

**GILA COUNTY  
SERVICE AGREEMENT NO. 091914-1**

**THIS AGREEMENT**, made and entered into this 15<sup>TH</sup> day of OCTOBER, 2014, by and between Gila County, a political subdivision of the State of Arizona, hereinafter designated the **County**, and Langham Construction, LLC of the City of Payson, State of Arizona, hereinafter designated the **Contractor**.

**THE CONTRACTOR** shall furnish any and all materials, labor, construction equipment, and services, required for performing all work for construction of Request for Quotes No. 091914-1, Kitchen Exhaust Vent Hood System:

**DOCUMENTS:** The Attachment "A" which shall include the "Request for Quotes", "Scope of Work", "Cost Proposal" and Plans thereto, if any, are by this reference made a part of this Contract to the same extent as if set forth herein in full.

**CONTRACTOR'S FEE:** Refer to Attachment "A" to Service Agreement No. 091914-1, 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" to Service Agreement No. 091914-1, the terms and conditions of this service agreement will prevail and govern the contractual relationship between the parties.

Payment will be made fifteen days after the County Accounts Payable Department has received an approved invoice from the vendor and issuing department.

**INDEMNIFICATION CLAUSE:** 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.

**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. Contractor is free to purchase such 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, 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

- 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. 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.

**4. Builders' Risk Insurance or Installation Floater** \$\_\_\_\_\_

In an amount equal to the initial Contract Amount plus additional coverage equal to Contract Amount for all subsequent change orders.

- a. The County of Gila, the Contractor, subcontractors, engineer and engineer's consultant and any others with an insurable interest in the work shall be Insured's on the policy.

- b. Coverage shall be written on an all risk, replacement cost basis and shall include coverage for soft costs, flood and earth movement.
  - c. Policy shall be maintained until whichever of the following shall first occur: (1) final payment has been made; or, (2) until no person or entity, other than the County of Gila, has an insurable interest in the property required to be covered.
  - d. Policy shall be endorsed such that the insurance shall not be cancelled or lapse because of any partial use or occupancy by the County.
  - e. Policy must provide coverage from the time any covered property becomes the responsibility of the Contractor, and continue without interruption during construction, renovation, or installation, including any time during which the covered property is being transported to the construction installation site, or awaiting installation, whether on or off site.
  - f. Policy shall contain a waiver of subrogation against the County of Gila.
  - g. Contractor is responsible for the payment of all policy deductibles.
- 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 Contract Administrator, 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 Contract Administrator, 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:** 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.

**TIME OF COMPLETION:** The Contractor further covenants and agrees, at his own proper cost and expense, to do all work and furnish all materials, labor, construction equipment, and services for performing all of the work for construction of said improvements and to completely construct the same and install the material therein, as called for by this agreement free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified within the time, or times, stated in the Request for Quotes.

Work on this project shall be completed by November 30, 2014, unless an extension has been approved by Gila County.

**WARRANTY:** Contractor expressly warrants that all goods or services furnished under this agreement shall conform to all specifications and appropriate standards, will be new, and will be free from defects in material or workmanship. Contractor warrants that all such goods or services will conform to any statements made on the containers or labels or advertisements for such goods, or services, and that any goods will be adequately contained, packaged, marked and labeled. Contractor warrants that all goods or services furnished hereunder will be merchantable, and will be safe and appropriate for the purpose for which goods or services of that kind are normally used. If Contractor knows or has reason to know the particular purpose for which County intends to use the goods or services, Contractor warrants that such goods or services will be fit for such particular purpose. Contractor warrants that goods or services furnished will conform in all respects to samples. Inspection, test, acceptance of use of the goods or services furnished hereunder shall not affect the Contractor's obligation under this warranty, and such warranties shall survive inspection, test, acceptance and use. Contractor's warranty shall run to County, its successors, and assigns. Contractor agrees to replace or correct, at Contractor's sole cost and expense, defects of any goods or services not conforming to the foregoing warranty, or improperly installed, as well as guarantee to the County and to the Owner, against liability, losses or damage to any or all parts of the work arising from said installation during a period of one (1) year from date of completion. All guarantees will inure to the benefit of the County and the Owner, their successors or assigns, including equipment warranties, ordinary wear and tear and unusual abuse or neglect excepted.

In the event of failure of Contractor to correct defects in or replace nonconforming goods or services promptly, County, after reasonable notice to Contractor, may make such corrections or replace such goods and services and charge Contractor for the cost incurred by the County in doing so. Contractor recognizes that County's requirements may require immediate repairs in reworking of defective goods, without notice to the Contractor. In such event, Contractor shall reimburse County for those costs, delays, or other damages which County has incurred.

**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 to the County before the effective date of termination.

**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.

**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.

**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.

**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.

**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

**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.

**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.

**PAYMENT/BILLING:** Contractor shall be paid a lump sum amount of \$ 17,127.13 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

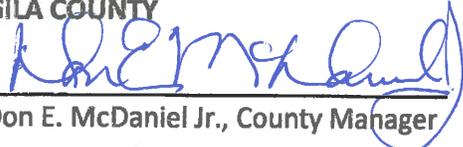
Any alterations to the scope of work resulting in a change in cost must have prior written approval by the County. Any unauthorized work may result in non-payment to the vendor.

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 RETURN** for the performance of the Contract by the Contractor, the County agrees to pay the amount of not more than \$ 17,127.13 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

  
Don E. McDaniel Jr., County Manager

Date: 10/15/14

CONTRACTOR

  
Signature

STAN LANGHAM  
Print Name

**REQUEST FOR QUOTE  
ATTACHMENT "A"  
GILA COUNTY 091914-1**



**JOB/PROJECT DESCRIPTION**

Project consists of supply and install Type 1 stainless steel exhaust hood and duct work system in the Fairgrounds kitchen.

**Location:** Gila County Fairgrounds  
900 E. Fairgrounds Road  
Globe, AZ

**Scope of Work and Specifications:**

- Provide and install Type 1 stainless steel exhaust hood, suppression system, and duct work system in the Fairgrounds kitchen. Roofing will be compromised during this construction and will also be a part of this contract. Roofing consists of a fiber tight, single ply membrane.
- Include any new electrical, exhaust system, and alarm system monitoring, separately in quote.
- Installation, labor, shipping, and Globe contracting tax must be listed separately on quote.
- Inspections and plan review must be coordinated by contractor with State Fire Marshal.
- List any and all exclusions in the proposal
- Warranty must be a minimum of 1 year parts and labor and 1 year workmanship.
- A site visit is mandatory during the week beginning September 29 through October 3, 2014. Contact David Hom at 928-200-1641 to make arrangements to see the kitchen hood system. Any questions must be sent in writing to Jeannie Sgroi at [jsgroi@gilacountyaz.gov](mailto:jsgroi@gilacountyaz.gov) or faxed to 928-402-4386. Gila County would prefer to have the installation complete and operational by November 30, 2014.
- 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.

**QUOTE DUE DATE:** Please email or fax quote by 11:00 A.M., Friday, October 10, 2014 to,  
Jeannie Sgroi, [jsgroi@gilacountyaz.gov](mailto:jsgroi@gilacountyaz.gov), fax 928-402-4386

Contractor Name: LANGHAM CONSTRUCTION, LLC

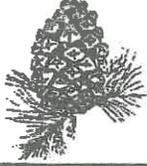
Contractor Address: P.O. Box 1525, Payson, AZ 86047

Contractor Phone #: 928-595-0389 Email Address: slangham@langhamc.net

Contractor Signature: 

TOTAL QUOTE AMOUNT INCLUDING TAXES: \$ 17,127.13

Please attach detail quote.



# Langham Construction, LLC

P.O. Box 1525  
Payson, Arizona 85547

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R.O.C. #150760 Commercial and Residential

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## Globe Fairgrounds Exhaust Hood and Fan

1. Hood, Fan, & Curb from Custon Steel Fab	\$9,500.00
2. Fire Protection System by Experienced Firesprinkling	\$4,586.00
3. Repair Roof	\$2,000.00

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Markup (10%)	\$804.30
Subtotal	\$16,086.00
AZ Sales Tax (5.94255%)	\$955.92

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Sub-Total	\$17,041.92
Bond (0.5%)	\$85.21

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<b>GRAND TOTAL</b>	<b>\$17,127.13</b>
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Exclusions:  
All electrical work  
All Acoustic Ceiling Repairs  
All painting  
All make up air