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**GILA COUNTY**

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

**Don E. McDaniel Jr., County Manager**  
**Clerk of the Board**  
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## PROFESSIONAL CONSULTING SERVICES

**CONTRACT NO. 022814-1**

### **COST ALLOCATION PLAN AND OMB CIRCULAR A-87**

**THIS AGREEMENT**, made and entered into this 26th day of MARCH, 2014, by and between Gila County, a political subdivision of the State of Arizona, hereinafter designated the **COUNTY**, and Glen David Halverson of the City of Edmonds, County of Snohomish County, State of Washington, 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:

Whereas, the County provides services and programs to outside entities, the public, and other governmental agencies, for which it provides services.

#### **ROLE OF INDEPENDENT CONSULTANT TO REPRESENT GILA COUNTY:**

Consultant will obtain and review all relevant data with regard to the development of cost allocation plans which support County costs and services provided by County agencies for the purpose of enhancing County Cost reimbursement and revenue enhancement, in accordance with Federal Cost Principals.

Consultant will meet and coordinate with County staff, in a timely manner, to ensure the collection of data, all necessary information, material pertinent for the execution of this contract for the cost allocation plans for the fiscal year ended June 30, 2013, June 30, 2014 and June 30, 2015. The County shall cooperate with the Consultant in carrying out the work herein and shall provide assistance as necessary for liaison with the Consultant and other agencies of the County.

Consultant shall maintain full and accurate records with respect to all matters covered under this contract. The County shall have free access at all proper times to such records, and the right to examine and audit the same and to make transcripts there from, and to inspect all program data, documents, proceedings and activities.

Consultant shall commence, carry on, and complete the project with all practicable dispatch, in a sound, economical, and efficient manner in accordance with the provisions thereof and all applicable laws.

Consultant shall, or will secure at his own expense, all personnel required in performing the services under this contract. All of the services required hereunder will be performed by the Consultant or under his supervision, and all personnel engaged in the work shall be qualified to perform such services.

Consultant shall not obligate the County to Third Parties. The County shall not be obligated or held liable hereunder to any party other than the Consultant.

**ARTICLE I – SCOPE OF SERVICES:** The Consultant hereby offers and agrees to furnish professional services in compliance with all terms and conditions, instructions, specifications, material and any amendments contained in this contract by performing in a professional manner the following services:

- Preparation of a Full Cost Allocation Plan
- OMB Circular A-87 Cost Allocation Plan (Central Services and Indirect Cost Rate Proposal) for the County
- Provide Services and related information and schedules consistent with prior years based upon actual expenditures for the fiscal year ended as of June 30, 2013, 2014 and 2015
- Consultant shall furnish information and reports, upon request and as required, such as periodic reports concerning the status of the project, such statements, certifications, approvals, and copies of proposed and executed plans and claims and other information relative to the project as may be requested by the County. Copies of all documentation and other materials prepared or developed in relation with or as part of the project.
- Time of Performance, the services performed hereunder by the consultant shall be undertaken and in effect by June 30, 2015, 2016 and 2017.

Any Change to the scope of services, shall be mutually agreed upon, by and between the County and Consultant, and shall be incorporated, acknowledged, and issued as a result of any change in written amendment to this contract.

**ARTICLE II – SCHEDULE OF PERFORMANCE:** The Consultant further agrees the services to be performed hereunder by the Consultant shall be undertaken and completed in such sequence as to assure their expeditious completion and best performed for the purpose of this agreement. The project and all services shall be completed within a maximum of twelve (12) months of the beginning of an on-site service, unless otherwise agreed.

**ARTICLE III – SCHEDULE AND FEES:** The parties agree that the following compensation shall apply to the Agreement as specified between Gila County (County) and Glen David Halverson (Consultant). The County agrees to pay the Consultant a sum of Ten Thousand Five Hundred dollars (\$10,500.00) for all services performed hereunder annually, the sum in the amount consistent with the original proposal or agreed amount, for the performance in accordance with the Scope of Services. This fee shall cover all services required herein, which shall include reimbursement for expenses incurred. Consultant agrees to complete the project and all services provided herein for said sum.

Additional services shall be determined by agreement by the County and Consultant, and billed at the rate of One Hundred dollars (\$100.00) per hour, or other agreed amount depending upon the services requested. Services in subsequent periods will be charged in accordance with the scope of services and proposal. IN the event we are not able to satisfy your needs in a timely and professional manner, you may review the situation and decide whether, in the sole discretion of the County, some additional payment to Consultant is appropriate in view of the overall value of the service(s) rendered and recoveries made.

**SCHEDULE OF PAYMENT:**

- Forty percent (40%) of fee progress payment following on-site work
- Forty percent (40%) of fee upon completion of draft Cost Allocation Plans
- Twenty percent (20%) of fee upon acceptance by County

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 Consultant 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 contract.

The undersigned Consultant hereby offers and agrees to furnish the material or services in compliance with all the terms and conditions, instructions, specifications and any amendments contained in this contract, as awarded, is for the following work and understands that payment for the total work will be made on the basis of the indicated amount. Signature also certifies that the proposal is genuine, and is not in any way collusive or a sham. This contract and any additional or supplementary document or documents incorporated herein by specific reference contain all the

terms and conditions agreed upon by both parties hereto, and no other agreements, oral or otherwise, regarding the subject matter of this contract or any part thereof shall have any validity or bind any of the parties thereto.

**ARTICLE IV – 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, demands, suits, proceedings, 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, professional error, fault, mistake, 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.

The Consultant shall hold the County, its officers, agents, servants and employees harmless from liability of any nature or kind because of use of any copyrighted or un-copyrighted composition, secret process, patented or unpatented invention, article on appliances furnished or used under this contract, and agrees to defend, at his own expense, any and all actions brought against the County or himself due to the unauthorized use of such articles.

**ARTICLE V - 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 Consultant 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 mailed directly to **Jeannie Sgroi, 1400 E. Ash St., Globe, AZ 85501** or email to Jeannie Sgroi at [jsgroi@gilacountyaz.gov](mailto:jsgroi@gilacountyaz.gov). 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 VI – 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 Consultant's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Consultant shall further ensure that each subcontractor who performs any work for Consultant 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 Consultant and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Consultant'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 Consultant 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, Consultant 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.

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

**ARTICLE VII – LAWS AND ORDINANCES:** This agreement shall be enforced under the laws of the State of Arizona. Consultant shall maintain in current status all Federal, State and Local licenses and permits required for the operation of the business conducted by the Consultant. The Consultant 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 VIII – CANCELLATION:** This agreement is subject to cancellation pursuant to **A.R.S. § 38-511.**

The County, with or without cause, may terminate this contract at any time by mutual written consent, or upon given thirty (30) days written notice. 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 Consultant to fulfill in a timely or proper manner his obligation under this agreement to carry out any term, promise, or condition of the contract. The County will issue a written ten (10) day notice of default to the Consultant, if Consultant fails to perform adequately the stipulations, conditions or

services, specifications required in this contract for acting or failing to act as agreed; or fails to furnish the required service and/or product within the time stipulated in this contract; or fails to make progress in the performance of the requirements of the Consultant and/or gives the County a positive indication that the Consultant will not or cannot perform to the requirements of the contract, by specifying the effective date of such termination.

**ARTICLE IX – CONTRACT PERIOD:** The terms of this contract shall commence and shall remain in effect for a period of one (1) year with the option of two one (1) year extensions, if agreed by both parties. The Consultant agrees that the performance for each year will commence with the Notice to Proceed for the time to be agreed upon between the County and the Consultant. The time of performance may be extended for like services for additional periods, whereas the Consultant agrees that the County shall have the right, at its sole option, to renew the contract. In the event that the County exercises such a right, all terms, conditions and provisions of the original contract shall remain the same and apply during the renewal periods. Optional tasks and additional work may be authorized as mutually agreed upon.

**ARTICLE X – PAYMENT:** The Consultant shall be entitled to payment in accordance with the provisions of this paragraph. Services will be invoiced as agreed, or in accordance with the proposal schedule.

When rights and remedies not waived, in no event, shall the making by the County of any payment to the Consultant constitute or be construed as a waiver by the County of any breach of contract, or any default which may then exist, on the part of the Consultant, and the making of any such payment by the County while any such breach or default shall exist in no way impair or prejudice any right or remedy available to the County in respect to such breach or default.

Any notices, bill, invoices, or reports required by this agreement shall be sufficient if sent by the parties in standard USPS mail, postage paid, to the address noted below:

Gila County  
Jeff Hessenius, Finance Director  
1400 E. Ash Street  
Globe, Arizona 85501  
928-402-8743

Glen D. Halverson  
9792 Edmonds #162  
Edmonds, Washington 98020  
800-848-4153

The Scope of Services as outlined above will be performed on a lump sum basis with a not-to-exceed without written authorization budget of \$ 10,500.00. Additional work, as authorized, will be performed on a Time and Materials basis, per a mutually agreed upon fee, prior to the execution of the additional work, between the County and the Consultant.

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**, 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.

In return for the performance of the Contract by the Consultant, the County agrees to pay the Consultant amount of not more than \$10,500.00 including all applicable taxes through a payment schedule as described in the Contract documents and as may be modified and executed by change orders.

**GILA COUNTY PROFESSIONAL CONSULTING SERVICES CONTRACT NO. 022814-1**

**GILA COUNTY:**

  
\_\_\_\_\_  
Don E. McDaniel, Jr., County Manager 3/24/14

**GLEN DAVID HALVERSON:**

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

GLEN DAVID HALVERSON  
Print Name