti-Terrorism Warranty

Pursuant to A.R.S. §35-397 the Contractor certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

L. Legal Arizona Workers Act Compliance

Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor shall further ensure that each subcontractor who performs any work for Contractor under this contract likewise complies with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor as soon as possible so as not to delay project completion.

Contractor shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Contractor.



Contractor

5-22-13

Date

  
Gila County DON E. MCDANIEL, JR.  
COUNTY MANAGER

4/9/13  
Date

1. **Definitions.** For the purpose of brevity and uniformity all references to CSW in this agreement will be construed to mean Canyon State Wireless, Inc., an Arizona Corporation. All references to Licensee shall be construed as meaning and applying to FCC Licensee, or the User, or the Purchaser of the equipment to be serviced by the terms of this agreement.
2. **Work.** Canyon State Wireless (CSW) agrees to provide service for the Licensee of the equipment described on the Maintenance Contract beginning and ending on the dates indicated if the Licensee makes the payments specified. Mobile units will be removed and reinstalled in different vehicles at Licensee's request at the prices prevailing at the time. This agreement does not include service of any transmission line, antenna, tower or tower lighting, unless such work is described on the reverse side to this agreement. Such service may be furnished upon request at mileage, material, and labor rates prevailing at the time of each call. Service shall include the labor and parts required to repair equipment that has become defective through normal wear and usage. Service does not include the repair or replacement of equipment, which has otherwise become defective, including, but not limited to, damage caused by the accidents, physical abuse or misuse of the equipment, acts of God (such as but not limited to; lightning, flood, etc.), and fires. Upon receipt of a written request from Licensee, CSW will maintain units identical with any units covered by this agreement for the same monthly service fees and on the same terms and conditions set forth herein. In the event of loss, damage, theft or removal from service of any units the Licensee shall immediately report said loss, damage or theft or removal to CSW. In this event Licensee's obligation to pay service fees with respect thereto shall terminate at the end of the month in which CSW receives said report.
3. **Service Standards.** The equipment will be serviced by CSW or its preapproved subcontractor in accordance with these standards; (i) CSW parts or parts of equal quality will be used; (ii) oil, water, dust and foreign substances will be removed from the equipment (iii) the equipment will not be subject to mechanical abuse; (iv) the equipment will be serviced at levels necessary to provide the required communications; (v) routine service procedures prescribed from time to time by CSW for its equipment will be followed and (vi) all service work will be done by a qualified person or agency. The equipment will be inspected, adjusted periodically and as often as required.
4. **Time and place of service work.** Service work on the base stations and other fixed equipment shall be performed at the location of the equipment, and the Licensee shall furnish heat, light and power at these locations. Mobile units and removable equipment shall be delivered by the Licensee to the place of service indicated on the attached Maintenance Contract. The Licensee shall give the CSW Service Station at least one days notice prior to delivery of a mobile unit for reinstallation.
5. **Payment.** On or about the date each payment is due as set forth on the attached Maintenance Contract, CSW will send the Licensee an invoice covering the monthly service fees for the next Payment Period plus all other charges for the preceding Payment Period, and the Licensee shall pay the amount of said invoice within twenty (20) days of its date to CSW at the CSW Area Office. Each invoice shall be due and payable whether or not the equipment is operating, and CSW may terminate this agreement by giving the Licensee thirty (30) days notice by certified mail if the Licensee defaults in its payment to CSW. The Licensee shall reimburse CSW for all property taxes, sales and use taxes, excise taxes, and other taxes or assessments now or hereafter imposed the authority of an Federal, State or local law, rule or regulation with respect to the service of the equipment except Federal income and profits taxes of CSW and State income and franchise taxes of CSW.
6. **Revision of fees.** After the "Date Service Ends" indicated on attached Maintenance Contract, CSW may revise the monthly service fees giving the Licensee written notice of the amount of the increase as indicated on the updated Maintenance Contract. Upon receipt of any such notice, Licensee will accept and agree any changes by making the payment in accordance with the CSW invoice. In the event of termination as herein provided, all accrued and unpaid charges shall be due and payable forthwith.
7. **Right to subcontract.** CSW shall have the right to subcontract in whole or in part the service work called for this agreement. However, CSW shall not be relieved of any liability under this agreement on account of a subcontract. CSW will notify the Licensee of the name and address of each subcontractor.
8. **FCC records.** Applications and statements of facts when required by the Federal Communications Commission must be subscribed sworn to by the Licensee, and the Licensee is responsible for meeting FCC requirements. However, CSW will provide the Licensee with forms, advice, and technical assistance, including frequency, modulation, and power measurements, to aide in meeting these requirements.
9. **Automatic renewal.** After the "Date of Service Ends" indicated on the attached Maintenance Contract, this agreement shall continue for successive additional periods of 1 month, provided that either CSW or the Licensee may terminate this agreement on the "Date Service Ends" or thereafter upon 30 days written notice to the other party sent by certified mail to the address indicated hereon.
10. **Interruption of Service.** Canyon State Wireless does not assume and shall have no liability under this agreement for failure to provide or delay in providing service for the equipment due directly or indirectly to causes beyond the control or without the fault or negligence of Communications- Canyon State Wireless including, but not restricted to, acts of God, acts of the public enemy, acts of the United States, any State, Territory of the United States, or any political subdivision of the foregoing, of the district of Columbia acts of the Licensee its agents, employees, or subcontractors, fires, floods, epidemics, quarantine restrictions, strikes, freight embargos, and unusually severe weather conditions, or defaults of Communications- Canyon State Wireless subcontractors due to any such causes.
11. **Laws and Regulations.** This agreement and the rights and obligations of the parties under it are subject to present and future valid orders and valid laws, rules and regulations of duly constituted authorities having jurisdiction.
12. **Waiver.** Failure to delay on the part of Canyon State Wireless or the Licensee to exercise any right, power or privilege hereunder shall not operate as waiver thereof.
13. **Prior negotiations.** This contract constitutes the entire agreement of the parties hereto and shall supersede prior offers, negotiations and agreements.
14. **Amendment.** No revision of this agreement shall be valid unless made in writing and signed by an authorized representative of Canyon State Wireless.
15. **Governing Law.** The laws of The State of Arizona shall be the governing laws for the interpretation of this agreement.
16. **Severability.** If any provision of this agreement is declared null and void, it shall not invalidate the remainder of this agreement which shall remain in full force and effect.