



City of Avondale
City Council Meeting
Monday, February 3, 2020

Mayor and Council

Kenn Weise, Mayor

Pat Dennis, Vice Mayor

Tina Conde, Council Member | Bryan Kilgore, Council Member
Veronica Malone, Council Member | Curtis Nielson, Council Member
Mike Pineda, Council Member

Administration

Charles A. Montoya, City Manager
Gina Montes, Assistant City Manager
Michael Wawro, City Attorney
Marcella Carrillo, City Clerk

City Council Chambers

11465 West Civic Center Drive
Avondale, AZ 85323



City Council Meeting
Agenda
Monday, February 3, 2020

CITY COUNCIL CHAMBERS | 11465 WEST CIVIC CENTER DRIVE | AVONDALE, AZ 85323

Request to Speak: Anyone wishing to address the Council regarding items listed on the agenda or under unscheduled public appearance should fill out a card located at the back of the Council Chambers and hand it to the City Clerk prior to consideration of that agenda item.

**REGULAR MEETING
7:00 PM**

**CALL TO ORDER BY MAYOR
PLEDGE OF ALLEGIANCE
MOMENT OF REFLECTION**

1. ROLL CALL AND STATEMENT OF PARTICIPATION BY THE CITY CLERK

2. UNSCHEDULED PUBLIC APPEARANCES

(Limit three minutes per person. Please state your name.)

3. SCHEDULED PUBLIC APPEARANCES

a. WESTMARC UPDATE

Ms. Sintra Hoffman, President and Chief Executive Officer, WESTMARC will provide an update on the achievements of WESTMARC.

b. TORRES CONSULTING GROUP UPDATE

Mark Cardenas, Torres Consulting Group, will provide a brief introduction to his new role.

4. PRESENTATIONS

a. PROCLAMATION - CAREER AND TECHNICAL EDUCATION

Mayor and Council to issue a proclamation recognizing the month of February 2020 as Career and Technical Education Month in the City of Avondale.

5. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the City Council at a work session. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

a. MINUTES

City Council will consider a request to approve the December 2, 2019 City Council Retreat Minutes. The Council will take the appropriate action.

b. CALL AND NOTICE OF ELECTION

City Council will consider a request to: (a) call a Primary Election on August 4, 2020 and if necessary, a General Election on November 3, 2020; (b) authorize staff to add issues to the ballot as directed by Council, or by appropriate administrative action; and (c) authorize the City Clerk and the City Attorney to take all action necessary to conduct the election. The Council will take appropriate action.

c. CAPITAL IMPROVEMENT PLAN CITIZENS COMMITTEE MEMBER APPOINTMENT

City Council will consider a request to approve the appoint of Denise Stanfield as the Municipal Art Committee representative for the Capital Improvement Plan Citizens Committee. Council will take appropriate action.

d. RE-PLAT OF AVONDALE CITY CENTER PHASE 1 LOT 3

City Council will consider a City-initiated request for approval of a Re-Plat of Lot 3, Avondale City Center Phase 1 subdivision, approximately 3.40 acres of City-owned property located at the northeast corner of Avondale Boulevard and The BLVD. The proposed Re-Plat subdivides Lot 3 into two lots (0.81-acre Parcel 1 and 2.52-acre Parcel 2), incorporates approximately 0.75 acres of land into Parcels 1 and 2 that was not included within the plat boundary when the Final Plat for Avondale City Center Phase 1 was approved in April 2009, dedicates 2,933 square feet of right-of-way for Avondale Boulevard, and dedicates a public water line easement across Parcel 1 to accommodate an existing City water line. The Council will take appropriate action.

e. REVIEW AND APPROVAL OF THE MEMORANDUM OF UNDERSTANDING WITH THE AVONDALE PROFESSIONAL FIREFIGHTERS ASSOCIATION (APFA) LOCAL 3924

City Council will review and approve the Memorandum of Understanding (MOU) which will be effective July 1, 2020 through June 30, 2022. The Council will take appropriate action.

f. RESOLUTION 1009-0220 - ADOPTING THE STATE OF ARIZONA NOMINATION FILING DATES, BALLOT PREPARATION DATES, AND STATE ELECTION PROCEDURES MANUAL FOR THE AUGUST 4, 2020 MUNICIPAL ELECTION

City Council will consider a request to adopt Resolution 1009-0220, adopting the State of Arizona nomination petition filing dates and ballot preparation date for the August 4, 2020 election, adopting the Arizona Secretary of State Election Procedures Manual, and declaring an emergency; and authorize the Mayor or City Manager and the City Clerk to execute the necessary documents. The Council will take appropriate action.

g. ORDINANCE 2006-0220 - SALE OF REAL PROPERTY LOCATED AT 705 N 114TH AVENUE

City Council will consider a request to adopt Ordinance 2006-0220 authorizing the sale of real property located at 705 N 114th Avenue for the purpose of locating a Dutch Bros Coffee establishment, and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

h. PROFESSIONAL SERVICES AGREEMENT WITH AMERICAN MEDICAL RESPONSE OF MARICOPA, LLC DBA AMERICAN MEDICAL RESPONSE (AMR), FOR AMBULANCE SERVICES

City Council will consider a request to approve a Professional Services Agreement with American Medical Response of Maricopa, LLC (AMR) commencing on the date the agreement is approved by Arizona Department of Health Services (ADHS) and valid for a period of two years for emergency ambulance and medical transportation services for the term of the agreement and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

6. REGULAR AGENDA

a. PUBLIC HEARING - ORDINANCE 2005-0220- ZONING ORDINANCE TEXT AMENDMENT - APPLICATION PL-19-0306

City Council will hold a public hearing and consider a staff-initiated request to adopt Ordinance 2005-0220 approving text amendments to the Zoning Ordinance and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents. The amendments to Avondale Zoning Ordinance Section 6 (Planned Area Development District) will allow for continued refinement of the Zoning Ordinance to reflect changes in development trends and necessary timelines for orderly site development. The Council will take appropriate action.

7. DISCUSSION ITEMS

a. FY2021 REVENUE OVERVIEW AND FORECAST

Staff will present an overview of the City's major revenue sources and the forecast for those revenue sources for FY2021.

8. ADJOURNMENT

Council Members of the City of Avondale will attend either in person or by telephone conference call.

Los miembros del Concejo de la Ciudad de Avondale participaran ya sea en persona o por medio de llamada telefonica.

Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the Council Meeting.

Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oido, o con necesidad de impresion grande o interprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos dias habiles antes de la junta del Concejo.

CITY COUNCIL REPORT

SUBJECT: Proclamation - Career and Technical Education

MEETING DATE: 2/3/2020

TO: Mayor and Council

FROM: Emily Webb, Council Assistant, (623) 333-1613

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:

Mayor and Council to issue a proclamation recognizing the month of February 2020 as Career and Technical Education Month in the City of Avondale.

BACKGROUND:

February is Career and Technical Education (CTE) month and we are fortunate to have great programming in the West Valley for CTE students through West-MEC and our community college partners. CTE program graduates have higher success in employment and college enrollment (and completion). With the changing human resource landscape, companies are also hiring more students with certificates than in the past.

DISCUSSION:

A member of the West Valley Pipeline Education Partners will be present to accept the proclamation.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDATION:

This item is for discussion only.

Career and Technical Education Month

February 2020

WHEREAS: February 1-29, 2020, has been designated Career and Technical Education Month® by the Association for Career and Technical Education; and

WHEREAS: career and technical education offers students the opportunity to gain the academic, technical and employability skills necessary for true career readiness

WHEREAS: students in career and technical education programs participate in authentic, meaningful experiences that improve the quality of their education and increase their engagement and achievement; and

WHEREAS: career and technical education provides students with career exploration opportunities earlier in their educational experience, which enables them to make informed and beneficial decisions about their academic coursework and pursue established programs of study and career pathways; and

WHEREAS: leaders from business and industry nationwide report increasing challenges related to addressing the skills gap and connecting qualified professionals with available careers in critical and growing CTE-related fields, including aerospace/aviation, advanced business services, advanced manufacturing, construction, energy, healthcare, information technology/cybersecurity, transportation and logistics/supply chain management; and

WHEREAS: career and technical education prepares students for these and other fulfilling careers by offering integrated programs of study that link secondary and postsecondary education and lead to the attainment of industry-recognized credentials; and

WHEREAS: ensuring that employers have access to a qualified workforce is a crucial step in ensuring productivity among the business and industry communities as well as continued American economic growth and global competitiveness; and

WHEREAS: The Smith-Hughes Act, the first act of Congress to provide funding for career and technical education, was signed into law 101 years ago and allows us to celebrate how far CTE has come to become a powerhouse of America's economy;

NOW THEREFORE, I, Kenneth N. Weise, by virtue of the authority vested in me as Mayor of the City of Avondale, Arizona do hereby proclaim February 2020 as Career and Technical Education Month in Avondale and urge all residents to become familiar with the services and benefits offered by the career and technical education programs in this community and to support and participate in these programs to enhance their individual skills and productivity.

Mayor

ATTEST:

City Clerk

mcasillo

CITY COUNCIL REPORT

SUBJECT: Minutes

MEETING DATE: 2/3/2020

TO: Mayor and Council

FROM: Marcella Carrillo, City Clerk, (623) 333-1214

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:

City Council will consider a request to approve the December 2, 2019 City Council Retreat Minutes. The Council will take the appropriate action.

BACKGROUND:

n/a

DISCUSSION:

n/a

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDATION:

Staff recommends City Council approval of the December 2, 2020 City Council Retreat minutes.

MINUTES OF THE AVONDALE CITY COUNCIL
CITY OF AVONDALE, ARIZONA
COURTYARD PHOENIX WEST AVONDALE
December 2, 2019

A **Work Session** of the City Council of the City of Avondale, Arizona was convened at 1650 North 95th Lane, Phoenix, AZ 85037 in open and public session at 4:43 p.m.

Members Present: Mayor Kenn Weise; Vice Mayor Pat Dennis, Bryan Kilgore, Veronica Malone, Curtis Nielson, and Mike Pineda.

Members Absent: Council Member Tina Conde

Council Member Conde arrived at 4:39 p.m.

Other Municipal Officials Present: Charles Montoya, City Manager; Gina Montes, Assistant City Manager; Tracy Stevens, Deputy City Manager; Michael Wawro, City Attorney; Marcella Carrillo, City Clerk; Cindy Blackmore, Public Works Director; Jessica Blazina, Intergovernmental Affairs Administrator; Jeff Case, Fire Chief; Lindsey Duncan, Finance and Budget Director; Craig Jennings, Judge; Kirk Haines, Parks and Recreation Director; Dale Nannenga, Police Chief; Cherlene Penilla, Human Resources Director; Jeffrey Scheetz, Chief Information Officer; and Pier Simeri, Community Relations and Public Affairs Director.

Audience: No members of the public were present.

1. ROLL CALL BY THE CITY CLERK

2. COUNCIL BUDGET DISCUSSION

City Council will discuss the fiscal year 2020--2021 budget process, preliminary department budget needs, and City Council goals for the budget process.

Mayor Weise welcomed the group and provided a brief introduction. Charles Montoya, City Manager, provided an overview of the Department Head Retreats and briefly explained the budget process.

Michael Wawro, City Attorney, provided a brief overview on elections and campaign finance. He stated that election activities fall into three categories: Campaign finance; campaign practices; use of public resources.

The presentation proceeded in a question and answer format:

Question: Can campaigns accept money directly from business and labor organizations?

Answer: No. Only PACs organized under state law by members of business or labor organizations can make contributions.

Question: How much money can a campaign accept from any one party?

Answer: \$6,250. If a parent contributes the maximum \$6,250, that person's minor child may not contribute an additional \$6,250. Any amounts contributed by a parent and minor child are combined for a total amount not to exceed \$6,250. The adult contributor's spouse, however, may also contribute up to a maximum of \$6,250.

Question: The campaign is over and the individual has won their campaign. They have remaining funds left from the campaign. May the funds be used to throw a BBQ for campaign workers?

Answer: Yes.

Question: May \$10,000 be provided to the Avondale Boys & Girls Club, a charitable organization?

Answer: Yes.

Question: May the funds be used to purchase a new Tesla vehicle to show commitment to sustainability?

Answer: No.

Question: Is it permissible to solicit signatures in city buildings for petitions?

Answer: No. Under Avondale's personnel policies, employees on duty may not sign petitions for nomination.

Question: May the friend of a candidate place foldouts with campaign information on public counters in City Hall?

Answer: No. City facilities, resources and employees may not be used to support a political campaign.

Question: PACs organized by employer organizations in Avondale are going to contribute to my campaign and get their friends in other communities to assist putting up my signs. Is this permissible?

Answer: Yes, this is permissible, however in-kind assistance may have to be reported.

Question: Can a City-provided cell phone be used to call individuals to organize fundraisers for my campaign? Is this permissible?

Answer: No. City-provided cell phones may not be used for political activities.

Question: Is it permissible to include the Avondale logo on campaign literature?

Answer: No. The Avondale logo is City property.

Question: Is it permissible for a candidate to delete critical campaign comments from their City Facebook page and/or delete critical comments from its campaign Facebook page?

Answer: Under the First Amendment, comments may not be deleted from the City Facebook page. If the candidate's Facebook campaign page is clearly marked as belonging to the candidate, comments may be removed.

In response to a question from Mayor Weise, Mr. Wawro stated that campaigns may gather signatures at Festival Fields, Friendship Park and outside the library, provided they are in public rights-of-way and thoroughfares. There are free speech zones in many locations, which may also be utilized.

Deputy City Attorney, Nichole Harris, provided the following information on discretionary funds. Public funds must always be tied to a public purpose. Any expenditures are part of the public record.

The presentation proceeded in a question and answer format:

Question: Is it permissible to give money in the form of discretionary funds to a local church to do a bible study for domestic violence victims?

Answer: No. Public funds cannot be used to establish or advance religion. Contributions may not be made to a church, but to another organization, such as a 501(c) that is affiliated with the church. The church must then commit to keeping the funds for community services as opposed to religious services.

Question: Can discretionary funds be used to send students to Washington D.C. to watch the impeachment hearings?

Answer: No. Public funds cannot confer a direct benefit on an individual or a company.

Question: Can discretionary funds be used to bring a spouse to a conference?

Answer: No. Public funds cannot be used for personal expenses.

Lindsey Duncan, Finance and Budget Director, presented on the following:

- Financial Outlook
 - General Government Revenues
 - Local Sales Tax
 - Local Taxes
 - Intergovernmental Revenue
 - Charges and Other
- Fiscal Year 2021 Budget Process
 - Calendar of Budget Events
 - Additional Budget Tasks
- Operating and One Time Requests by Department

On a pure percentage basis through October, the budget is roughly at 33 percent. Most sources are on par with this percentage. There is some seasonality in terms of the holidays. This indicates that the budget forecast is going very well as compared to how the City is performing this year. The City collects 98 to 99 percent of the amounts it levies for property taxes. Sale of assets refers to the sale of items, such as land and old equipment. There is a 5 percent year-over-year increase in local taxes and a 7 percent year-over-year increase in intergovernmental, primarily consisting of income taxes collected two years ago.

The category of charges and other is down on a year-over-year basis, predominantly due to the construction industry and permitting as well as the short supply of available lots for improvements. Property taxes are flat year-over-year, as are sale of assets. Local taxes represent 40 percent of the General Fund. There is a strong showing on the retail side, up approximately \$500,000 over the prior year and \$100,000 greater than the budget forecast. Auto dealers are relatively flat, which can be a leading indicator of the health of the economy. Restaurants and bars are relatively flat, however do show an increase of 4.8 percent year-over-year. Contracting is up, however not due to housing or commercial construction. It was due to a single contractor, speculative builder. This is single large taxpayer revenue occurrence and cannot be counted on to continue on a regular basis. The categories of rental, utilities and other are also flat, however, these represent a small percentage of the overall total.

The local taxes forecast for next year assumes a 3 percent increase. The projections for intergovernmental revenue can safely assume a \$1.3 million increase in income taxes collected two years ago for next fiscal year. State sales taxes will assume a 3 percent increase for next year, or approximately \$1 million. Vehicle license taxes are projected to increase by \$100,000, or 3 percent. The “charges and other” category includes permitting, inspections and business licenses. The total is down slightly year over year, attributable to availability of lots. This is expected to improve next fiscal year.

Staff are currently entering budgetary requests in the City’s new budget software. Staff is being asked to look for opportunities within their internal budgets to fund increases they are requesting. Staff are also completing entries for supplemental requests. These are new CIP projects as well as updating existing projects. All departments have been asked to break down their requests in three areas: Maintaining the current level of service; enhancing level of service; new program or service.

The public hearing for the first step in the Home Rule will occur next week. After that, staff will be sharing highlights of the budget process, revenue discussion, the General Fund, capital and enterprise funds. The process is starting sooner to allow Council to establish the committee as well. The election will occur in August of next year. Items in addition to the listed budget agenda items for the coming months include the Home Rule ballot question, sales tax ballot question and utility rate update. Rate changes would not be anticipated to be presented for final approval until spring to summer.

Police Chief Dale Nannenga, presented on the following:

- Operating Budget Requests
 - School Resource Sergeant (SRO) (\$245K)
 - Neighborhood Resource Officer (215K)
 - Records Supervisor (\$105K)
 - Two Security Officers for the City Hall complex and City Buildings (\$243K)
- One-Time Requests
 - Equipment for Identification Bureau (\$55K)
 - Radio Console-Communications (\$60K)
 - Spillman Dashboard Module (65K)

Chief Nannenga stated that the SRO will create programs with the City's elementary schools, who currently receive no services from the department unless there is an emergency. The Neighborhood Resource Officer position is in response to the growing department time commitments dealing with the homeless issue. The new position will help to spread the workload. Currently, the Records Supervisor position is funded through tow revenue. In January, state statute mandated that vehicles cannot be towed for a simple civil sanction suspension on peoples' driver's licenses. This took away approximately 60 percent of revenue into the program.

The department seeks \$55,000 to upgrade forensic equipment in the Crime Lab. Only five of eight stations are fully operational in the COM center and \$60,000 will fund a sixth station. The Spillman Dashboard Module will allow for real-time collection of crime statistics.

Mayor Weise asked whether installing cameras on light posts and Ring cameras at strategic camera locations would assist with reducing and solving crimes more quickly. Chief Nannenga stated that Glendale has a real-time crime center, using data from 155 intersection cameras to address crimes occurring in real time. Vice Mayor Dennis inquired if three park rangers are enough. Chief Nannenga stated they currently have one and two additional should meet their needs.

Fire Chief, Jeff Case, presented on the following:

- Operating Budget Requests
 - Deputy Chief of Emergency Medical Services (\$285K)
 - Community Outreach Program Coordinator (\$150K)
- One-Time Requests
 - Firefighter Overtime (\$50K)
 - Radio Communications (\$20K)
 - Firefighter Equipment Replacement (\$100K)

Chief Case stated that 85 percent of the Department's work is in medical response. Currently, the Division Chief is managing both training and the EMS division. An EMS Deputy Chief will provide a strategic level of vision, oversight, planning, forecasting, budgeting and grant pursuit. Mr. Montoya noted that the departments were asked to tie requests to revenue generation. Once the contract with AMR is approved by Council and executed, this position is projected to pay for itself.

Chief Case stated that the Department currently has a Community Outreach Specialist, who is spread very thin trying to reach all schools. The Community Outreach Program Coordinator will enable the Department to develop a mentorship program, formal cadet program and effective community outreach. While crisis response programs have been effective in utilizing volunteer groups, this still requires oversight and program management to drive grant funding and coordination of volunteers. The budget request for overtime is simply to maintain department coverage. The equipment costs are to fund replacement of critically necessary equipment. In response to Vice Mayor Dennis's questions, Chief Case responded that these replacement costs are outlined in the budget

as a one-time cost; however, going forward they should be included as ongoing maintenance costs in the budget.

Public Works Director, Cindy Blackmore, presented on the following:

- Operating Budget Requests
 - Water System Needs (\$850K)
 - Equipment Mechanic (\$75K)
 - Field Superintendent (\$100K)
- One-Time Requests
 - Fuel Canopy (\$100K)
 - Vehicles (\$90K)

Ms. Blackmore stated that the department is not looking to add new programs, but merely funding to maintain current service levels. The water system continues to expand. The department will be looking to add an additional water operator and a compliance manager. There are increased water costs as part of the Tier 1 CAP shortage. There will also be costs with having Phoenix water treatment services and delivery fees for flows into Avondale. The department has not added positions for fleet equipment mechanics for a number of years. The budget request will assist with keeping up with best practices in the industry as well as meeting manufacturers' requirements for maintaining vehicles. The Field Superintendent request is growth-related. The addition of neighborhoods requires additional trash routes, street sweeping and other services. The fuel canopy, installed in 1999, requires maintenance and structural repair. The vehicle cost request refers to the position requests.

In response to a question from Vice Mayor Dennis, Ms. Blackmore stated that street overlays are done by Engineering. Public Works is responsible for maintenance.

Presiding City Court Judge Craig Jennings presented on the following:

- Operating Budget Requests
 - Interpreter Services (\$50K)
 - Court Security Officer (\$60K)
 - Reclassify Court Security Officer Position (\$5K)
- One-Time Requests
 - New Postage Meter Lease (\$1K)

Judge Jennings stated the Court had previously been under a ten-year contract, during which time there was no rate increase for interpreter services. In addition, the Administrative Office of the Courts requires that preference be given to credentialed interpreters. These conditions have led to the need for increased budget in this category. The addition of another Court Security Officer is necessary, based on recommendations stemming from a security assessment. The request for reclassification of the Court Security Officer Position is a result of change in law that requires a certification process for security officers. In response to a question from Council Member Malone, Judge Jennings stated that court security officers cannot be used at city hall as they require certifications specific to court.

Tracy Stevens, Deputy City Manager, presented on the following:

- Operating Budget Requests
 - Contract Building Inspector (\$100K)
 - Contract Engineering Inspector
- One-Time Requests
 - Project Management (\$210K)
 - City Campus Composting (\$5K)
 - Traffic Signal Replacements (\$300K)

Ms. Stevens stated that the contract building inspector request is intended to maintain current services. There are currently two building inspectors with a third inspector used in a contractor capacity. Maintenance of services is also the goal with the Project Management request. The Department contracts with a project manager for vertical developments. The City Campus Composting is a new program, as included in the goals of the sustainability program. Several traffic signals are nearing their term of life. The program will enhance equipment, including signal heads, wiring and cabinets. First on the list are Riley & Dysart and Central & Western. Vice Mayor Dennis commented that the frequency schedule for maintaining and repairing seal cracks and street resurfacing should be revisited. Ms. Stevens acknowledged that the current maintenance interval is between ten and 15 years. Council Member Kilgore concurred with Vice Mayor Dennis' comments, and asked if the department's equipment was up to date and whether new equipment was going to be purchased in the future. Ms. Stevens stated that the Department does not maintain a large inventory of equipment, as they employ contractors for most work.

Kirk Haines, Parks and Recreation Director, presented on the following:

- Operating Budget Requests
 - Contractual increases (\$425K)
 - 2 Recreation programmer positions (\$5K)
 - 3 Part-time park specialist positions (\$93K)
- One-Time Requests
 - Park security improvements (\$155K)
 - Festival Field improvements (\$120K)
 - Park equipment (\$80K)

Mr. Haines stated that the contractual increases primarily relate to special events, activities and programs. The request is for this to be an ongoing cost in the budget. The additional amount requested this year is due to the expansion of public facilities, including the resource center and police station expansion. The two Recreation program positions would be full-time, however the increased impact is only \$5,000. The intent is to eliminate four part time positions funded at 24 hours and replace them with two full-time Recreation programming positions. The expansion of Festival Fields and the need to maintain current park services led to the request for the three part-time (equivalent to 1.5 full-time) park specialist positions, primarily for weekend coverage.

The park security improvements will include installation of security cameras at Festival Fields, Friendship Park and Donnie Hale Park. Current implementation will occur at

Goodyear Farm Cemetery, including security camera installation. The Department is also looking to add fencing at Festival Fields. Other improvements at Festival Fields include renovation of restrooms and replacement of temporary fences. The park equipment request is primarily for turf and turf maintenance equipment throughout the system. They also install GPS equipment on parks equipment.

In response to a question from Council Member Malone, Mr. Haines stated that maintenance of the City Hall area is currently contracted maintenance. All public buildings are under a service contract.

Edith Baltierrez, Neighborhood and Family Services Assistant Director, presented on the following:

- Operating budget requests
 - Library Assistant - 2 FTEs (\$100K)
 - Resource Center Assistant (\$73K)
- One-Time Requests
 - Public safety housing incentive program (\$120K)
 - Resource Center facility equipment (\$16K)
 - Library material collection and maker space equipment (\$175K)

Ms. Baltierrez stated that the request for two library assistants is in response to a lack of sufficient staffing. The positions will assist in development and administration of programming for youth and adults. The resource center assistant position is in preparation for the new building opening next year. The Department currently facilitates the Public Safety Housing Incentive Program for police officers; the budget request would expand the program to fire personnel. The program incentivizes these individuals to purchase homes in the City of Avondale by helping with closing costs and down payment. The program provides \$20,000 in incentives per individual and targets six individuals per year.

In response to a question from Vice Mayor Dennis, Ms. Baltierrez stated that participants are required to remain living in the home for a period of five years after purchase. The resource center facility equipment request will replace equipment for Senior Services. The library material collection is very outdated and the budget request will enhance level of service. Maker Space Equipment will support activities for science, technology, 3D printing, sewing, knitting, crocheting. The Department would also like to maintain its contracts with virtual online audiobooks. Staff visited four libraries in the Phoenix Metro area that have Maker Spaces and they received significant feedback regarding recommended equipment purchases. Council Member Malone asked whether the additional assistant positions will allow the library to be open longer. Vice Mayor Dennis added that the hours were cut back during the downturn and were never reestablished. Mayor Weise asked staff to look at this further for an upcoming discussion. Council Member Malone suggested a survey of library card holders for feedback on desired hours.

Vice Mayor Dennis noted the absence of any requests to address homelessness. Mr. Montoya stated that staff is working on development of a program and will bring it to

Council for consideration at an upcoming session. Vice Mayor Dennis expressed concern that funding be incorporated in the budget.

Tracy Stevens, Deputy City Manager, presented on the following:

- Operating Budget Requests
 - Marketing (\$125K)
 - Marketing & Tourism (\$135K)
 - Pilot restaurant business assistance program (\$250K)
- One-Time Requests
 - Opportunity Fund (\$2M)
 - Health-Tech Corridor gap analysis (\$25K)

Ms. Stevens stated that the \$125,000 marketing request addresses citywide parking efforts. A portion of the Marketing & Tourism budget comes from the Arizona Office of Tourism. The City provides a specified amount to ISM for out of state marketing for items such as racing events. Mr. Montoya added that much of the funding comes from hotel taxes submitted to the State. Avondale simply submits a request each year to indicate what it would like to do with its funding amount, however the City does not maintain actual control. Bringing funding back to the City will allow this control. This is particularly important, in that over the next two to three years, the number of hotels in the City are expected to triple. Mayor Weise stated he was in favor of retaining spending control over the funds, as the City knows best how to manage its tourism funds.

In response to a question from Vice Mayor Dennis, Mr. Stevens stated that 30 percent goes to ISM, and part to Tres Rios. Mr. Montoya suggested adding a section to the City's RAVE Review magazine and making them available in City hotel rooms.

Ms. Stevens stated that the Pilot Restaurant Business Assistance Program is an opportunity for the City to bring in full service restaurants. This would provide incentives by way of discounts in plan review and building permit fees. Qualifying restaurants would be over 3,500 square feet and be full service.

The Opportunity Fund budget request is intended to maintain services. The Fund is utilized for development agreements and any incentivizing. Currently, the Department is working on three projects that will be coming out of the fund. The Health-Tech Corridor Gap analysis will explore what elements and industries are currently not represented in the Corridor.

Mayor Weise commented that the Economic Development team is understaffed and there is no budget item for staffing. Mr. Montoya stated that this subject came up two weeks ago and that there is a need for staff who can be focused on restaurants and retail. The staffing request is not yet included, but will be addressed in the near future. Mayor Weise recommended adding at least two people in the Department.

Vice Mayor Dennis requested an accounting of the businesses which have applied for and completed the façade assistance program.

Note: City Council adjourned for a recess at 6:23 p.m. and reconvened at 6:35 p.m.

Michael Wawro, City Attorney, presented on the following:

- Operating Budget Requests
 - Professional Development, Training and Related Travel (\$40K)
- One-Time Requests
 - Law Library (\$7K)
 - Legal Information Resources (\$36K)

Mr. Wawro discussed the professional development budget, which involves conferences for staff to learn about topics relevant to the City, such as ADA issues and marijuana-related legislation. The law library request involves a small conversion of cubicles to a law library. Legal information resources addresses paperless needs.

Gina Montes, Assistant City Manager, presented on the following:

- City Clerk's Office Operating Budget Requests
 - Reclassify Part-Time Position (\$34K)
 - Contractual Increases (\$4K)
 - E-Signatures (\$10K)
- City Clerk's Office One-Time Requests
 - 2020 Elections (\$70K)
- Community Relations Operating Budget Requests
 - RAVE Review Magazine – Increase Quantity
 - Social Listening Platform
- Community Relations One-Time Requests
 - Brand Content / News Placement
- Finance and Budget Operating Budget Requests
 - Banking / Investment Fees
 - Accountant Part-Time to Full-Time
- Finance and Budget One-Time Requests
 - Selected Audits
- Information Technology Operating Budget Requests
 - Annual Software Maintenance Inc.
 - Network Engineer
 - Cybersecurity
- Information Technology One-Time Requests
 - Asset Management System
 - Security Cameras
- Human Resources Operating Budget Requests
 - Risk Management Insurance Premiums
 - Risk Management Software Program Annual Costs
- Human Resources One-Time Requests
 - Risk Management Software Purchase and Implementation
 - City-Wide Training
- City Manager's Office Operating Budget Requests
 - Innovation Program
 - Professional Development, Training, and Memberships

- City Manager's Office One-Time Requests
 - Strategic Plan Update
- Intergovernmental Relations Operating Budget Requests
 - Federal Representation
 - Travel Increase
 - Additional Meetings Attendance

Ms. Montes stated that the \$70,000 budget request for elections will fund the publicity pamphlets. The RAVE Review Magazine budget will increase the number of pages in issues and will fund additional printing and mailing costs. Council Member Nielson commented that Goodyear issues its magazine on a monthly basis and that it includes human interest stories, project groundbreaking and updates on road construction. He expressed a desire to have RAVE published on a more frequent basis. Discussion ensued regarding the possibility of selling advertising space in the magazine to fund more frequent publication. Staff will look at possible options for future discussion.

Ms. Montes stated that the Social Listening Platform will monitor all social media outlets and provide usable feedback. The request is to add the funding on an ongoing basis. The one-time request for brand content/news placement will fund paid advertising.

Ms. Montes explained that the banking/investment fee request is largely as a result of the City's more active investment strategy. An additional request will fund the conversion of a part-time accountant position to full-time.

For the new budget, staff consolidated the vast majority of IT expenditures previously distributed throughout the departments. This will provide a better understanding of how much the City is spending overall. The budget for annual software maintenance includes Citywide inflationary costs, updates, support and licensing. The requested full-time network engineer (\$90,000) position will provide staff continuity and coverage. A budget of \$90,000 is requested for enhanced cybersecurity. A new asset management system (\$170,000) will provide an enhanced level of service and will replace the current system. Multiple departments require access to asset management. The budget for security cameras (\$100,000) will provide traffic cameras with advanced capabilities. Funding will also address the security assessment of the City Hall Campus, City Council Chambers and cameras in City Hall.

The HR request will fund \$200,000 for an increase in risk management insurance premiums as well as \$30,000 for risk management software program annual costs. One-time requests include software purchase and implementation at \$100,000 and Citywide training at \$50,000.

The City Manager's Office budget includes a \$5,000 request for the Innovation Program and \$8,000 for enhanced level of services via professional development, training and memberships. One-time requests include \$40,000 for a Strategic Plan update.

Intergovernmental Relations is requesting \$15,000 to continue representation at the federal level. Modest requests are made for travel increases and meeting attendance.

Ms. Duncan presented on the following:

- Other Planned Costs
 - Fire Station Staffing
 - Project Management and Inspection Staffing
 - Retirement System Changes
 - Employee Compensation
 - Employee Insurance and Other Benefits
 - Regional Agreements
- Capital Improvement Plan
 - Capital Projects are generally over \$100,000 and have a useful life of at least five years.
 - Asset replacement includes vehicles, equipment, streets, and more.
 - City Council appropriates funding for the first year through budget adoption.
 - Balanced five-year plan during budget process.
 - Project priority identified by departments.
 - New projects/increased project costs need additional resources
 - Key Terminology
 - Funded – Resources are identified, and expenses budgeted. The first year of the CIP is funded as part of budget process.
 - Planned – Resources are identified and in the five-year CIP plan.
 - Unfunded – Project identified but the resources have not yet been identified.
- CIP project costs have increased in recent years due to competition for skilled labor, cost of raw materials, land acquisition costs, refining project scopes, and aging assets
- The largest funding sources are operating transfers but are one-time uses. In Fiscal year 2020, \$16.9 million came from the General Fund with \$35.9 million in total.
- Development fees are identified in the Infrastructure Improvement Plan and can be used for new growth only.
- Capacity in General Obligation and Revenue bonds to assist with projects.
- General Obligation require voter approval
- Streets CIP have the following projects funded:
 - 107th Avenue/McDowell
 - Van Buren multi-use path
 - Fairway Drive improvements
 - Preventative street maintenance
 - Avondale Boulevard–McDowell to Encanto
 - Dysart/Rancho Santa Fe
 - Maricopa and Avondale Blvd
 - Citywide street overlay
 - Historic Avondale design
- Streets CIP have the following projects planned:
 - Historic Avondale construction
 - Van Buren – Fairway to 121st Ave
 - Roosevelt and 99th intersection improvements

- Avondale Boulevard landscape and median improvements
- Streets CIP have the following projects unfunded:
 - 107th and McDowell additional cost
 - Verde Trails street improvements
 - Garden Lakes Parkway improvements
 - 119th Ave road connection
 - Pedestrian bridge over Avondale Boulevard
 - BLVD improvements
 - 107th Ave widening
 - Wayfinding Historic Avondale
 - El Mirage Bridge – City/County project
 - Dysart Road sidewalk/median: Van Buren – MC 85
 - Dysart Road median modifications: McDowell – Osborne
 - Roosevelt Street
 - Western Avenue pavement replacement
- Police CIP have the following projects funded:
 - Property and Evidence Room
 - Command vehicle
- Police CIP have the following projects planned:
 - Detention Center and Police Substation
 - Alamar Ranch Substation
- Police CIP does not have any projects unfunded
- City Courts CIP have the following projects unfunded:
 - Expand Lobby
 - Security Office
 - Expand Jury Assembly Room
- Fire CIP have the following projects funded:
 - Replace Training Facility Support Building
 - Fire Apparatus Refurbishment
 - Command Vehicle
- Fire CIP have the following projects planned:
 - Alamar Fire Station
 - RWC Radio System
- Fire CIP have the following projects unfunded:
 - Relocate and Reconstruct Fire Station 171
 - Self-Contained Breathing Apparatus
 - Improvements to training grounds
 - Heart Monitor Replacements
- Parks CIP have the following projects funded:
 - Festival Fields
 - Friendship Park enhancements
 - Neighborhood Park enhancements
 - Goodyear Farms Cemetery improvements
 - Court and Finance improvements
 - Sustain building infrastructure

- Parks CIP have the following projects planned:
 - Alamar Community Park
 - Sustain existing building infrastructure
 - Community Center repurposing
 - Neighborhood Park enhancements
- Parks CIP have the following projects unfunded:
 - Crystal Gardens improvements (
 - Care 1st repurposing
 - Avondale Sports Complex turf replacement
- General Government CIP have the following projects funded:
 - Resource Center
 - Civic Center Park land acquisition
 - Technology infrastructure and communications systems
 - Civic Center land acquisition for office building
 - Civic Center Library study
- General Government CIP have the following projects planned:
 - Civic Center office building
 - Enterprise Resource Planning Software Upgrade
- General Government CIP have the following projects unfunded:
 - Fiber infrastructure
 - Wireless in City common area
 - Pilot of public Wi-Fi
- Water CIP have the following projects funded:
 - North Avondale water supply
 - Reservoir repairs
 - White Mountain Water Settlement
 - Well at 107th and Encanto
 - Water system line replacements
 - Wellsite 7 improvements
 - Waterline El Mirage
 - Gateway nitrate treatment
- Water CIP have the following projects planned:
 - Historic Avondale improvements
 - Water system line replacements
 - Rio Vista waterline replacement
 - Garden Lake nitrate equipment
 - Zone 1 and 2 water distribution
 - Well 27 and transmission line
 - Wellsite 7 improvements
- Water CIP have the following projects unfunded:
 - BLVD well and pipeline
 - Booster station rehabilitation
- Water CIP have the following projects funded:
 - Large diameter sewer line replacement
 - Dysart Road sewer replacement

- Sewer system improvements
 - Lift Station Improvements
 - Water reclamation facility building improvements
 - Secondary clarifier
 - Relocate Riley lift station
- Water CIP have the following projects planned:
 - Large diameter sewer line repair
 - Grit system and odor control system
 - Dysart Road sewer replacement
 - Citywide sewer improvements
 - Lift station rehabilitation
 - Historic Avondale improvements
- Water CIP have the following projects unfunded:
 - Grit chamber
- The Durango Channel is currently unfunded
- Forecast
 - Continued growth
 - Small recession
 - General sources and uses

Ms. Duncan stated that adding the new fire station will require a minimum increased budget of \$1.5 million for staffing. Planning should begin now in terms of setting aside funding. The Chief should be allowed to hire positions in advance, to allow time for the recruitment process and graduation through the academy. There was discussion regarding an upcoming study regarding potential station analysis, staffing, response times and proposed site locations.

Ms. Duncan noted that for the CIP, asset replacement items are included, as they use the same funding as most CIP programs, outside of development impact fees. Staff is working with departments to better define needs and programs.

For the CIP, Council appropriates funding for the first year through the formal budget adoption process. There is a forecast of available resources. The resources are programed for spending over the next five years. Projects are prioritized by the departments by way of master plans, strategic plans and contractual obligations. There is also feedback from the public and Council. The goal is to fund projects in priority order. For new projects and increased project costs, additional resources must be identified. Projects fall into three key categories: funded, planned and unfunded. There are expenditure pressures on the CIP, as costs have increased significantly in the past 18 to 24 months. The City is refining project scopes over the life of the individual projects. Aging assets are also contributing to expenses.

Funding sources were reviewed and projected amounts are included as part of the forecast. This includes development impact fees. It is critical that these items are identified in the infrastructure improvement plan, which is updated every five years.

These fees may only be expended for new growth items. It was discussed that State laws have limited the categories that may be charged to developers for impact fees.

Ms. Duncan noted that there is outstanding voter approved capacity on general obligation bonds in the utility infrastructure area. The policy is not to use these first, but to go to revenue bonds instead. There is some capacity in streets, planned to be recommended for use next year. There is also capacity in general government buildings that are planned to come before Council for recommendations in the coming months. The Streets CIP funded projects for 19/20 were reviewed. Also reviewed were planned and unfunded projects. Preventative street maintenance funds slurry seals and other maintenance items. Citywide street overlay funds new pavement and roads.

Council Member Malone asked if CDBG funds can be used for the Historic Avondale Design. Mr. Montoya said he would not recommend this, as those federal housing dollars are to be used for a specified part of the community. Ms. Duncan stated that the cost would come from streets funding. Discussion ensued regarding the various unfunded street projects.

Ms. Duncan reviewed the Police Department funded and planned projects. The Police CIP does not include any unfunded projects. There is consideration for moving the location of the police station, however, an alternative site has not yet been identified.

The City Courts have three CIP items currently unfunded and each having a cost of approximately \$75,000.

For the Fire Department planned list, there is an opportunity to use some development impact fees towards the Alamar Fire Station. Unfunded items were reviewed. In response to a question from Council Member Malone, Chief Case confirmed that the Department is exploring grants for the self-contained breathing apparatus. Collaborative purchases are also being considered.

For the Parks CIP Friendship Park enhancements and Neighborhood Park enhancements, staff is working to break these down further to determine which components would be recommended for a sales tax or a future general obligation bond question. Vice Mayor Dennis asked about the Goodyear Farms improvement. Ms. Duncan stated that the budget request covers irrigation, lighting, gate and parking lot improvements. The Alamar Community Park is impact-fee eligible, and such funds will be used where possible. However, initial funding may need to come from another source and repaid with impact fees as the community develops. The unfunded Avondale Sports Complex projects include turf replacement, roof repairs and HVAC.

Vice Mayor Dennis noted that the Agua Fria trail project has gone unfunded for a number of years. She receives many comments from residents that other communities have made a commitment to developing their riverfront areas. Mr. Montoya stated that staff is working on mapping out the entire community, including trails, with a goal toward connectivity.

Vice Mayor Dennis asked what is being done to address poor water pressure in the north. Staff will look into this and bring information back for a future meeting.

Mayor Weise inquired as to the BLVD well and pipeline cost. Mr. Montoya clarified that the cost reflected is the total amount, not the City's portion, which is approximately one-third of the total. In response to a question from Mayor Weise, Ms. Duncan stated that refinements to the budget would be performed by staff prior to a re-presentation of the items to City Council in the spring.

In response to a question from Vice Mayor Dennis, it was noted that the Water Reclamation facility building improvements will complete the improvements to the existing facility. The Dysart Road sewer replacement project is currently under design. The project goes from Riley to Lower Buckeye and represents significant rehab to existing infrastructure along Dysart. Much of the work will be completed without tearing up significant portions of roadway. It was explained that a grit chamber is a large piece of equipment that removes sand, gravel and debris from wastewater.

Ms. Duncan reviewed the forecast for the General Fund, assuming continued growth of approximately 3 percent. As total base expenses come closer to total resources, other areas must necessarily be reduced. This includes ongoing transfers and planned transfers to capital (CIP) and asset replacement. The possibility of a small recession will greatly impact this ratio. Mayor Weise noted that the City has diversified its incoming revenue since the 2008 recession. The City must continue its focus on economic development while being fiscally conservative with growth projections.

Ms. Duncan stated that the fiscal year was begun with approximately \$37 million in the General Fund and noted that Public Safety sales tax revenues are not permitted for General Fund uses, unless they pertain to public safety. The minimum fund balance per the reserve policy is \$30.7 million. This leaves a balance of \$6.6 million for one-time expenditures. For ongoing sources, the total is \$69.4 million with ongoing uses at \$64.2 million, leaving a \$5.2 million balance. Ongoing source use funds are eligible for one-time uses. Some one-time permit-related revenues have been identified and total \$3 million. In total, approximately \$9.6 million is available to spend out of the General Fund in addition to the ongoing balance of \$5.2 million. Interestingly, the requested total for ongoing is \$5.2 million. One-time requests total \$124.7 million.

Council members thanked staff for the in-depth, informative presentations.

3. ADJOURNMENT

There being no further business before the Council, the meeting adjourned at 8:13 p.m.

Kenn Weise, Mayor

CERTIFICATION AND ATTESTATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the City Council Retreat of the City of Avondale held on the 2nd December 2019. I further certify that the meeting was duly called and held and that the quorum was present.

Marcella Carrillo, City Clerk

CITY COUNCIL REPORT

SUBJECT: Call and Notice of Election

MEETING DATE: 2/3/2020

TO: Mayor and Council

FROM: Marcella Carrillo, City Clerk, (623) 333-1000

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:

City Council will consider a request to: (a) call a Primary Election on August 4, 2020 and if necessary, a General Election on November 3, 2020; (b) authorize staff to add issues to the ballot as directed by Council, or by appropriate administrative action; and (c) authorize the City Clerk and the City Attorney to take all action necessary to conduct the election. The Council will take appropriate action.

BACKGROUND:

The terms for Mayor and Council Member expire January 2021. Therefore, a nonpartisan candidate Primary Election, and a possible run-off General Election, will be conducted to fill the upcoming vacancies. On January 6, 2020, City Council adopted Resolution 1001-0120 proposing to submit to voters at the Primary Election an Alternate Expenditure Limitation in place of that provided by the State of Arizona, also known as the Home Rule.

DISCUSSION:

Primary Election: Tuesday, August 4, 2020

Voters will vote on the following issues:

- Mayor and three council members *
- Alternative Expenditure Limitation (Home Rule) Proposition

General Election: Tuesday, November 3, 2020 (if necessary)

Voters will vote on the following issues:

- Mayor and three council members (if necessary) *
- Additional Propositions (if necessary and as directed by Council)

**Any candidate receiving a majority of all votes cast at the Primary Election will be declared elected without running at the General Election.*

BUDGET IMPACT:

The City Clerk's Office has budgeted a total of \$20,000 in Fiscal Year 2020 and will be requesting \$70,000 in

Fiscal Year 2021 to cover both the Primary and General Elections.

RECOMMENDATION:

Staff recommends approval of the call of a nonpartisan candidate Primary Election on August 4, 2020 and if necessary, a nonpartisan candidate runoff General Election on November 3, 2020; authorize staff to add issues to the ballot as directed by Council, or by appropriate administrative action; and authorize the City Clerk and City Attorney to take all action necessary to conduct the election.

CITY COUNCIL REPORT

SUBJECT: Capital Improvement Plan Citizens Committee Member Appointment

MEETING DATE: 2/3/2020

TO: Mayor and Council

FROM: Marcella Carrillo, City Clerk, (623) 333-1214

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:

City Council will consider a request to approve the appoint of Denise Stanfield as the Municipal Art Committee representative for the Capital Improvement Plan Citizens Committee. Council will take appropriate action.

BACKGROUND:

On December 17, 2018, City Council adopted Resolution 3086-1212 requiring two representatives (one regular and one alternate) from each of the following boards: EENRC; Municipal Art Commissions; Neighborhood & Family Services; Parks, Recreation, and Libraries; Planning Commission.

DISCUSSION:

At the Municipal Arts Committee meeting on December 18, 2019, the committee solicited volunteers to serve as the committee representative on the Capital Improvement Plan Citizens Committee; Denise Stanfield volunteered to be the representative. Council approving this action will allow the Municipal Arts Committee to meet this requirement.

BUDGET IMPACT:

This item has no budget impact.

RECOMMENDATION:

Staff is recommending that Council approve the appointment of Denise Stanfield as the Municipal Arts Committee representative for the Capital Improvement Plan Citizens Committee.

CITY COUNCIL REPORT

SUBJECT: Re-Plat of Avondale City Center Phase 1 Lot 3

MEETING DATE: 2/3/2020

TO: Mayor and Council

FROM: Kevin Murphy, Development & Engineering Services Department Director

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:

City Council will consider a City-initiated request for approval of a Re-Plat of Lot 3, Avondale City Center Phase 1 subdivision, approximately 3.40 acres of City-owned property located at the northeast corner of Avondale Boulevard and The BLVD. The proposed Re-Plat subdivides Lot 3 into two lots (0.81-acre Parcel 1 and 2.52-acre Parcel 2), incorporates approximately 0.75 acres of land into Parcels 1 and 2 that was not included within the plat boundary when the Final Plat for Avondale City Center Phase 1 was approved in April 2009, dedicates 2,933 square feet of right-of-way for Avondale Boulevard, and dedicates a public water line easement across Parcel 1 to accommodate an existing City water line. The Council will take appropriate action.

BACKGROUND:

The 3.40-acre City-owned subject property is located at the northeast corner of Avondale Boulevard and The BLVD. The property is enclosed by public streets on all sides: Avondale Boulevard along the western property line, The BLVD along the southern property line, Dale Earnhardt Drive along the northern property line, and 114th Avenue along the eastern property line (Exhibit A). The City acquired 0.75 acres of the site in October 2009 and the remaining 2.65 acres in December 2018. The property consists of a 2.65-acre Lot 3, Avondale City Center Phase 1, approved and recorded in 2009, and 0.75 acres of land that was not included in the 2009 Plat.

The site was annexed and rezoned to City Center District (CCD) in 2009 following adoption of the City Center Specific Plan (Exhibit B). Following Council's September 2019 adoption of The BLVD Specific Plan (BSP) and The BLVD District (BLVDD) Zoning Regulations, the property's CCD zoning is no longer in conformance with the City's vision. As such, the City is in the initial stages of rezoning all properties located within The BLVD with CCD zoning to The BLVD District with Council approval expected in March 2020. The subject property is among the properties included in that rezoning application.

The General Plan Land Use designation of the site is The BLVD Park Avenue District (Exhibit C), which accommodates development of the core of The BLVD area with a mix of hotel, retail, restaurant, sports, entertainment, theater, cultural, office, education, and multi-family residential uses designed to interface with adjacent streets in an urban manner and featuring modern, contemporary design.

The majority of the property is presently developed with a temporary parking lot that serves the American Sports Center (ASC) and adjacent businesses. The western edge of the property has been developed with landscaping and retention facilities designed to capture stormwater runoff from Avondale Boulevard. It has

long been the City's intent for the subject property to develop with commercial uses that take advantage of the site's exceptional visibility from Avondale Boulevard.

The existing uses and zoning of the surrounding properties are as follows:

North of Dale Earnhardt Drive: My Place Hotels, a 63-room extended stay hotel currently under construction with completion anticipated in late spring or early summer 2020. The My Place Hotels parcel is zoned City Center District (CCD) and is also included in the City-initiated rezoning to The BLVD District (BLVDD).

East of 114th Avenue: The Avondale Transit Center, a City-owned parking lot with 350 spaces that serves local commuters and provides overflow parking for the American Sports Center. The Transit Center property is zoned CCD and is also included in the City-initiated rezoning to BLVDD.

South of The BLVD: An undeveloped 4.01-acre parcel owned by the City, zoned CCD. On January 6, 2020, City Council approved the sale of this property with the expectation that it will be developed with a 95-room business-oriented hotel and ancillary retail or restaurant uses. This property is also included in the City-initiated rezoning to BLVDD.

West of Avondale Boulevard: 18.1 acres of undeveloped land, zoned CCD, which surrounds a 0.88-acre parcel, also zoned CCD, developed with a legal non-conforming single-family residence. A Development Plan for a new urban multi-family development called "Avari" is currently in review on the undeveloped 18.1 acres. These parcels are also included in the City-initiated rezoning to BLVDD.

SUMMARY OF REQUEST:

The Development & Engineering Services Department, on behalf of the City, is requesting approval of a Re-Plat of Lot 3, Avondale City Center Phase 1 subdivision, approximately 3.40 acres of City-owned property located at the northeast corner of Avondale Boulevard and The BLVD. When the property was platted in 2009, a 0.75-acre parcel adjacent to Avondale Boulevard was not included in the subdivision. The proposed Re-Plat (Exhibit E) incorporates this additional land into the subdivision, and further subdivides the property, as follows:

- **Parcel 1:** A 0.81-acre parcel located at the northeast corner of the site, at the southwest corner of Dale Earnhardt Drive and 114th Avenue. A request authorizing the sale of this parcel from the City to a developer, to accommodate future construction of a drive-through coffee shop on the site, is being considered separately at this same Council meeting.
- **Parcel 2:** A 2.52-acre parcel that will continue to temporarily accommodate parking for the American Sports Center and adjoining businesses. There are no immediate plans for redevelopment on this parcel.

Additionally, the proposed Re-Plat dedicates a 2,933 square foot segment of right-of-way along Avondale Boulevard where a sidewalk and right-turn lane have already been constructed and dedicates a Public Water Line Easement across Parcel 1 to protect an existing City water line.

PUBLIC PARTICIPATION:

Public notification is not required for Re-Plat applications.

PLANNING COMMISSION ACTION:

The Planning Commission does not review Re-Plat applications.

ANALYSIS:

- The proposed Re-Plat has been prepared by a Registered Land Surveyor and the document has been confirmed as geometrically accurate and in conformance with Arizona Statutes governing the subdivision of real property.
- The proposed Re-Plat is in conformance with the City of Avondale Zoning Ordinance and Subdivision Regulations.
- The proposed Re-Plat is needed to allow the City to sell a portion of the property (Parcel 1) to accommodate development of a drive-through coffee shop on the site.

DISCUSSION:

1. The proposed Re-Plat is in conformance with the City of Avondale Zoning Ordinance and Subdivision Regulations.
2. The conditions of approval are reasonable to ensure conformance with the provisions as outlined in the Avondale Zoning Ordinance and all other applicable City codes, ordinances, and policies.

STRATEGIC PLAN:

INITIATIVE: Encourage and support creative innovation in development and service delivery.

- STRATEGIC GOAL: Encourage a flexible environment responsive to market trends.

BUDGET IMPACT:

No budget impacts.

RECOMMENDATION:

No public hearing is required. The City Council will **APPROVE** the City-initiated request for a Re-Plat of Avondale City Center Phase 1 Lot 3, subject to the following one (1) condition of approval:

1. The recorded plat shall be in conformance with the Re-Plat for Lot 3, Avondale City Center submitted on January 16, 2020.

PROPOSED MOTION:

I move that City Council **APPROVE** the City-initiated request for a Re-Plat of Avondale City Center Phase 1 Lot 3, subject to one (1) recommended condition of approval as listed in the staff report.

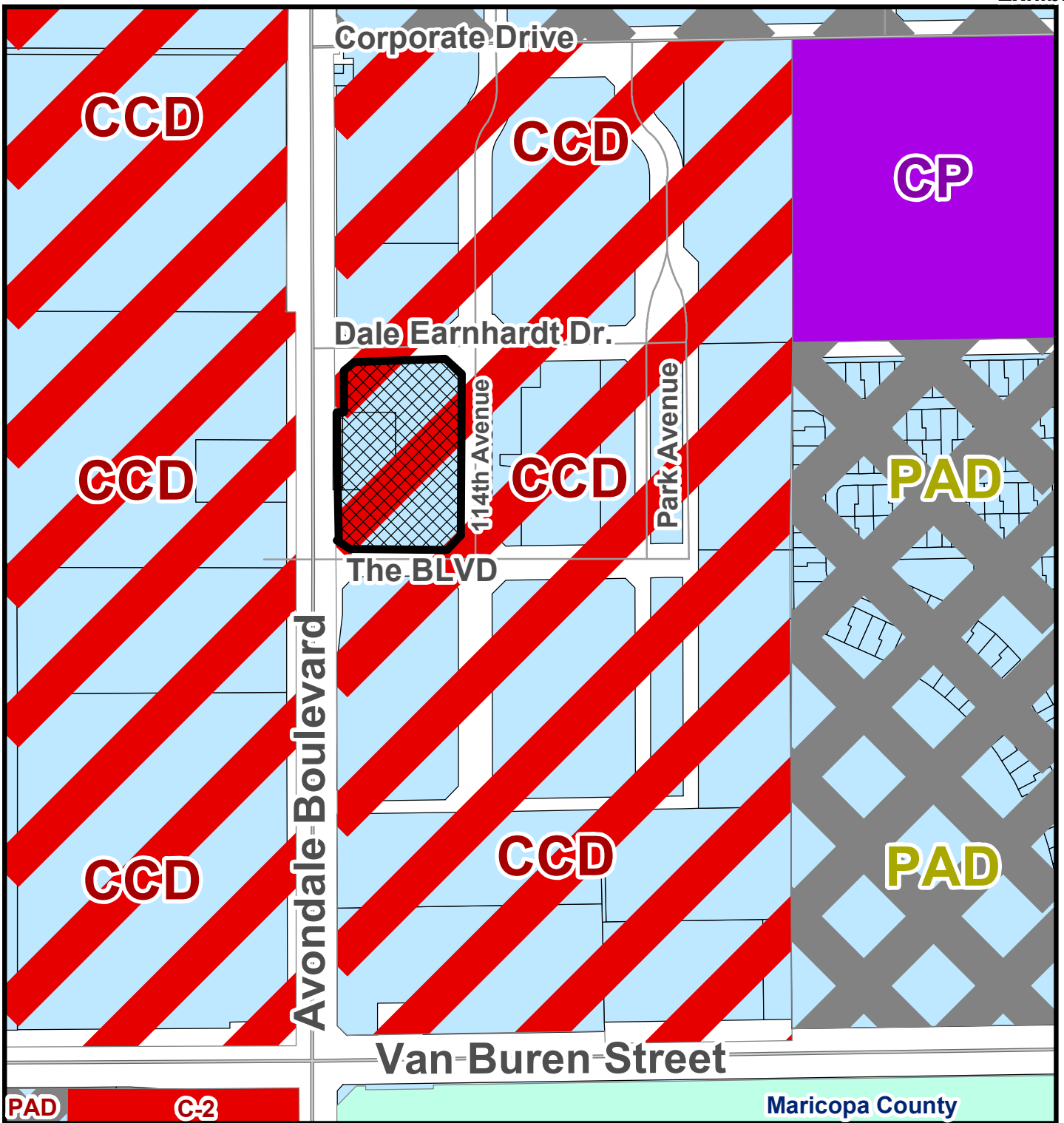


Aerial Photograph

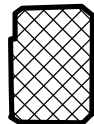


Subject Property



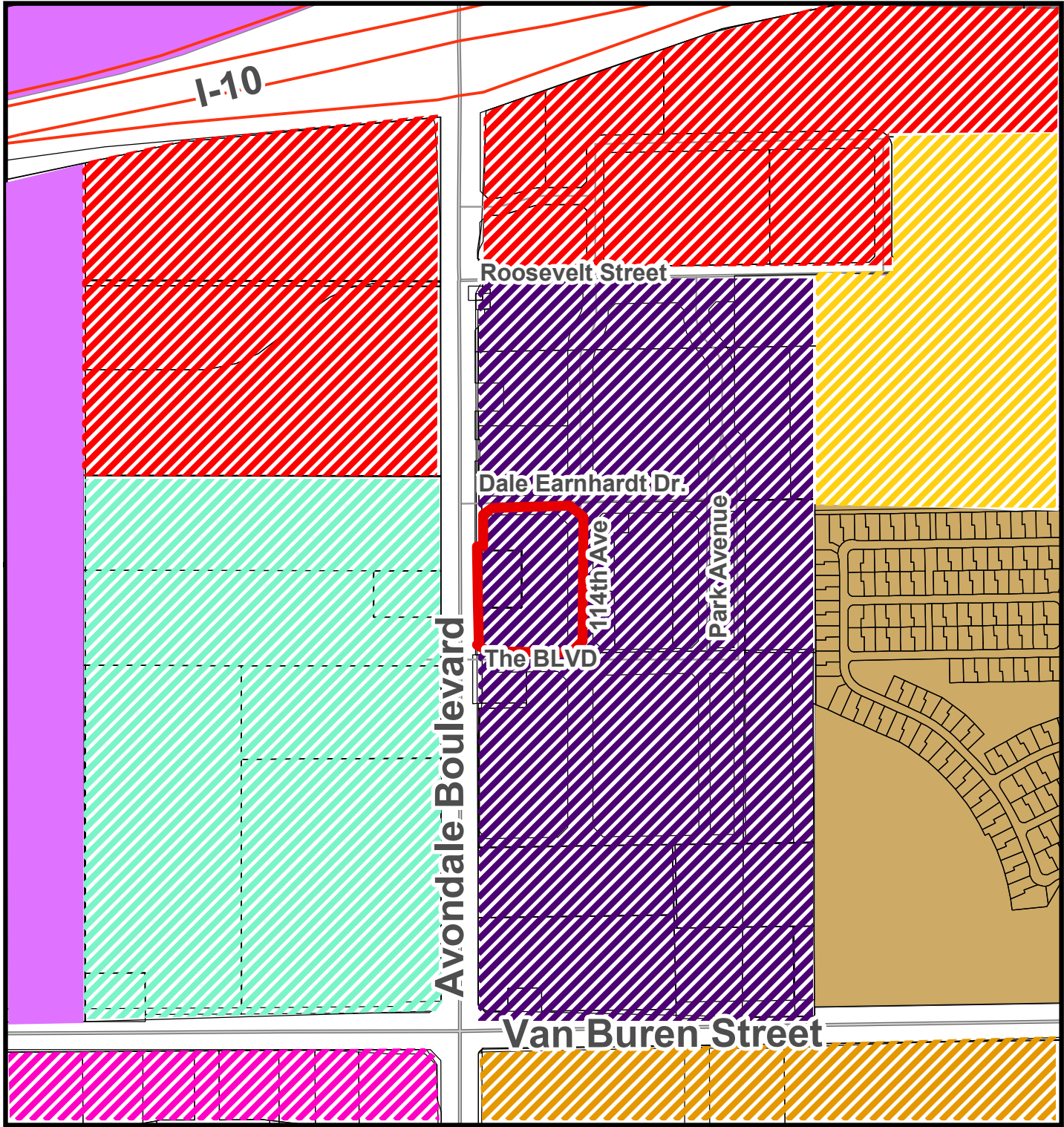


Zoning Vicinity Map



Subject Property





General Plan Land Use Map

- | | |
|---|---|
|  The BLVD Gateway District |  The BLVD Neighborhood District |
|  The BLVD Village District |  The BLVD Residential District |
|  The BLVD Park Avenue District |  The BLVD Promenade District |
|  Mixed Use |  Medium/High Density Residential |

 Subject Property



SUMMARY OF RELATED FACTS

<i>THE PROPERTY</i>	
PARCEL SIZE	Approximately 3.40 gross acres
LOCATION	Northeast corner of Avondale Boulevard and The BLVD, with frontage also on Dale Earnhardt Drive and 114 th Avenue.
PHYSICAL CHARACTERISTICS	A rectangular property that has been developed with a temporary parking lot serving the American Sports Center and adjacent businesses. The western edge of the property has been developed with landscaping and retention facilities designed to capture stormwater runoff from Avondale Boulevard.
EXISTING LAND USE	Temporary parking lot with landscaped retention areas.
EXISTING ZONING	City Center District (CCD)
ZONING HISTORY	The property was annexed in April 2009. The property was zoned Agricultural (AG) from annexation until it was rezoned to City Center District (CCD) in August 2009. The City acquired 0.75 acres of the site in October 2009 and the remaining 2.65 acres in December 2018.

<i>SURROUNDING ZONING AND LAND USE</i>	
NORTH OF DALE EARNHARDT DRIVE	My Place Hotels, a 63-room extended stay hotel currently under construction with completion anticipated in late spring or early summer 2020. The My Place Hotels parcel is zoned City Center District (CCD).
EAST OF 114 TH AVENUE	The Avondale Transit Center, a 350-space City-owned parking lot that serves local commuters and provides overflow parking for the American Sports Center. The Transit Center property is zoned CCD.
SOUTH OF THE BLVD	An undeveloped 4.01-acre parcel owned by the City of Avondale, zoned CCD. On January 6, 2020, City Council approved sale of this property with the expectation that it will be developed with a 95-room business-oriented hotel and ancillary retail or restaurant uses.
WEST OF AVONDALE BOULEVARD	18.1 acres of undeveloped land, zoned CCD, which surrounds a 0.88-acre parcel, also zoned CCD, developed with a legal non-conforming single-family residence. A Development Plan for a new urban multi-family development called “Avari” is currently in review on the undeveloped 18.1 acres.

<i>GENERAL PLAN</i>
The General Plan 2030 Land Use Map designates the property as “The BLVD Park Avenue District”. This land use accommodates development of the core of The BLVD area, with a mix of hotel, retail, restaurant, sports, entertainment, theater, cultural, office, education, and multi-family residential uses designed to interface with adjacent streets in an urban manner and featuring modern, contemporary design.

<i>PUBLIC SCHOOLS</i>

SCHOOL DISTRICT(S)	Littleton Elementary School District; Tolleson Union High School District
ELEMENTARY SCHOOL	Student's choice (No defined school). The closest district school is Collier Elementary School located at the southwest corner of Coldwater Springs Boulevard and 114 th Avenue within the Coldwater Springs community.
HIGH SCHOOL	Tolleson Union High School, located on Van Buren Street east of 99 th Avenue in the City of Tolleson

<i>STREETS</i>	
Avondale Boulevard	
Classification	Major Arterial
Existing half-street ROW	Varies from 55 feet to 85 feet
Standard half-street ROW	65 feet with additional width approaching intersections for turn lanes and deceleration lanes.
Existing half-street improvements	3 travel lanes, median/center turn lane, bike lane, right-turn deceleration lane, curb, gutter, detached sidewalk (attached adjacent to deceleration lane), street lights, and landscaping.
Standard half-street improvements	3 travel lanes, landscaped median, bike lane, curb, gutter, detached sidewalk, street lights, and landscaping.
The BLVD	
Classification	The BLVD Custom Local
Existing half-street ROW	30-40 feet (varies by location)
Standard half-street ROW	30-40 feet (varies by location)
Existing half-street improvements	1 travel lane, center median, curb and gutter, attached sidewalk, street lights and landscaping with left and right-turn lanes approaching Avondale Boulevard.
Standard half-street improvements	1 travel lane, center median, curb and gutter, attached sidewalk, street lights and landscaping with left and right-turn lanes approaching Avondale Boulevard.
Dale Earnhardt Drive	
Classification	The BLVD Custom Local
Existing half-street ROW	30-40 feet (varies by location)
Standard half-street ROW	30-40 feet (varies by location)
Existing half-street improvements	1 travel lane, center median, curb and gutter, detached sidewalk, street lights and landscaping.
Standard half-street improvements	1 travel lane, center median, curb and gutter, detached sidewalk, street lights and landscaping.
114th Avenue	
Classification	The BLVD Custom Local
Existing half-street ROW	44 feet
Standard half-street ROW	44 feet

Exhibit D

Existing half-street improvements	1 travel lane, angled on-street parking, curb, gutter, detached sidewalk, street lights and landscaping.
Standard half-street improvements	1 travel lane, angled on-street parking, curb, gutter, detached sidewalk, street lights and landscaping.

UTILITIES

The property has access to multiple water lines. An existing 8" public water line runs through the eastern half of the property from Dale Earnhardt Drive to The BLVD. There are also existing water lines in Dale Earnhardt Drive (16-inch), The BLVD (8-inch), and Avondale Boulevard (16-inch).

The property also has access to multiple existing sewer lines, including a 12-inch line in Dale Earnhardt Drive, an 8-inch line in 114th Avenue, and an 8-inch line in The BLVD.

SRP provides electrical service in this portion of Avondale.

Exhibit E

Proposed Re-Plat

Avondale City Center Lot 3

LOT 3, AVONDALE CITY CENTER PHASE 1 AS RECORDED IN BOOK 1027 OF MAPS ON PAGE 31, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA AND A PORTION OF LOT 6 OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 1 EAST, OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA

APN 102-57-240
 LOT 31, AVONDALE CITY CENTER PHASE 1 AS RECORDED IN BOOK 1027 OF MAPS ON
 PAGE 3, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA; AND
 APN 102-57-602R
 THAT PART OF LOT 6 OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF
 SECTION 6, TOWNSHIP 1 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE
 AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 6;
THENCE NORTH ALONG THE WEST LINE THEREOF, A DISTANCE OF 167.45 FEET TO
THE TRUE POINT
OF BEGINNING;

THENCE EAST 217.80 FEET;
THENCE NORTH 200 FEET;
THENCE WEST 217.80 FEET TO THE WEST LINE OF SAID LOT 6;
THENCE SOUTH ALONG SAID WEST LINE, A DISTANCE OF 200 FEET TO THE TRUE
POINT OF BEGINNING;

EXCEPT THE WEST 33 FEET THEREOF AS CONVEYED TO MARICOPA COUNTY BY DEED RECORDED IN BOOK 125 OF DEEDS, PAGE 117; AND ALSO EXCEPT THAT PORTION THEREOF CONVEYED TO THE CITY OF AVONDALE BY DEED RECORDED IN DOCUMENT NO. 2003-0484969 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 6;
THENCE SOUTH 0 DEGREES 02 MINUTES 12 SECONDS EAST, ALONG THE WEST LINE
OF SAID LOT 6, A DISTANCE OF 945.94 FEET:

THENCE NORTH 89 DEGREES 57 MINUTES 48 SECONDS EAST, A DISTANCE OF 45.0 FEET TO THE EXISTING EASTERLY RIGHT-OF-WAY LINE OF 115TH AVENUE AND THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 89 DEGREES 57 MINUTES 48 SECONDS EAST, A DISTANCE OF 10.00 FEET TO A POINT 55.00 FEET EASTERLY OF THE WEST LINE OF SAID LOT 6;

THENCE SOUTH 00 DEGREES 02 MINUTES 12 SECONDS EAST, PARALLEL WITH AND 55.00 FEET EASTERLY OF THE WEST LINE OF SAID LOT 6, A DISTANCE OF 200.00 FEET:

THENCE SOUTH 89 DEGREES 57 MINUTES 48 SECONDS WEST, A DISTANCE OF 10.0 FEET TO A POINT 45.00 FEET EASTERLY OF THE WEST LINE OF SAID LOT 6;
THENCE NORTH 00 DEGREES 02 MINUTES 12 SECONDS WEST, PARALLEL WITH AND 45.00 FEET EASTERLY OF THE WEST LINE OF SAID LOT 6, A DISTANCE OF 200.00 FEET TO THE POINT OF BEGINNING.

1. ALL LANDSCAPING WITHIN ADJACENT PUBLIC RIGHT-OF-WAY IS TO BE MAINTAINED BY THE OWNER EXCLUDING WEEDS ON ARTERIAL STRAITS.
2. ALL UTILITIES AND PUBLIC SERVICE EXHAUSTS, INCLUDING ANY LIMITATIONS OF ELEVATIONS AND CONSTRUCTION WITHIN SUCH EXHAUSTS SHALL BE LIMITED TO UTILITIES, LANDSCAPING AND TREES IN THE GROUNDWATER SECTION, TYPE STRAITS.
3. CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE CITY OF ANAHEIM, THE ARIZONA CORPORATION COMMISSION.
4. NO ALTERATIONS SHALL BE MADE TO THE STORM WATER RETENTION AREAS AND APPROVED OR EXISTING CONVEYANCE PATTERNS THAT ARE A PART OF THESE PREMISES WITHOUT WRITTEN APPROVAL BY THE CITY OF ANAHEIM.
5. NO STRUCTURES SHALL BE CONSTRUCTED OR AN ADJORN SHALL OTHER PART OF THIS SUBDIVISION WITHOUT WRITTEN AUTHORIZATION BY THE CITY OF ANAHEIM.
6. NO WALLS/FENCES SHALL BE BUILT WITHOUT PRIOR CITY OF ANAHEIM APPROVAL.

STATE OF ARIZONA }
COUNTY OF MARICOPA } ss

KNOW ALL MEN BY THESE PRESENTS: THE CITY OF AVONDALE, AN ARIZONA MUNICIPAL CORPORATION, AS OWNER, HAS SUBDIVIDED UNDER THE NAME OF "REPLAT OF LOT 3, AVONDALE CITY CENTER", A TWO LOT COMMERCIAL SUBDIVISION, AND REPLAT OF LOT NO. 3, AVONDALE CITY CENTER PHASE", AS RECORDED IN BOOK 10207, PAGE 31, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, AND HAS HEREBY PUBLISHED THIS PLAN AS AND FOR THE PLAT OF SAID "REPLAT OF LOT 3, AVONDALE CITY CENTER", A COMMERCIAL SUBDIVISION, AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATION AND GIVES THE DIMENSIONS OF THE PARCELS, STREETS AND EASEMENTS TO BE CREATED BY SAID PLAT. EASEMENTS ARE HEREBY DEDICATED FOR THE PURPOSES SHOWN.

IN WITNESS WHEREOF:

THE CITY OF AVONDALE, AN ARIZONA MUNICIPAL CORPORATION, AS OWNER, HAS HEREUNDER CAUSED ITS CORPORATE NAME TO BE AFFIXED BY THE UNDERSIGNED OFFICER HEREUNTO DULY AUTHORIZED.

THIS _____ DAY OF _____, 2020.

BY: _____ MAYOR

STATE OF ARIZONA
COUNTY OF MARICOPA

BEFORE ME THIS _____ DAY OF _____, 2020, THE UNDERSIGNED OFFICER,

PERSONALLY APPEARED BEFORE ME, THE UNDERSIGNED NOTARY PUBLIC, WHO ACKNOWLEDGED HIMSELF TO BE THE MAYOR OF THE CITY OF AVONDALE. IN WITNESS WHEREFORE, I HERELINTO SET MY HAND AND OFFICIAL SEAL.

NOTARY PUBLIC

APPROVED BY THE CITY COUNCIL OF THE CITY OF AVONDALE, ARIZONA THIS _____ DAY OF _____, 2020.

BY:

NAME: _____

NO. : _____

DATE: _____

ATTEST: _____
Notary Public in and for the State of New York

BY: _____

REPLAT OF LOT 3, AVONDALE
CITY CENTER
SOUTHWEST 1/4 SECTION 6, T1N, R1E G1A AND
SALT RIVER MERIDIAN, MARICOPA COUNTY,

PROJ NO: 1018119.03	DATE: JAN 2020	SCALE: AS SHOWN
SURVEYED: DEC 2019	DRAWN: CSD	REVIEWED: BAR
FIELD WORK: JRK REK		REVIEWED: JFG
REVISIONS:		

SHEET
1 OF 2

VICINITY MAP
SECTION 6
T1N, R1E
NTS

107TH AVENUE

MCDOWELL ROAD

AVONDALE BOULEVARD

VAN BUREN STREET

SITE

AREA TABLE	
PARCEL 1	35,419 S.F.
PARCEL 2	109,862 S.F.
ROW	2933 S.F.
TOTAL	148,214 S.F.

CITY OF AVONDALE
11455 W. CIVIC CENTER DRIVE
AVONDALE, ARIZONA 85323
Phone: 623-333-4216
CONTACT: DAVID JANOVER, P.E. - CITY ENGINEER

THE WEST LINE OF THE SOUTHWEST 1/4 SECTION 6, T1N, R1E
OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA
BEARING: NORTH 00 DEGREES 02 MINUTES 19 SECONDS WEST

BOOK 1027 OF MAPS, PAGE 31, MCR
BOOK 1095 OF MAPS, PAGE 5, MCR

THE AREA PLATTED HEREON LIES WITHIN THE DOMESTIC WATER SERVICE AREAS OF THE CITY OF AVONDALE WHICH IS DESIGNATED AS HAVING AN ASSURED WATER SUPPLY PURSUANT TO SECTION 45- 576 ARIZONA REVISED STATUTES.

THIS CERTIFICATE OF SURVEY IS ONLY VALID IF IT BEARS THE ORIGINAL SEAL AND INKED SIGNATURE OF THE CERTIFYING PROFESSIONAL LAND SURVEYOR.

I, JASON P. GRAHAM, HEREBY CERTIFY THAT I AM A LICENSED LAND SURVEYOR IN THE STATE OF ARIZONA; THAT THE SURVEY IS TRUE AND COMPLETE AS SHOWN, THAT ALL MONUMENTS ACTUALLY EXIST AS SHOWN, THAT THEIR POSITIONS ARE CORRECTLY SHOWN, AND THAT SAID MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED. THIS CERTIFICATE OF SURVEY IS BASED UPON AN ACTUAL SURVEY PERFORMED ON THE GROUND BY ME OR MY DIRECT SUPERVISION AND THAT SAID SURVEY MEETS OR EXCEEDS THE CURRENT MINIMUM STANDARDS FOR AN ARIZONA BOUNDARY SURVEY TO THE BEST OF MY PROFESSIONAL ABILITIES, KNOWLEDGE, AND BELIEFS.

JASON P. GRAHAM RLS 47537

Submitted
1/16/2020



0' 20' 40' 80'
SCALE: 1"=40'

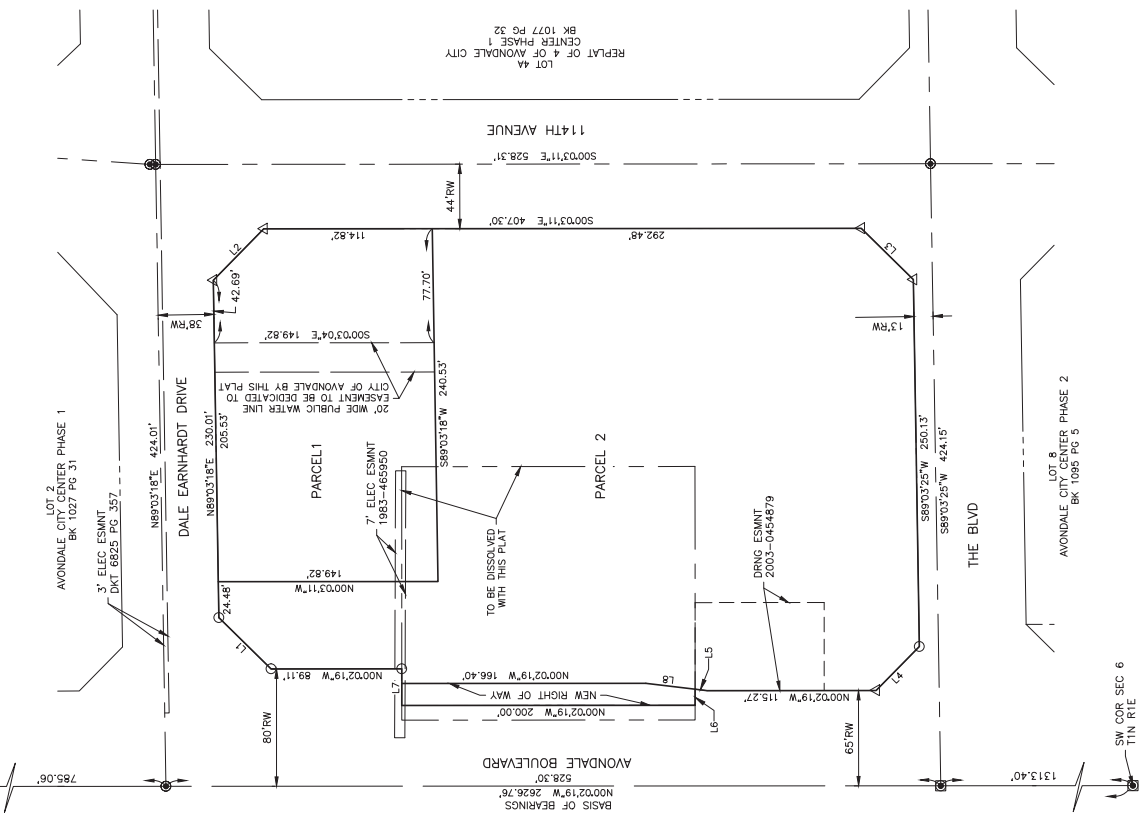
W 1/4 COR SEC 6
T1N R1E

REPLAT OF LOT 3, AVONDALE CITY CENTER

LEGEND

- FOUND BRASS CAP IN HANDHOLE
- FOUND BRASS CAP FLUSH
- FOUND REBAR
- SET REBAR WITH CAP RLS 47537
- SET CHISELED "X" IN CONCRETE
- SECTION LINE
- MID-SECTION LINE
- CENTERLINE
- BOUNDARY
- EASEMENT LINE

LINE	BEARING	DISTANCE
L1	N44°30'30"E	49.69'
L2	S45°29'57"E	49.11'
L3	S44°30'07"W	49.88'
L4	N45°29'27"W	42.09'
L5	N06°47'25"E	8.21'
L6	S89°57'41"W	10.98'
L7	N89°57'41"E	25.00'
L8	N06°47'25"E	33.84'
L9	N89°57'41"E	15.00'
L10	N89°57'41"E	10.00'



2 OF 2

PROJ. NO. 1018119.03	DATE: JAN 2020	SCALE: AS SHOWN
SURVEYED: DEC 2019	BY: CSD	REVIEWED: BAR
FIELD WORK: JMK REK	REVIEWED: JPO	
REVISIONS:		

REPLAT OF LOT 3, AVONDALE CITY CENTER
SOUTHWEST 1/4 SECTION 6, T1N, R1E G1A AND
SALT RIVER MERIDIAN, MARICOPA COUNTY,
ARIZONA

Dibble Engineering

7878 N. 16th Street
Suite 300
Phoenix, AZ 85020
P 602.957.1155
F 602.957.2838
www.dibblecorp.com

CITY COUNCIL REPORT

SUBJECT: Review and approval of the Memorandum of Understanding with the Avondale Professional Firefighters Association (APFA) Local 3924

MEETING DATE: 2/3/2020

TO: Mayor and Council

FROM: Gina Montes, Assistant City Manager, (623) 333-1012

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:

City Council will review and approve the Memorandum of Understanding (MOU) which will be effective July 1, 2020 through June 30, 2022. The Council will take appropriate action.

BACKGROUND:

Negotiations over modifications to the Memorandum of Understanding (MOU) with the Avondale Professional Firefighters Association (APFA) have concluded. A team comprised of City management and representatives of the Association have come to consensus on several items. These items were presented for City Council consideration at the January 29, 2020 City Council Work Session. City Council approved the changes and directed staff to bring the MOU before Council for formal approval.

Prior to the beginning of negotiations, the City conducts a market analysis to review how City of Avondale pay and benefits compare to other jurisdictions in Arizona. In addition, the Association conducts its own research and analysis. The adjustments to pay and benefits will advance the position of our firefighters, engineers and captains within the market and also address many concerns of both Management and the Association.

DISCUSSION:

The following is a high level summary of the items agreed upon by the City management and the labor negotiations team. The MOU is attached.

Section	Item	Brief Description
4.7	Hours Worked and Overtime within the 96-hour pay period	Pays time and a half for time worked above 96 hours which is currently not considered overtime under the Fair Labor Standards Act (FLSA)
4	Pay Range Restructure	Reduces the total number and adjusts the pay steps for Engineers and Captains and adjusts the pay range for Firefighters. Removes the Fixed Merit Award currently given to members at the

		top of the pay scale
8	Holiday pay	Pays members an additional 11.25 hours for working on a City-designated holiday
8.1	Sick Leave	Removes the provision that entitles members to any increase in sick accruals given to other City employees
8.4	Vacation Accruals	Removes the provision that entitles members to any increase in vacation accruals given to other City employees
8.5	Vacation Sell Back	Requires that current vacation sell-back occur over two consecutive pay periods still to occur twice annually
4.2	Regular Hourly Rate (life insurance)	Reverts the life insurance benefit to be consistent with what is provided citywide
4.9	Move Up Pay	Removal of a reference to Battalion Chief move up limitation
5.1	Absent with Relief	Adds language affirming that this benefit will not affect certification and other obligations
14	Procedures for Alleged Breach of MOU	Adds a time limitation after discovery for initiating a grievance

In addition, City management agrees to review the salary of current probationary firefighters and consider pay adjustment upon completion of probation. This is to ensure a pay distinction between new firefighters hired within year 2 of the MOU, as the range will be adjusted.

BUDGET IMPACT:

The estimated budget impact is \$214,276 for Fiscal Year 2021 and \$153,084 for Fiscal Year 2022 for a total of \$367,360.

RECOMMENDATION:

Recommend that the City Council approve the Memorandum of Understanding (MOU) with Avondale Professional Firefighters Association Local 3924.

MEMORANDUM OF UNDERSTANDING

JULY 2020 THROUGH JUNE 2022



CITY OF AVONDALE

AND

AVONDALE PROFESSIONAL FIREFIGHTERS ASSOCIATION

LOCAL 3924

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PREAMBLE

This Memorandum of Understanding is entered into between the City of Avondale ("City) and the Avondale Professional Firefighters Association, International Association of Fire Fighters, Local 3924 ("Association" or "Employee Organization").

WHEREAS: the parties, through their designated representatives met and conferred in good faith pursuant to Ordinance 1323-808 as approved by the Avondale Mayor and Council on August 8, 2008 to set forth within this Memorandum of Understanding the full and entire understanding of the parties mutual agreement concerning wages and hours as allowed by the Municipal Code of the City of Avondale, for employees who are represented by the Employee Organization; and

WHEREAS: the parties recognize the importance of continuing and maintaining harmonious relations, cooperation and understanding between Avondale and its employees; and

WHEREAS: the parties hereby acknowledge that the provisions of the Memorandum are not intended to and cannot abrogate the authority and responsibility of Avondale as a government entity provided for under the statutes of the State of Arizona, code or ordinance of Avondale:

NOW THEREFORE, Avondale and the Employee Organization having reached this complete agreement concerning wages, hours, and benefits, as allowed by the Ordinance, for the term specified submit this Memorandum to the Mayor and the City Council of Avondale with their joint recommendation that the body adopt its terms.

ARTICLE 1
RIGHTS OF EMPLOYEES AND EMPLOYEE ORGANIZATION

Section 1.1 Recognition & Employee Organization Rights

- A. For the duration of the Memorandum and in accordance with all applicable provisions of the City Code of Avondale, Avondale hereby recognizes the Employee Organization as the official and exclusive representative for the purpose of "Meet and Confer" and with respect to wages and hours as defined by the Ordinance, for all employees who are represented by the Employee Organization as described below:

Fire Employee Group - All full-time sworn regular, non-probationary, City firefighters, and all classifications up to and including the rank of Captain will be referred to as unit members.

- B. Employee representatives will be released from duty with full pay to participate with the City Management Team with prior notification to their supervisor.
- C. Employee representatives who participate in meetings covered by this Article at times other than their normal work shift shall not receive compensation and said hours are not considered time worked for any purpose, including computing overtime and compensatory time.

Section 1.2 Rights of Represented Employees

- A. Represented Employees are entitled to all rights as provided by the Ordinance and this Memorandum for the term of the Memorandum.
- B. The Employee Organization shall represent all of the employees in the unit fairly and equally without regard to whether or not an employee is a member of the Employee Organization. An unrepresented employee can object to Union representation if he or she desires.

Section 1.3 Membership Dues Deductions

- A. The City will maintain a payroll deduction process whereas it will deduct an amount specified in writing by the employee and transmit such amount to the Employee Organization each pay period. Such deductions shall be made only when the employee's earnings for such pay period are sufficient after other legally required deductions are made. Under no circumstances will the City share with the Employee Organization the nature, type, or fact of other legally-required deductions for any of its Employees. The Employee Organization reserves the right during the term of this Memorandum of Understanding to increase the amount withheld for all employees as a generalized dues increase. However, any such increase will require separate and written authorization from every affected employee.
- B. The City assumes no liability on account of any actions taken pursuant to this section. The Employee Organization agrees to indemnify and hold harmless the City of Avondale against any and all claims, suits or other forms of liability arising out of its deductions from a represented

employee's pay of Employee Organization membership dues. The Employee Organization assumes full responsibility for the disposition of the deductions so made, once they have been sent to the Employee Organization.

- C. Employees may initiate, discontinue or amend union payroll deductions by written authorization at any time during the term of the Memorandum of Understanding. The Employee and the Employee Organization hold the City harmless for any and all claims associated with the employee's decision to amend deductions pursuant to this Section.

Article 2 Management Rights

Section 2.1 Management Rights

The City and City Manager are entitled to all rights as provided by Ordinance 1323-808 and this Memorandum for the term of the memorandum. The provisions in the Ordinance dealing with management rights are reincorporated fully here by reference.

ARTICLE 3 PROHIBITION OF STRIKES AND WORK INTERRUPTIONS

Section 3.1 No Strike, No Lock-Out

Strikes, lock outs and related employment actions as defined in the Ordinance are prohibited and shall be subject to discipline as specified in the Ordinance.

ARTICLE 4 EMPLOYEE COMPENSATION & HOURS OF WORK

Section 4.1 Base Rate of Pay

- A. The positions represented by this Memorandum of Understanding are Firefighter, Fire Engineer and Fire Captain. The Attachment lists the hourly base rate of pay, excluding any specialty pay and stipends, for each step and for each of the positions covered by this agreement.
- B. Completing Original Probation, Promotional Placement and Progression through the Steps
 - a. Upon successful completion of original probationary period (their performance review Meets Standards) the unit member will receive a merit increase to step two on the first full pay period following the completion of original probation.
 - b. Lateral unrepresented probationary hires that are on original probation as of July 1 of the new fiscal year will be placed in the plan in accordance with their negotiated base rate of pay at the time of hire. Upon successful completion of their original probationary period (their performance review Meets Standards) the employee will

receive a one-step merit increase on the first pay period following completion of probation.

- c. When represented members are promoted they will be placed in the nearest step in the new position without loss plus one step, if necessary, to receive a minimum of a 4% increase. Upon successful completion of probation, said employee will receive a one-step merit increase in accordance with the values of the step system table.
 - d. For Fiscal Year 2019 and Fiscal year 2020, the wage plan represented in the Attachment will be followed. Represented employees will be eligible for a one step merit increase effective in the first pay period of the new fiscal year provided their performance rating is satisfactory ("meets standards") and funding is available and authorized by the City Council.
- C. While the Avondale Professional Firefighters Association (APFA) seeks to have the pay of represented members reflect their years of service, there are other City policies and practices that impact a unit members pay. These elements are part of Management Rights and include performance ratings, initial hire placement within the range, and possible disciplinary actions. Therefore, Management cannot ensure that every represented member will, at all times, be in a step that reflects the unit member's years of service.
- D. Management does not relinquish its Management Rights with respect to performance ratings, placement of laterals into the range or disciplinary actions, all of which may impact the placement of represented members with in the base wage rate plan.

Section 4.2 Regular Hourly Rate

A unit member's base pay plus any specialty pay that may apply and is the rate used for the purpose of computing overtime, pension contributions, and short-term disability as required by law.

Section 4.3 Specialty Pay

Unit members who are specially certified to perform special skills in their job, such as paramedic and technical rescue, are compensated as follows:

Paramedic	\$2.40 per hour
Technical Rescue	\$1.00 per hour

Section 4.4 Stipend

Bi-Lingual Level III Pay: \$230 per month paid over 26 pay periods (bi-weekly) except in a Leap Year

Section 4.5

Section removed.

Section 4.6 Set Work Schedule

City Government reserves the right to establish work periods for sworn firefighters. The City has established a 14-day work period for unit members working 24 or 48 hours shifts commonly called a 56-hour work week. The set schedule of duty hours for unit members consists of rotating 48 hours on duty and 96 off duty, resulting in three different work periods which consists of 96 hours for period 1, 120 hours for period 2, and 120 hours for period 3.

Section 4.7 Overtime

Overtime calculations will be determined based upon the set schedule for the 14-day work period. The Fair Labor Standards Act (FLSA) guarantees that unit members working the 24 or 48 hour shift arrangement described above will be compensated at 1.5 times their Regular Hourly Rate of pay for regularly scheduled hours worked over 106 hours.

Vacation, Sick Leave, Short Term Disability Leave, Military Leave, Civic Duty and Bereavement Leave hours taken in a 14-day work period shall not count as hours worked for the purposes of overtime except when the hours taken are needed to fulfill the employee's 120 hour work period.

The special work periods and overtime rules are only for employees who meet the statutory definition of "employees in fire protection activities", who are trained in fire suppression, have the legal authority and responsibility to engage in fire suppression and are employed by the City's fire department.

On 01/01/2021 – 06/30/2022 A pilot program will be implemented allowing unit members to receive overtime pay for hours worked during a 96 hour schedule. The budgeted amount for the overtime pay shall be capped at \$25,000 for the first six months (01/01/2021-06/30/2021) and \$50,000 for the following twelve months (07/01/2021 - 06/30/2022). The total amount for this pilot program for the 18-month period (01/01/2021 – 06/30/2022) shall not exceed the \$75,000 for the duration of this MOU. The viability of continuing to pay overtime during the 96-hour schedule will be revisited in the next MOU.

Section 4.8 Call-Back

- A. Definition: "Callback" means when a unit member has left the work site and is requested to respond, (either by returning to work or via telephone/computer) to a work situation to:
 - a. Avoid significant service disruption;
 - b. Avoid placing employees or the public in unsafe situations;
 - c. Protect and/or provide emergency services to people, property and/or equipment;
 - d. Respond to emergencies;
 - e. For administrative purposes.

B. Callback Pay Rate

- a. When a unit member is called back to work after employee has completed the employee's regular work schedule and has left the premises or post of duty, the unit member shall be paid for time actually worked upon return or a minimum of two (2) hours at their regular or base rate of pay, whichever is greater.

Section 4.9 Move-Up Pay

A unit member will receive additional compensation for working a minimum of 12 hours to fill a position of a higher rank. To be eligible for Move-Up positions and Move-Up Pay, the member must have successfully completed the department's Move-Up requirements within department policy for the position and maintain certification by completing the required continuing training requirements. The unit member will be paid an additional amount of their regular hourly rate of pay for time spent in a Move-Up capacity in accordance with the chart below.

Move up pay percentage of increase to hourly rate will be determined by the member's rank and the position they are filling, according to the following table:

Rank	Assignment	Increase
Firefighter	Engineer	5%
Firefighter	Captain	10%
Engineer	Captain	5%
Captain	Battalion Chief	5%

If any unit member is placed on administrative leave or medical leave while in a Move-Up Pay capacity, the unit member shall not receive the Move-Up Pay until they are approved to return to full-duty status and resume the duties of the assigned position, if a need still remains.

Section 4.10 56 to 40-Hour Positions

A unit member assigned to a 40-hour position for one year or less will not have his or her leave accruals adjusted and will not be granted a Holiday Bank. Vacation and sick leave accruals will remain at the 56 hour accrual rate, which includes holiday leave. This unit member will be treated as if he or she was still on the 56 hour schedule. Vacation and sick leave will be charged using the 1.4 conversion (1.4 hours charged for each 1.0 hour used).

A unit member assigned to a 40-hour position for more than one year will be assigned an appropriate Holiday Bank. The unit member's vacation and sick leave accrual rates will be adjusted to the 40-hour rates, and usage will be charged as actual hours used. Unit members leave balances will not be adjusted during moves to and from 40-hour positions.

A unit member assigned to a 40-hour position will have their pay adjusted according to the conversion formula described below:

56 to 40 hour conversion factor:

1. 56 base hourly rate minus any specialty pay (if applicable)
2. Base hourly rate X conversion factor of 1.4375
3. Add back in assignment differential pay (10% BLS or 12% ALS)
4. Add back \$1.00 for TRT pay if applicable
5. Add back in adjustment for paramedic pay if applicable of \$2.40

40 to 56 hour conversion factor:

The conversion of 40 to 56 hour will be accomplished by placing the unit member in their appropriate step and restoring their specialty pays and 56-hour leave accrual rates.

Section 4.11 On Call Status

A. A 40 hour employee on call-out status will be compensated at two (2) dollars per hour. These hours begin after the completion of the employee's scheduled workday and continue until resuming work the following workday.

a. Reporting Pay

If a 40 hour employee on call-out status is requested to and does report to work at the designated work location in a timely fashion but no work is available upon arrival, that employee will be paid a minimum of two (2) hours at their regular hourly rate and sent home.

b. Time Worked

Employees will not receive "call-out" pay for time worked.

c. Overtime

Only hours actually worked (over 40 hours in a workweek) will be included in the computation of overtime unless otherwise specified in these policies.

d. No Call-Out Pay

Employees will not receive call-out pay when they are:

- On vacation leave
- On sick leave
- On Administrative Leave
- Receiving short-term disability benefits
- Receiving worker's compensation benefits
- On bereavement leave
- On an approved leave of absence
- Not available to work
- Restricted to light duty
- Restricted from performing specific work activities

B. Criteria

Criteria for call-out pay status must meet the following:

- a. Thoroughly check the working status of the pager or cell phone before “call-out” status begins and maintains it in operational mode at all times;
- b. When notified by pager must respond and arrive at work within one (1) hour or less;
- c. Must arrive fully capable of performing the functions of the job;
- d. If an employee does not meet the criteria as defined above, he/she will forfeit the “call-out” pay from the time of the first attempt to contact him/her to the end of the “call-out” period.
- e. Each employee will be responsible for completing a time sheet card documenting each time he/she is on “call” and forward to his/her supervisor to approve the “call-out” time. Time sheet cards must be submitted to the supervisor by Monday morning of each week.

ARTICLE 5 ABSENT WITH RELIEF

Section 5.1 Absent With Relief

“Absent with Relief” (AWR) is the practice of individual Firefighters working another individual firefighter’s scheduled shift. The Fire Department through its Employee Involvement Process may establish standards of assessing equal qualifications, timelines and other rules for requesting AWR. However, the practice of using AWR cannot be eliminated.

The City is not responsible for AWR repayment or any disputes that arise between individual Firefighters. The Employee Organization also agrees not to adopt any policy that provides an employee with any undue compensation that may be considered a gift of City funds.

Utilization of AWR’s should in no way effect the members obligation for maintaining required certifications, attend necessary department training or affect the member’s ability to maintain a skill level competency needed for performance of their assigned duties.

ARTICLE 6 EXISTING BENEFITS

Section 6.1 Existing Benefits

Health Care Benefits are excluded by the Ordinance from negotiations. However, such benefits will be provided to Firefighters identical to Health Care Benefits provided to every other City employee. Other benefits not specifically articulated within this MOU are also provided identical to those provided to every other City employee, unless specified by law.

ARTICLE 7 FISCAL CRISIS

Section 7.1 Fiscal Crisis

- A. In the event that during the term of this Memorandum of Understanding the City of Avondale experiences loss of revenues or legal requirements that if not resolved during the budget year would result in a fiscal crisis, this Memorandum of Understanding may be reopened at the direction of City Council or City Manager. The City and City Manager retain all rights granted by the City Charter and City Code. Nothing in this section of the MOU constitutes a merit system regulation as discussed in the City Charter.
- B. If the City Manager or Council determines that a mid-year reduction in force or reduction in pay affecting Firefighters Employee Group is necessary due to a Fiscal Crisis then the City Manager will promptly give notice to the Employee Group(s). The City Manager shall give notice in a manner which, considering all of the circumstances then existing, gives the Employee Group(s) reasonable opportunity to provide comments to the City Manager before the City Manager makes a recommendation or gives advice to the Council regarding the proposed mid-year reduction in force or pay. A reduction in force will be implemented in reverse order of unit members' length of active career service in the Fire Department. Any unit member affected by layoff through no fault of his/her own will be eligible for re-employment and will be afforded the opportunity to return to work in order of length of active career service, before new represented employees are hired, as long as the returning unit member meets minimum job classification requirements at time of re-hire.

ARTICLE 8 BENEFITS

Section 8.1 - Sick Leave

Sick leave is an approved period of absence granted to an employee due to:

- 1. Illness, injury or other medical condition which renders the employee unable to perform the essential duties of the position;
- 2. Illness, injury, medical condition evaluation procedure or treatment by a licensed health care practitioner, of an employee's immediate family member. For the purpose of this section, immediate family member shall be defined as a husband, wife, domestic partner, son, daughter, mother, father, brother, sister, son-in-law, daughter-in-law, parent-in-law, brother-in-law, sister-in-law, grandparent or grandchild of an employee, step-child, a child whose adoption is in process or other legal dependents.

Unit members working a 56-hour work week will accrue sick leave at 5.18 hours per bi-weekly pay period. Sick leave hours shall accrue without a limit.

When unit member is promoted, demoted or transferred, he or she shall retain all accrued sick leave. Unit members will be compensated upon resignation 33.3% of accrued sick leave paid at the member's regular hourly rate of pay.

Section 8.2 – Sick Leave Conversion

Any unit member who has accumulated over 672 hours of sick leave can exchange three hours of sick leave for one hour of vacation leave to coincide with MOU Section 8.5 Vacation sell back policy dates.

Section 8.3 – Sick Leave Pay Out for Retirement

Unit members who voluntarily retire with 10 years of continuous service with the City will receive 100% of his or her accrued sick leave up to 250 hours at the member's regular hourly rate or 33.3% of the total balance of accrued sick leave, whichever is greater.

Unit members with 10 years of continuous service with the City who take a medical retirement due to duty-related injury will receive 100% of the member's accrued sick leave up to 500 hours at the member's regular hourly rate or 33.3% of the total balance of accrued sick leave, whichever is greater.

Unit members with 20 years of continuous service with the City will receive 100% of his or her accrued sick leave up to 500 hours at the member's current hourly rate, or 33.3% of the total balance of accrued sick leave, whichever is greater.

Section 8.4 - Vacation Accruals

Full-time sworn firefighters working a scheduled 56-hour work week will accrue vacation as follows:

0 to 1.99 years	9.92 hours per pay period
2 to 4.99 years	11.00 hours per pay period
5 to 9.99 years	12.28 hours per pay period
10 to 14.99 years	13.57 hours per pay period
15+ years	14.44 hours per pay period

Sworn firefighters working a set schedule 56-hour work week shall have a maximum accrual of vacation time of 392 hours. Vacation leave accumulated in excess of 392 hours as of the last day of the last pay period in the calendar year shall be forfeited, unless the City Manager authorizes an exception. Requests for an exception must be processed through Human Resources and include a plan to use the excess hours in the following calendar year.

Section 8.5 - Vacation Sell Back

Unit members are permitted to sell back vacation at the member's regular hourly rate of pay twice annually in May and November. Members desiring to sell back vacation must submit the appropriate form by the first administrative work day of April and or October. Vacation sell back checks will be issued in the last two consecutive pay periods of May and November. Eligible employees that wish to sell back vacation will submit a request to the department director on the "sell back form" located on the intranet. The department director will determine if their department is able to financially support the request. If the department's budget only can support

a limited number of employees to receive the sell back; the department director will use seniority to determine their approval or denial of the request for sell back of vacation and finally submitted to Human Resources/Payroll for final approval and payment.

A unit member must have a balance of 96 hours within their vacation bank to sell back. Vacation sell back is subject to the overall financial condition of the City as determined by the City Manager. The vacation accrual cap will be waived for one year for a unit member who was denied vacation sell back due to fiscal constraints of the City and denied the use of vacation leave due to staffing limitations.

Section 8.6 Vacation Leave Payout

Unit members who terminate their employment with the City will be entitled to compensation for their earned and unused vacation leave at their regular rate of pay.

Section 8.7 Deferred Compensation Plans

Deferred Contribution Plans

- A. The City of Avondale shall contribute an amount of \$20.00 per pay period to each employee's 457 Defined Contribution Pension Plan. In order to receive a \$20 per pay period contribution from the City of Avondale, the employee is required to make a minimum of \$20 per pay period contribution to the plan.
- B. At the employee's separation, exiting the Deferred Retirement Options Program, or not making the minimum \$20 contribution, the City of Avondale's contribution will cease.

Section 8.8 Post-Retirement Health Plan (PEHP)

- A. The City of Avondale ("City") agrees to facilitate eligible Bargaining Unit ("Unit") employees' participation in the Post-Retirement Health Plan (PEHP). **The plan shall be funded solely with mandatory eligible Unit employees' contributions.** The parties hereto designate Nationwide Retirement Solutions (NRS) to act as plan administrator for the plan. The eligible Unit employee shall not be entitled to receive such PEHP contribution in form of pay or any other benefit. The City shall remit the mandatory Unit employee contributions directly to the Unit employees' Nationwide Retirement Solutions (PEHP) Plan. The City is not responsible to address any questions, concerns or issues **post deposit** with the PEHP benefit plans and will refer any and all employee inquiries to NRS for review and resolution.
- B. For the term of this agreement, the City shall facilitate the mandatory eligible Unit employee contribution by transferring 1.5% of the eligible employee gross salary, per pay period to said (PEHP) Plan. Upon termination of employment, Unit employees will be entitled to direct the City to pay accrued sick leave and accrued vacation pay into their PEHP NRS Account. The maximum amount of accrued sick leave and vacation leave eligible for such directed payment into the PEHP is as follows:

- a. **Accrued Sick Leave for** Unit employees terminating employment pre-retirement: Payment into the PEHP will be a maximum of 33.3% of accrued sick leave at the employee's current hourly rate.
 - b. **Accrued Sick Leave for Unit employees retiring:** Payment into the PEHP will be made pursuant to Section 8.3 Sick Leave Pay Out for Retirement.
 - c. **Accrued Vacation Leave** payment into the PEHP for a Unit employee's accrued vacation leave will be as directed by each terminating Unit employee up to their maximum accrued vacation leave. The City of Avondale shall have no obligation to contribute any **employer funds** to the PEHP now or in the future.
- C. The City of Avondale shall have no obligation to review or approve investment options for the PEHP and individual Unit employees shall be responsible for educating themselves and selecting the appropriate investment options for their individual PEHP accounts.
- D. The City of Avondale shall have no obligation or related liability to review or approve the fees charged by NRS (or any other Nationwide Company) to individual employees. Members of the Unit shall review any fees charged by NRS (or any other Nationwide Company) to determine whether they are fair, reasonable and appropriate.
- E. The City of Avondale shall have no obligation or related liability in connection with the establishment and operation of the PEHP and related voluntary employees beneficiary association (VEBA). The Unit shall have sole and complete responsibility for determining the legality and continued proper operation of the PEHP and VEBA under any relevant state or federal law.
- F. Nothing in this contract shall be construed as obligating the City of Avondale to assume responsibility or pay for retiree health coverage for Unit or any other employees of the City. The City of Avondale expressly disclaims any such obligation.
- G. The City assumes no liability on account of any action taken in connection with this contract. The Unit agrees to indemnify, defend and hold harmless the City of Avondale, its agents, employees and officials in connection with the Unit's participation in the PEHP and related VEBA.

Section 8.9 Other Leaves

- A. **Bereavement Leave**
Bereavement leave is defined in the City's Personnel Policies. Unit members receive 56 hours of bereavement leave for immediate family members including domestic partners. Unit members receive 11 hours of bereavement leave for the unit member's uncle, aunt or cousin. Bereavement leave shall count as hours worked for the purposes of calculating overtime when needed to fulfill the employees set schedule.
- B. **Military Leave**
Unit members that are or may become members of the National Guard or the Military Reserves shall receive all the benefits provided for by USERRA and all other applicable federal and state laws. The unit member shall provide the orders or authorization from the U.S. Armed Forces, National Guard or Military Reserves to the Human Resources Department prior to departure for military leave. As to compensation, the unit member will receive paid military leave not to exceed 420 hours in any two consecutive years.

C. Civic Duty Leave

A unit member shall receive civic duty leave with pay while serving as a juror, complying with a subpoena, and voting. Except for voting pursuant to ARIZ. REV. STAT. § 16-401 (primary elections) or ARIZ. REV. STAT. § 16-402, (general elections) as amended, an employee granted civic duty leave shall report for work whenever the employee's presence is not required for the civic duty.

D. General Election Day

The bi-annual general election day (the first Tuesday following the first Monday in November of every even-numbered year) is not a legal holiday. However, every public officer or employee is entitled to have adequate time to vote as set forth in ARIZ. REV. STAT. § 16-402, as amended. Arrangements must be made with the supervisor prior to general Election Day and the supervisor may determine which hours are more suitable in accordance with the needs of the department.

E. Appearance as a Witness

A unit member who is subpoenaed as a witness by any court or administrative, executive, or judicial body in this state may be absent with paid civic duty leave unless the testimony or evidence to be given relates to the employee's own personal business.

F. Jury and Witness Fees

Unit members who are granted civic duty leave when called for jury duty or subpoenaed as a witness shall remit any payment received to the City Finance and Budget Department, except for mileage allowance or meals.

Section 8.10 Non-hazardous Duty for Pregnancy

- A. The City will offer non-hazardous duty for pregnancy from the time the pregnant unit member provides written notification from a health care provider of the pregnancy. The written notification will be provided to the Human Resources Department. At the pregnant unit member's request or at the direction of her attending health care provider, the affected pregnant unit member will be placed on non-hazardous duty. The pregnant unit member will be on non-hazardous duty from the time of her acceptance of such duty until maternity leave begins.
- B. Non-hazardous duty shall mean an assignment within the City in which the pregnant employee will not be exposed to blood borne or airborne pathogens, hazardous materials, products of combustion, or arduous physical labor. The Human Resources Department will work with the Fire Chief to provide non-hazardous duty within the Fire Department. If non-hazardous duty is not available within the Fire Department then the Human Resources Department will provide the pregnant unit member with a non-hazardous duty assignment within the City.
- C. The pregnant unit member shall be paid at their conversion pay rate for hours worked in a forty hour work week subject to the 56 to 40 conversion factor in Section 4.10 at the beginning of a pay period. When an employee is assigned non-hazardous duty time accrued and charged shall be subject the conversion factor between suppression (56 hour) and non-suppression (40 hour) personnel. Acceptance of non-hazardous duty shall not result in an adverse effect on time in service, or ability to promote. Prior to returning to work, a unit member must present a

statement to the Human Resources Department from her physician indicating that she is physically able to return to work without limitation. At the time that the unit member returns to work without limitation she will be paid at the 40 to 56 conversion factor starting at the beginning of a pay period.

D. Definition and Examples of Hazardous Duty:

- a. Hazardous duty is duty performed under circumstances in which an accident could result in serious injury or death. Duty involving a physical hardship is duty that may not in itself be hazardous, but causes extreme physical discomfort or distress and is not adequately alleviated by protective or mechanical devices.
- b. Examples of Hazardous Duty (this list is not all inclusive):
 - Exposures to poison, flammable material, explosive gases, chemicals, radioactive materials, smoke, (toxicity)
 - Biological Hazard (Air or Blood borne Pathogens)
 - Equipment, axes, chainsaws, ladders, etc. (machinery safety)
 - Exposure to treacherous environments that could cause falls, trips and slips
 - Traffic Hazards
 - Heat Related Illness, (from firefighter gear; can be excessively hot and heavy)
 - Falling objects (Walls and ceilings giving way)
 - Performing Continuous Cardio Pulmonary Resuscitation (CCPR)
 - Psychological Hazards (traumatic and stressful events)
 - Charged Hoses
 - Natural Hazards (swift water rescues, mountain rescues, wild land fires, etc.)
 - Physical Labor (pulling hoses, extricating victims, climbing, crawling, lifting heavy objects)

SECTION 8.11 HOLIDAY PAY

- A. If a unit member works on a city designated holiday (in accordance with AP-42 holiday schedule), the unit member shall receive 11.25 hours of holiday pay at his or her regular hourly rate. Holiday hours shall not be calculated as hours worked for the purposes of calculating overtime.
- B. If the city adds an additional holiday, the unit member shall receive the eight (8) hour holiday hours multiplied by 1.4 which equals 11.2 ($1.4 \times 8 = 11.2$) hours added to their vacation bank.

ARTICLE 9
MEDICAL AND PHYSICAL FITNESS EXAMINATIONS

Section 9.1 Fitness Examinations

- A. During the term of this Memorandum of Understanding the Fire Department will provide members a medical and physical fitness evaluation yearly. The medical and physical fitness evaluation will be of the same design and quality as the product which is in place through the Phoenix Fire Department's Health Center in June 2010 and in keeping with the intent of the National Fire Protection Association 1582. Disputes as to the equivalency will be determined by the Fire Chief.
- B. If during the mandatory annual physical exam and testing, a unit member is restricted from full duty for further evaluation, the unit member will be offered the option of working light duty or using sick leave until returned to full duty. The unit member must be cleared for the light duty assignment by the physician. The Chief shall consult with Human Resources to determine the applicability of the light duty assignment. If the assessment concludes that the unit member is not qualified to perform the essential functions of his/her job, the Chief shall consult with Human Resources to determine the applicability of the Family Medical Leave Act and/or American with Disabilities Act.

Section 9.2 Records Storage

The tiered health assessment results are for the unit members' benefit and cannot be used for any other purposes. The Employee Involvement Process may continue to discuss this tool. Details of the medical examination will be considered confidential and will not be released to the Fire Department without the express written approval of the patient. The Fire Department will not intimidate, threaten, or take any disciplinary action against a unit member who refuses to release his medical records. This prohibition does not apply to the Medical Physical Fitness Examination summary report or the information required by the Retirement Board.

ARTICLE 10
UNIFORMS, CLOTHING AND EQUIPMENT

Section 10.1 Uniform Allowance

The Fire Department has a budget line item that provides \$1,000.00 allowance per member per year for uniform, boots, and incidentals. Clothing damaged while on duty will be replaced on a one-for-one basis.

ARTICLE 11
LABOR MANAGEMENT COMMITTEE
Employee Involvement Process (EIP)

Section 11.1 Purpose and Governance of Committee

There shall be an internal Fire Department Labor Management Committee established with five elected executive board members from the IAFF, Local 3924 and five administrative members appointed by the Fire Chief. The purpose of the Committee is to facilitate positive labor-management relationships by providing a forum for the free discussion of mutual concerns and problems. The Fire Labor Management Committee is not an arm of the City Council, nor a public body or committee created by the City Council and shall not report to the City Council.

The Committee will operate from the governing documents and policies in effect as of January 1, 2011. The Committee shall meet at mutually scheduled times.

Executive board members will not be paid for off duty time spent performing labor/management activities, but will be detailed out for such activities.

Section 11.2 Retreat Funds

Funds for the annual EIP labor/management retreat (\$9,594) and the awards banquet (\$6,000) are in the Fire Department budget. Funds can only be re-allocated by mutual agreement of APFA Local's President and Fire Chief. No other City department will be allowed to use these funds. Expenditure of City funds for these functions shall not exceed \$9,594 for the annual labor management retreat and \$6,000 for the annual award banquet unless approved through the City's budget supplemental request process.

ARTICLE 12
HUMAN RESOURCES LIAISON

Section 12.1 Human Resources Liaison

The Human Resources Department will endeavor to train its employees on the unique schedules and compensation variables including the Fair Labor Standards Act as it relates to Firefighters and the Telestaff scheduling system.

As often as is practical or necessary, Human Resources will schedule meetings with the Fire Department Management, the City Manager's Office, and the Local President or his designee to discuss issues unique to the department including issues arising from this Memorandum of Understanding.

ARTICLE 13 CLARIFICATION

Section 13.1 Clarification

In the event a dispute over the interpretation of any segment of this MOU arises, as a prelude to filing a formal breach of the MOU, as outlined in Article 14, the Local President and the City Manager or designee will meet with the goal of developing a mutually agreeable clarification. Once agreed upon, the clarification will be signed by both parties and become an informational attachment to the MOU.

ARTICLE 14 PROCEDURE FOR ALLEGED BREACH OF MOU

Section 14.1 Procedure

- A. Before initiating the appeal process, a unit member will first discuss and try to resolve the potential appeal matter with the first level non-unit supervisor/manager. An appeal shall specify the article and section of the MOU that is alleged to be violated and the specific remedy that is requested.
- B. If the alleged breach is not resolved within ten (10) days, a written allegation of the alleged breach may be filed with the immediate supervisor, with a copy to the Director of Human Resources. The alleged breach must be submitted within seven (7) calendar days of the unit member learning of the breach and contain at a minimum the specific provisions of the MOU that are alleged to have been violated with facts constituting the alleged violation(s) and relief sought.
- C. If after ten (10) days from the date the alleged breach was filed with the immediate supervisor the alleged breach is not resolved, the alleged breach may be filed with the Fire Chief. The Fire Chief or his designee shall schedule a meeting in an attempt to resolve the alleged breach no later than ten (10) days following receipt of the written alleged breach. Each party may bring documents and/or witnesses (at the expense of the Party bringing the witness to the meeting) in order to present evidence on their behalf. Each party shall have the right to cross-examine the witness brought by the other party.
- D. The Fire Chief or his designee will have ten (10) days to render a decision. If the alleged breach is not resolved with the Fire Chief's decision, the alleged breach will be submitted to the City Manager or his designee.
- E. The City Manager and the President of the local union will jointly request fact-finding or mediation to resolve the alleged breach. The City Manager or designee shall submit a written response within ten (10) days following the receipt of the mediator's decision. The City Manager's decision shall be final. The parties can mutually waive all time frames listed above.

- F. The City and City Manager retain all rights granted by the City Charter and City Code. Nothing in this section of the MOU constitutes a merit system regulation as discussed in the City Charter.

ARTICLE 15 SAVINGS CLAUSE

Section 15.1 Savings

If any provision of this Agreement, or the application of such provision, should be rendered or declared invalid by any court action or by reason of any existing or subsequently enacted legislation, the remaining parts or portions of this Agreement shall remain in full force and effect.

ARTICLE 16 TERM AND EFFECT

Section 16.1 Term

This Memorandum shall become effective 12:01 a.m. July 1, 2018 and remain in full force and effect until midnight June 30, 2020, in accordance with the provisions of the City Code Chapter 2 Article II, unless an intervening financial crisis or other such matter (specifically provided for in this MOU) should occur.

Section 16.2 Conflict

In the event there is a conflict, priority shall be given in the following order: the Ordinance, the Memorandum, the Personnel Rules, and Fire Department Operating Procedures.

Section 16.3 Agreement and Reopener

This Memorandum constitutes the total and entire agreement between the parties and no verbal statement shall supersede any of its provisions. Only by mutual consent of both parties may this agreement be reopened, with the exception of conditions outlined in Article 7 Fiscal Crisis.

IN WITNESS WHEREOF, the parties have set their hand this ____ day of _____
2020.

CITY OF AVONDALE

AVONDALE PROFESSIONAL
FIREFIGHTERS ASSOCIATION,
IAFF LOCAL 3924

By:

By:

CHARLES MONTOYA, City Manager

BRYAN DEPAUW, President

ATTEST:

MARCELLA CARRILLO, City Clerk

ATTACHMENT A

Wage Tables

Fiscal Year 2020 – 2021
(07/01/2020 – 06/30/2021)

Step	Firefighter	Fire Engineer	Fire Captain
Year 1 - 2021			
1	\$16.69	\$23.99	\$28.35
2	\$17.35	\$24.95	\$29.48
3	\$18.05	\$25.95	\$30.66
4	\$18.77	\$26.99	\$31.89
5	\$19.52	\$28.07	\$33.16
6	\$20.31		
7	\$21.13		
8	\$21.97		
9	\$22.85		

ATTACHMENT B

Wage Tables

Fiscal Year 2021 – 2022
(07/01/2021 – 06/30/2022)

Step	Firefighter	Fire Engineer	Fire Captain
Year 2 - 2022			
1	\$17.35	\$24.95	\$29.48
2	\$18.05	\$25.95	\$30.66
3	\$18.77	\$26.99	\$31.89
4	\$19.52	\$28.07	\$33.16
5	\$20.31		
6	\$21.13		
7	\$21.97		
8	\$22.85		

CITY COUNCIL REPORT

SUBJECT: Resolution 1009-0220 - Adopting the State of Arizona Nomination Filing Dates, Ballot Preparation dates, and State Election Procedures Manual for the August 4, 2020 Municipal Election

MEETING DATE: 2/3/2020

TO: Mayor and Council

FROM: Marcella Carrillo, City Clerk, (623) 333-1214

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:

City Council will consider a request to adopt Resolution 1009-0220, adopting the State of Arizona nomination petition filing dates and ballot preparation date for the August 4, 2020 election, adopting the Arizona Secretary of State Election Procedures Manual, and declaring an emergency; and authorize the Mayor or City Manager and the City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

On March 3, 1997, the City of Avondale entered into an intergovernmental agreement with Maricopa County to provide for the county to manage the municipal election as part of the statewide primary election.

Pursuant to Article IX - Section 4 of the Avondale City Charter, nomination petition signatures are due not less than seventy-five (75) days and nor more than one hundred five (105) days before the primary election. Following such dates would place the City at risk of violating the Uniformed and Overseas Citizens Absentee Voting Acts which requires ballots to be mailed to uniformed and overseas citizens. For the city to meet the legal requirements of a consolidated election performed by Maricopa County, the state statute deadlines must be used. Pursuant to Arizona Revised Statutes Section 16-311, nomination petition signatures are due not less than one hundred twenty (120) days and no more than one hundred fifty (150) days before the primary election.

DISCUSSION:

Article IX, Section 2 of the Charter of the City of Avondale places the conduct of all City Elections in the control of the City Council. The Charter also states that provisions of State law governing elections, where not in conflict with the provisions of the Charter, shall govern City elections in matters for which no provision is made in the Charter or by ordinance.

The legislature of the State of Arizona amended Arizona Revised Statutes Section 16-311 governing the deadlines for the filing of nomination petitions in order to comply with the requirements of federal law regarding the distribution of ballots to members of the United States Armed Forces detailed to active duty in locations outside the United States and its political subdivisions which the county and city are mandated to comply. Following the deadlines contained in the Charter of the City of Avondale would place the city and county at risk of violating such requirements of federal law. For the city to meet the legal requirements of a consolidated election performed by Maricopa County, the state statute deadlines must be used. Maricopa

County is authorized to conduct the municipal election of the City of Avondale to be held on August 4, 2020 in accordance with the provisions of State of Arizona and United States Statutes as applicable, notwithstanding any provisions of the Charter of the City of Avondale.

The candidate filing deadlines in Section 16-311 (March 9 through April 6, 2020) and such other deadlines as Maricopa County determines to be necessary to comply with state and federal law shall apply to the municipal election to be held on August 4, 2020 and being conducted by Maricopa County, notwithstanding any other provisions of the City of Avondale codes or charter.

BUDGET IMPACT:

This item does not have a budget impact.

RECOMMENDATION:

Staff recommends approval of a Resolution adopting the State of Arizona nomination petition filing dates and ballot preparation date for the August 4, 2020 election, adopting the Arizona Secretary of State Election Procedures Manual.

RESOLUTION NO. 1009-0220

A RESOLUTION ADOPTING THE STATE OF ARIZONA NOMINATION PETITION FILING DATES AND BALLOT PREPARATION DATES FOR THE MUNICIPAL ELECTION TO BE HELD ON AUGUST 4, 2020 AND ADOPTING THE ARIZONA SECRETARY OF STATE ELECTION PROCEDURES MANUAL AS THE PROCEDURES FOR HOLDING THE MUNICIPAL ELECTION TO BE HELD ON AUGUST 4, 2020, AS TO ALL. PROCEDURES IN ORDER TO PROVIDE CONSISTENCY IN MANAGING THE ELECTION FOR MARICOPA COUNTY, NOTWITHSTANDING ANY PROVISIONS OF THE CHARTER OF THE CITY OF AVONDALE OR THE ORDINANCES RELATING TO SUCH - ELECTION HERETOFORE ADOPTED, OR THE PROVISIONS OF STATE LAW GOVERNING ELECTIONS; AND DECLARING AN EMERGENCY.

WHEREAS, ARTICLE IX, Section 2 of the Charter of the City of Avondale places control of the conduct of all City Elections in the City Council; and

WHEREAS, the said Charter provision provides that provisions of State law governing elections, where not in conflict with the provisions of the Charter, shall govern City elections in matters for which no provision is made in the Charter or by ordinance; and

WHEREAS, Arizona Revised Statutes Section 16-452 prescribes an Official Instructions and Procedures Manual of Electronic Voting Systems and Procedures, in electronic voting systems security and field check and review of electronic voting systems and which Maricopa County is mandated to use in performing consolidated elections for political subdivisions within Maricopa County, and

WHEREAS, the City of Avondale has entered into one or more intergovernmental agreements with Maricopa County to provide for the county to manage the municipal election as part of the statewide primary election, and

WHEREAS, the legislature of the State of Arizona has enacted Arizona Revised Statutes Section 16-204.01 preempting the authority of a charter city such as Avondale to establish its own election dates, and

WHEREAS, the legislature of the State of Arizona has amended Arizona Revised Statutes Section 16-311 governing the deadlines for the filing of nomination petitions in order to comply with the requirements of federal law regarding the distribution of ballots to members of the United States Armed Forces detailed to active duty in locations outside the United States and its political subdivisions which the county and city are mandated to comply. Further that the deadlines contained in the Charter of the City of Avondale would place the county at risk of violating such requirements of federal law; and

WHEREAS, for the city to meet the legal requirements of a consolidated election performed by the County, the state statute deadlines must be used.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. That Maricopa County is authorized to conduct the municipal election of the City of Avondale to be held on August 4, 2020 in accordance with the provisions of State of Arizona and United States Statutes as applicable, notwithstanding any provisions of the Charter of the City of Avondale.

SECTION 2. That Maricopa County is authorized to use the State of Arizona Electronic Voting System Instructions and Procedures Manual for the municipal election to be held on August 4, 2020, as to all procedures not specifically provided for in provisions of the Charter of the City of Avondale, the ordinances relating to such election heretofore adopted, or the provisions of State law governing elections.

SECTION 3. That the filing deadlines in Section 16-311 and such other deadlines as Maricopa County determines to be necessary to comply with state and federal law shall apply to the municipal election to be held on August 4, 2020 and being conducted by Maricopa County, notwithstanding any other provisions of the City of Avondale codes or charter.

SECTION 4. WHEREAS the immediate operation of the provisions of this resolution is necessary for the preservation of the public peace, health and safety, an EMERGENCY is hereby declared to exist, and this resolution having been passed by a $\frac{3}{4}$ vote of the entire county, it shall be in full force and effect from and after its passage by the Council as required by the City Charter and is hereby exempted from the referendum clause of said Charter.

PASSED AND ADOPTED by the Council of the City of Avondale this 3rd day of February 2020.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Michael S. Wawro, City Attorney

CERTIFICATION

I hereby certify that the foregoing Resolution No. 1009-0220 was duly passed and adopted by the Mayor and Council of the City of Avondale, Arizona at a regular meeting held on February 3, 2020, and the vote was ____ ayes and ____ nays and that ____ members of City Council were present thereat.

Marcella Carrillo, City Clerk

CITY COUNCIL REPORT

SUBJECT: Ordinance 2006-0220 - Sale of real property located at 705 N 114th Avenue

MEETING DATE: 2/3/2020

TO: Mayor and Council

FROM: Kenneth Chapa, Economic Development Director (623) 333-1411

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:

City Council will consider a request to adopt Ordinance 2006-0220 authorizing the sale of real property located at 705 N 114th Avenue for the purpose of locating a Dutch Bros Coffee establishment, and authorize the Mayor or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

Economic Development staff recruited (Dutch Bros.) identified as West Side DB, LLC to consider a new location in the recently branded BLVD district on City owned land to spur development within this area. West Side DB, LLC requested a double drive-thru to account for their high traffic volume and access off of 114th Avenue to provide proper circulation for a successful project. The City agreed and will be adding two additional curb cuts off 114th Avenue and reducing the existing curb cut into the property now to a right-out only, thus eliminating the potential future stacking along Dale Earnhardt Drive. This coordinated effort upfront will provide future success for not only West Side DB, LLC but adjacent future retail that develops surrounding it.

DISCUSSION:

Staff had the property appraised on August 26th, 2019 and that appraised value returned at \$13.00 per square foot. West Side DB, LLC determined that they would require approximately as determined by the site plan, resulting in an estimated purchase price of \$469,287. Additionally, as part of the sale agreement, West Side DB, LLC will have 150 days of a due diligence period to obtain permits to construct the drive-thru coffee shop with an outdoor patio. This will ensure that the project continues to move forward at this location for its intended purposes.

BUDGET IMPACT:

City will receive proceeds totaling \$469,287.

RECOMMENDATION:

Staff recommends that City Council adopt an ordinance authorizing the sale of real property located at 705 N 114th Avenue for \$469,287 for the purposes of developing a new drive-thru coffee shop.

ORNIDNACE NO. 2006-0220

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE,
ARIZONA, AUTHORIZING THE SALE OF REAL PROPERTY.

WHEREAS, Article I, Section 3 of the Avondale City Charter authorizes the City of Avondale (the “City”) to sell real property when public convenience requires it and in accordance with the provisions of State law; and

WHEREAS, the City Council desires to authorize the sale of certain unused real property generally located at 705 North 114th Avenue, Avondale, Arizona.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The sale of approximately 0.813 acres of unused real property, generally located at 705 North 114th Avenue, Avondale, Arizona, as more particularly described and depicted on Exhibit A attached hereto and incorporated herein by reference, is hereby authorized.

SECTION 3. If any provision of this Ordinance is for any reason held by any court of competent jurisdiction to be unenforceable, such provision or portion hereof shall be deemed separate, distinct and independent of all other provisions and such holding shall not affect the validity of the remaining portions of this Ordinance.

SECTION 4. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps and to execute all documents necessary to carry out the purpose and intent of this Ordinance.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona, February 3, 2020.

[SIGNATURES ON FOLLOWING PAGES]

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Michael Wawro, City Attorney

EXHIBIT A
TO
ORNIDNACE NO. 2006-0220

[Legal Description and Map]

See following pages.

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
A PART OF APN 102-57-240 AND 102-57-007R

A PARCEL OF LAND SITUATED IN THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, AND BEING A PORTION OF LOT 3, AVONDALE CITY CENTER PHASE I AS RECORDED IN BOOK 1027 OF MAPS ON PAGE 31, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA AND A PORTION OF THAT CERTAIN PARCEL DESCRIBED IN INSTRUMENT 2009-0997316, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY NORTHEAST CORNER OF SAID LOT 3;

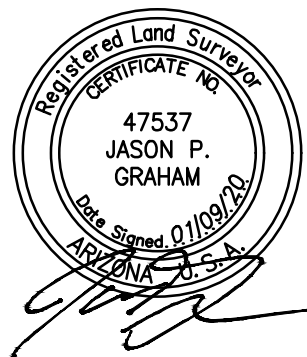
THENCE UPON AND WITH THE NORTHEASTERLY LINE OF SAID LOT 3, SOUTH 45 DEGREES 29 MINUTES 57 SECONDS EAST, A DISTANCE OF 49.11 FEET;

THENCE UPON AND WITH THE EAST LINE OF SAID LOT 3, SOUTH 00 DEGREES 03 MINUTES 11 SECONDS EAST, A DISTANCE OF 114.82 FEET;

THENCE DEPARTING SAID EAST LINE, SOUTH 89 DEGREES 03 MINUTES 18 SECONDS WEST, A DISTANCE OF 240.53 FEET;

THENCE NORTH 00 DEGREES 03 MINUTES 11 SECONDS WEST, A DISTANCE OF 149.82 FEET TO THE NORTH LINE OF THE AFORESAID LOT 3;

THENCE UPON AND WITH SAID NORTH LINE, NORTH 89 DEGREES 03 MINUTES 18 SECONDS EAST, A DISTANCE OF 205.53 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 35,419 SQUARE FEET OR 0.813 ACRES OF LAND, MORE OR LESS.



FILE:\PROJECTS\2018\1018119.03 Avondale Lot 3 ALTA-plat\CAD\EXHIBITS\Shop.dwg DATE: Jan, 09 2020 TIME: 10:45 am

AVONDALE BOULEVARD

N00°02'19"W 528.30'

DALE EARNHARDT
DRIVE

N00°03'11"W

149.82'

POINT OF
BEGINNING

N89°03'18"E 424.01'

N89°03'18"E

205.53'

S45°29'57"E
49.11'

114.82'

S00°03'11"E

S00°03'11"E 528.31'

114TH AVENUE

APN 102-57-007R
2009-0997316

240.53'

S89°03'18"W

APN 102-57-240
LOT 3
AVONDALE CITY CENTER PHASE I
BK 1027, PG 31, MCR

S89°03'25"W 424.15'
CITY CENTER DRIVE



NTS

PARCEL AREA:
35,419 SF OR
0.813 ACRES

THIS IS NOT A PROPERTY
BOUNDARY SURVEY.

**Dibble
Engineering**

Dibble Engineering
Proj No 1018119.03



EXHIBIT "B"
COFFEE SHOP PARCEL

A PART OF THE SW 1/4 SECTION 6, T1N,
R1E, GILA & SALT RIVER MERIDIAN,
MARICOPA COUNTY, ARIZONA

DATE: JAN 2020

DRN: CSD CHK: JPG

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**PURCHASE AND SALE AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
WEST SIDE DB, LLC
(PORTIONS OF APN102-57-240 & 102-57-007R)**

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is dated for reference purposes as of December 19, 2019, and is entered into by and between City of Avondale, an Arizona Municipal Corporation ("Seller") and West Side DB, LLC, an Arizona Limited Liability Company (the "Buyer").

In consideration of the covenants, terms, conditions and agreements hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Purchase and Sale of Property. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, on the terms and conditions contained herein, certain real property located in Maricopa County, Arizona, generally known as 705 North 114th Avenue, and legally described and depicted in Exhibit A, attached hereto and incorporated herein by reference, together with all Ancillary Property Rights as defined below, including the right to any easements or rights-of-way adjacent to the real property and abandoned after the Escrow Opening Date (collectively referred to as the "Property").

a. Ancillary Property Rights. The Property shall include all of Seller's right title and interest to (1) all buildings, structures and improvements located thereon' (2) all of the rights, privileges, easements, reversions, and remainders pertaining to or used in connection with the Property; (3) all air and mineral rights relating to the Property (4) All strips, streets, alleys, easements, rights of way, public ways or other rights appurtenant, adjacent or connected to the Property.

2. Purchase Price. The total price to be paid for the Property (the "Purchase Price") shall be Thirteen Dollars (\$13.00) per square foot of the land comprising the Property. It is estimated that there are approximately 36,099 square feet resulting in an estimated purchase price of (\$469,287.00), however, the final purchase price shall be calculated by multiplying the Thirteen Dollars (\$13.00) times the total number of square feet determined in the Survey (defined in Section 5, below). The Purchase Price shall be payable in cash or certified funds to be deposited with Escrow Agent on or before the Closing Date. Such Purchase Price shall be payable as follows: (a) an initial deposit of Twenty Thousand (\$20,000.00) (the "Deposit") to be deposited into Escrow (as defined below) within three (3) business days of the Escrow Opening Date (as defined below) and (b) the balance to be paid at Closing (as defined below). The Deposit shall remain fully refundable until the end of the Feasibility Date (as defined in Section 11). If Buyer delivers a Feasibility Termination Notice (as defined in Section 11), then the Deposit will be refunded to Buyer without further instruction from Seller. If Buyer fails to deliver a Feasibility Termination Notice or otherwise expressly waives the inspection

contingencies described in Section 11 below, then the Deposit shall be non-refundable except in the event of Seller's breach or as otherwise expressly provided in this Agreement.

3. Open and Close of Escrow.

a. Escrow Agent and Instructions. Promptly after execution of this Agreement by the parties, an escrow (the "Escrow") shall be opened with Security Title Agency, 4722 North 24th Street, Suite 200, Phoenix, AZ 85016, Tel. 602-230-6271, Fax 602-926-0452, E-mail: vsmith@securitytitle.com, Attn. Victoria M. Smith ("Escrow Agent") to facilitate the consummation of the sale of the Property pursuant to this Agreement. This Agreement constitutes escrow instructions to Escrow Agent; however, if required by Escrow Agent, Buyer and the Seller shall execute and deliver to the Escrow Agent printed form escrow instructions consistent with this Agreement. In the event of any conflict between the provisions of the printed form escrow instructions and this Agreement or any deed, instrument or document in connection with the transactions contemplated herein, the provisions of this Agreement or such deed, instrument or document shall control. No provision of the escrow instructions shall excuse any non-performance by either party. The assignment by Escrow Agent of an escrow number to this transaction and the opening of the Escrow by Escrow Agent shall constitute Escrow Agent's acceptance of the instructions to, and other obligations of, Escrow Agent as set forth in this Agreement and the Escrow Instructions.

b. Escrow Opening Date. Escrow Agent shall notify the parties in writing as to the date on which it received fully executed copies of this Agreement, which date is called the "Escrow Opening Date."

c. Deposit. In the event Buyer fails to deposit the Deposit with Escrow Agent in accordance with this Agreement, this Agreement shall automatically terminate, without the need for further notice or instruction.

d. Closing. The sale of the Property for the consideration set forth in this Agreement and consummation of the transactions contemplated by this Agreement (the "Closing" or "Close of Escrow") shall occur on or before 5:00 p.m., local time, Phoenix, Arizona, on or before the date that is sixty (60) days after the Feasibility Date (or if such day is not a business day then on the next succeeding business day) at the office of Escrow Agent or at such other time and location as the parties may agree, which date shall be referred to as the "Closing Date." The Closing Date shall be deemed on which Escrow Agent actually records the deed or other closing documents. Seller and Buyer hereby authorize Escrow Agent to execute, at Closing, an affidavit of real property value as required by Arizona law.

e. IRC Reports. Escrow Agent, as the party responsible for closing the transactions contemplated hereby within the meaning of Section 6045(e)(2)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), shall file all necessary information reports, returns and statements (collectively the "Reports") regarding the transactions as may be required by the Code, including, but not limited to, the reports required pursuant to Section 6045 of the Code. Escrow Agent further agrees to indemnify and hold Buyer, Seller and their respective attorneys harmless for, from and against any and all claims, costs, liabilities, penalties, or

expenses resulting from Escrow Agent's failure to file the Reports that Escrow Agent is hereby required to file.

f. Prorations and Escrow Fees. Escrow fees shall be paid by the half by the Seller and half by the Buyer. Seller shall pay all general or special assessments against the Property, if any. Real property and ad valorem taxes and other state or local taxes and charges affecting the Property shall be prorated as of the Closing Date on the basis of the current year's rate and valuation, provided, that if the rate of, or valuation for, any such taxes, charges or assessments has not been fixed before the Closing Date for the year in which the Closing occurs, then the adjustment thereof at the Closing shall be upon the basis of the rate for the preceding year applied to the latest assessed valuation, and there shall be no post-Closing adjustment when the actual figures therefor are available. Except as otherwise provided in this Agreement, all other closing costs shall be paid one-half by Seller and one-half by Buyer. Seller shall not, without the prior written consent of Buyer, consent to the imposition of any assessment against the Property if such assessment would be required to be paid, in whole or in part, by Buyer. Seller shall give Buyer timely written notice of any proposed governmental action, which is not an action of Buyer, of which the Seller becomes actually aware.

g. Buyer Acknowledgment. Buyer hereby acknowledges and agrees that the Deposit held by Escrow Agent does not and shall not constitute property of the estate of Buyer within the meaning of Section 541 of title 11 of the United States Code, or substantially similar provisions of state law (the "Bankruptcy Code"), and Buyer's interest in such Deposit is limited to the right to have the Deposit returned if and when the conditions for the return of the Deposit to Buyer are satisfied as set forth herein. Buyer hereby acknowledges and agrees that: (a) the proper giving of notice by Seller to release the Deposit as provided hereunder and/or (b) the proper release of the Deposit to Seller as provided hereunder shall not be a violation of any provision of the Bankruptcy Code, including, without limitation, Section 362 of the Bankruptcy Code, or require the approval of any court with jurisdiction over any case in which Buyer or any affiliate of Buyer is a debtor. Buyer hereby waives any provision of the Bankruptcy Code necessary to invoke the foregoing, including, without limitation, Sections 105 and 362, and waives any right to defend against any motion for relief from the automatic stay that may be filed by Seller.

5. Survey. Seller has, at its expense, shall cause to be completed a current ALTA survey of the Property prepared by registered land surveyor in the State of Arizona (the "Survey"). The Survey shall be (a) completed in accordance with the Arizona State Board of Technical Registration's Arizona Land Boundary Survey Minimum Standards, (b) certified to Seller, Buyer and Escrow Agent, and (c) delivered within ten (10) days of mutual execution and delivery of this Agreement (to the extent not delivered prior to such deadline).

6. No Financing Contingency. Buyer expressly agrees and acknowledges that Buyer's obligations to pay the Purchase Price and otherwise consummate the transactions contemplated hereby are not in any way conditioned upon Buyer's ability to obtain financing of any type or nature whatsoever, whether by way of debt financing or equity investment, or otherwise

7. Condition of Title.

a. Title Report. Promptly after the Escrow Opening Date, Escrow Agent shall deliver to Buyer and to Seller a preliminary title report or commitment (including matters revealed by an inspection of the Property) dated no earlier than the Escrow Opening Date leading to the issuance of an ALTA extended coverage owner's policy of title insurance in the amount of the Purchase Price insuring Buyer's interest in the Property, together with readable copies of all instruments of record referred to therein (the "Title Report"). Buyer shall have ten (10) business days after receipt of the initial Title Report within which to object in writing to Seller and Escrow Agent to any matters affecting title set forth therein. If Buyer objects to any matters affecting title shown on the Title Report, Seller may elect, in its sole discretion, to attempt to cure some or all of Buyer's objections. If Seller does not deliver written notice of its election to cure all of those matters objected to by Buyer within five (5) business days after notice of Buyer's objection then Buyer may, in its sole and absolute discretion, within five (5) business days after said time to deliver Seller's written election, elect to (1) waive the matters objected to and close Escrow subject thereto, or (2) cancel this Agreement by notice to Seller and Escrow Agent, whereupon the Escrow and this Agreement shall automatically terminate and the Deposit shall be returned to the Buyer. If Buyer elects to cancel this Agreement under this Section, neither party shall thereafter have any further obligations or liability to the other under this Agreement except as herein expressly provided for otherwise. If Buyer does not give notice of its election to terminate within said five (5) business days after expiration of the time for Seller to elect to cure, then Buyer will be deemed to have elected to waive the matters objected to and close Escrow subject thereto. Buyer's obligation to close the subject transaction shall be subject to Seller curing any matters which it agreed to cure. Seller covenants that between the Escrow Opening Date and the Closing Date it will not intentionally cause any material adverse matter to arise or be imposed upon the Property affecting title thereto as to which Seller does not cure or remove before Closing.

b. Amended Title Report. With respect to any amendments to the Title Report delivered to Buyer after the delivery of the initial Title Report disclosing new matters affecting title to the Property, Buyer shall have until five (5) business days after receipt (and the Closing Date shall automatically be extended for such five (5) business-day period, if appropriate) within which to object in writing to Seller and Escrow Agent to any such new matters affecting title set forth therein. If Buyer objects to any new matters affecting title shown on the amended Title Report, Seller may elect, in its sole discretion, to attempt to cure some or all of Buyer's objections. If Seller does not cure all of those matters objected to by Buyer within five (5) business days after notice of Buyer's objection (and, if necessary, the Closing Date shall be appropriately extended until the expiration of the five (5) business day period hereinabove provided and Buyer's five (5) business day election period below; then Buyer may, in its sole and absolute discretion within five (5) business days, elect to (1) waive the matters objected to and close Escrow subject thereto, or (2) cancel this Agreement by notice to Seller and Escrow Agent, whereupon the Escrow and this Agreement shall automatically terminate and the Deposit shall be returned to the Buyer. If Buyer elects to cancel this Agreement, neither party shall thereafter have any further obligations or liability to the other under this Agreement except as herein expressly provided for otherwise. If Buyer does not give notice of its election within five (5) business days after expiration of Seller's cure period, then Buyer will be deemed to have elected to waive the matters objected to and close Escrow subject thereto. Seller covenants that

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between the Escrow Opening Date and the Closing Date it will not intentionally cause any material adverse matter to arise or be imposed upon the Property affecting title thereto as to which Seller does not cure or remove before Closing.

8. Permitted Exceptions. The Property shall be sold, assigned and conveyed by Seller to Buyer, and Buyer shall accept and assume same, subject only to the following matters (collectively, the "Permitted Exceptions"):

a. All presently existing and future liens for unpaid real estate taxes and water and sewer charges not due and payable as of the Closing Date, subject to adjustment as hereinafter provided.

b. All present and future zoning, building, environmental and other laws, ordinances, codes, restrictions and regulations of all governmental authorities having jurisdiction with respect to the Property, including, without limitation, landmark designations and all zoning variances and special exceptions, if any (collectively, "Laws and Regulations").

c. All covenants, restrictions and rights [of record] and all easements and agreements [of record] for the erection and/or maintenance of water, gas, steam, electric, telephone, sewer or other utility pipelines, poles, wires, conduits or other like facilities, and appurtenances thereto, over, across and under the Property (collectively, "Rights"), provided as to any such exceptions that are not set forth in the Title Report, do not interfere with the present use of the Property, do not prohibit the maintenance and operation of the Property and do not impose any financial or other obligations on the Purchaser.

d. Any state of facts shown in the Survey (collectively, "Facts").

e. All violations of building, fire, sanitary, environmental, housing and similar Laws and Regulations whether or not noted or issued at the date hereof or at the Closing Date (collectively, "Violations").

f. Variations between tax lot lines and lines of record title.

g. The standard conditions and exceptions to title contained in an ALTA extended coverage title policy or "marked-up" title commitment issued to Purchaser by the Title Company.

h. Any liens, encumbrances or other title exceptions approved or waived by Purchaser as provided in this Agreement; provided, however, in no event shall the Permitted Exceptions include any monetary liens or encumbrances, deeds of trust or mortgages and the same shall be released on or prior to Closing as a condition of Buyer's obligation to close the subject transaction.

i. Any other matter which the Title Company may raise as an exception to title, provided the Title Company will insure against collection or enforcement of same out of the Property and/or that no prohibition of present use or maintenance of the Property will result therefrom, as may be applicable.

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j. Any lien or encumbrance arising out of the acts or omissions of Purchaser.

9. Title Insurance. Buyer's obligation to close Escrow is conditioned upon the commitment of Escrow Agent, or its affiliated title insurer, to issue to Buyer, at or promptly following the Closing, an ALTA extended coverage owner's policy of title insurance insuring title to the Property in Buyer in the amount of the Purchase Price, the policy to be subject only to the Permitted Exceptions. Seller shall pay the cost of a standard coverage policy. Buyer shall pay the premium for an ALTA extended coverage owner's policy and any endorsements requested by Buyer. Seller and Buyer agree to comply with all reasonable requirements imposed by the title insurer as a condition to issuance of the policy (excluding matters affecting title which, by notice given to Escrow Agent and the other party within ten days after delivery of the Title Report, either Buyer or Seller reasonably determines should more properly be shown in the exceptions to title portion of the Title Report).

10. Conveyancing and Closing Documents.

a. By Seller. On the Closing Date, Seller shall deliver to Buyer:

(1) A special warranty deed, in the form attached hereto as Exhibit B, conveying to Buyer title to the Property.

(2) An affidavit affirming under penalty of perjury that the Seller is not a "foreign person" as such term is defined in Section 1445(f)(3) of the Code. In the event Seller does not furnish such affidavit, Buyer may withhold (or direct Escrow Agent to withhold) from the funds due to Seller at the Closing, an amount equal to the amount required to be so withheld pursuant to Section 1445(a) of the Code, and such withheld funds shall be deposited with the Internal Revenue Service as required by Section 1445(a) and the regulations promulgated thereunder. The amount withheld, if any, shall nevertheless be deemed to be part of the Purchase Price paid to Seller.

b. By Escrow Agent. On the Closing Date, Escrow Agent shall:

(1) Record or file, as appropriate, the closing instruments hereunder in the following order: (A) the Special Warranty Deed, (B) any additional closing instruments.

(2) Deliver the title insurance policy, as set forth in Section 7 of this Agreement, to the Buyer, which requirement shall be satisfied by providing an irrevocable title commitment to issue a title insurance policy on terms acceptable to Buyer. The original title policy will be delivered by Escrow Agent to Buyer promptly after the Closing, but in no event later than 30 days after the Closing.

(3) Provide each party with a complete set of closing documents as they become available to Escrow Agent.

c. Seller authorizes Escrow Agent to prepare an Affidavit of Value as required by Arizona Law and to record such affidavit upon completion of closing.

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11. General Tests; Feasibility Period; Entitlements Period.

a. Feasibility Period. Buyer, its agents and designees, shall have the right to enter upon the Property at all times prior to the Closing Date for the purposes of inspecting the Property and making and obtaining drainage, environmental, soil and engineering tests, and performing other tests, studies or inspections desired by Buyer (the "Inspections"). Notwithstanding the foregoing, prior to conducting any invasive testing on the Property, Buyer will obtain the prior written consent of the Seller; provided however, that such consent of the Seller shall not be unreasonably withheld, conditioned or denied. When conducting Inspections, Buyer will use reasonable efforts to avoid interfering with the use of the Property by Seller. Buyer agrees to indemnify, defend and hold harmless Seller for, from and against all claims, liabilities and damages, including attorneys' fees, for personal injury, physical damage to property or mechanics' or materialmen's liens which may be asserted against Seller as a result of Buyer's entry onto the Property and inspection or testing thereof (such obligations will survive any Closing or termination of this Agreement). Buyer shall, after its entry and testing, restore the Property to substantially the same condition that existed prior to such entry and testing. If any Inspections disclose matters unsatisfactory to Buyer, in its sole and absolute discretion, or if Buyer for any reason determines that the subject transaction is not feasible or acceptable to Buyer in its sole and absolute discretion, then Buyer may cancel this Agreement, by written notice to Seller and Escrow Agent (the "Feasibility Termination Notice") delivered on or before 11:59 pm MST on the date that is One Hundred Twenty (120) days after the Escrow Opening Date or if such date is not a business day then on the next succeeding business date (the "Feasibility Date") and the Deposit shall thereafter be returned to the Buyer without further instruction from Seller. If Buyer does not timely deliver the Feasibility Termination Notice, then Buyer shall be deemed to waive all inspection contingencies as described in this Section 11 and the Deposit shall become non-refundable to Buyer except as set forth in subsection (b) below and otherwise in the event of a Seller default or as otherwise set forth herein.

b. Entitlements Period. Buyer shall until 11:59 pm MST on the date is One Hundred Fifty (150) days following the Feasibility Date, or if such date is not a business day then on the next succeeding business day (the "Entitlements Date") to diligently seek to obtain, on behalf of itself or an affiliated entity, all necessary governmental approvals and permits to construct and operate a drive-through Dutch Bros Coffee restaurant with outdoor patio (the "Entitlements"). Should, despite diligent and good faith efforts on the part of Buyer to obtain the Entitlements, the Entitlements have not been obtained by said Entitlements Date, then Buyer may, upon written notice to Seller and Escrow Agent, extend the Entitlements Date for two (2) successive periods of forty-five (45) days each. Each extension notice must be delivered on or before the then currently scheduled Entitlements Date. If the Entitlements are not obtained on or before the Entitlements Date, then Buyer may either (a) waive the Entitlements and proceed to Closing under all other terms and conditions herein, or (b) cancel this Agreement, by written notice to Seller and Escrow Agent (the "Entitlements Termination Notice") delivered on or before 11:59 pm MST on the Entitlements Date (as the same may have been extended pursuant to the provisions above) and the Deposit shall thereafter be returned to the Buyer without further instruction from Seller.

12. No Alterations to Property. Except for its normal business operations and as set forth in Section 11 above, Seller shall make no modifications or alterations to the Property between the Escrow Opening Date and the Closing Date, without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed. In the event that there has been any alteration of the Property by on or behalf of Buyer, Buyer shall return the Property to substantially the same condition it existed upon the Escrow Opening Date. As of the Closing Date, there will be no outstanding contracts made by Seller for any improvements to the Property which have not been fully paid, and Seller shall cause to be discharged or bonded in accordance with law any mechanics' or materialmen's liens arising from any labor or material furnished prior to the Closing Date.

13. Representations of Seller. Seller represents and warrants to, and covenants with Buyer that:

a. Authority to Sell. Seller has full authority to sell the Property pursuant to the terms of this Agreement. The Property is not subject to any unrecorded mortgages, liens, financing statements or encumbrances

b. Claims. There are no pending or threatened claims or litigation affecting the Property. If Seller becomes aware of any of the foregoing after the Escrow Opening Date (whether arising before or after the Escrow Opening Date), but prior to the Closing Date, Seller shall give prompt written notice thereof to Buyer prior to the Closing Date.

c. Violations of Law; Defaults. To Seller's actual knowledge, there is no violation of any laws, ordinances, rules or regulations with respect to the Property, no default exists under any covenant, condition, restriction or easement applicable to the Property and Seller has not received written notice from any governmental or other agency of any uncured violation of any laws or ordinances with respect to the Property. If Seller becomes aware of any of the foregoing after the Escrow Opening Date (whether arising before or after the Escrow Opening Date), but prior to the Closing Date, Seller shall give prompt notice thereof to Buyer prior to the Closing Date.

d. Seller's Authority to Execute. Seller is duly authorized to execute this Agreement.

e. No Special Assessment. Except as set forth in the Title Report, Seller has received no written notice that there are any special assessment actions being contemplated by any governmental authority.

f. Hazardous Substance. To Seller's actual knowledge and except as set forth in that certain Phase I Environmental Site Assessment dated December 11, 2018, prepared for Buyer by Western Technologies Inc, WT Reference No. 2188JS402 (the "Environmental Report"), which covers a portion of the Property (i.e., that portion currently part of APN 102-57-240 but not that portion currently part of APN 102-57-007R), no portion of the Property is being used or has been used at any previous time for the treatment, storage, disposal, or processing of hazardous wastes, hazardous substances, toxic substances or hazardous materials, infectious or medical waste, radioactive waste or sewer sludges (collectively the "Hazardous Substances"), as

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such terms are defined in the Resource Conservation and Recovery Act, as amended in quantities that exceed any state or federal remediation levels; the Comprehensive Environmental Response, Compensation and Liability Act, as amended; the Toxic Substances Control Act, as amended; the Clean Air Act, as amended; the Clean Water Act, as amended; the Safe Drinking Water Act, as amended; and similar state, county and local laws, ordinances and regulations, except for pesticides and other chemicals that may have been used in the ordinary course of farming operations. Seller has not received written notice of any ongoing requirements or orders of any department of environmental resources or similar government agency for environmental cleanup with respect to the Property.

g. Underground Storage Tanks. To Seller's actual knowledge and except as set forth in the Environmental Report, the Property does not contain and has never contained any underground storage tanks containing petroleum products or wastes or other hazardous substances regulated by 40 C.F.R. § 280 and/or other applicable, federal, state or local laws, rules and regulations and requirements.

h. No Prior Soil Remediation. To Seller's actual knowledge, and except as set forth in the Environmental Report, the Property has never been subject to soil remediation.

i. Bankruptcy. There are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debt or relief laws which have been filed by Seller, or contemplated by Seller, or are pending in current judicial or administrative proceedings against Seller.

j. Other Contracts, Options or Other Obligations. Other than this Agreement, Seller has not entered, and nor shall any of the Seller enter, into any contracts, options, or other obligations or rights for the purchase and sale of the Property, nor have any of the Seller entered into any leases, rights of occupancy or first refusals or options to purchase the Property. Notwithstanding anything to the contrary, if there are any other leases, contracts or obligations for the purchase and sale of the Property or rights of occupancy for the Property, Seller shall terminate all leases, contracts or obligations prior to the Close of Escrow. Except to the extent Seller gives Buyer notice as herein below provided, Seller represents and warrants to, and covenants with, Buyer that the foregoing representations and warranties will be true and correct as of the Closing Date. The foregoing representations and warranties shall survive the Closing for a period of one year. Seller agrees to take no voluntary and intentional actions or omissions to act that would cause any of its representations, warranties or covenants in this Agreement to become untrue. If, after the Escrow Opening Date, Seller obtains actual knowledge that any of its representations, warranties or covenants are, or have become, untrue in any material adverse respect (whether occurring before or after the Escrow Opening Date), with or without the voluntary and intentional act or omission to act of Seller, then Seller shall immediately give written notice of such fact to Buyer. Within ten days after receipt of any such notice from Seller or discovery of such changes by Buyer (and, if necessary, the Closing shall be appropriately extended until the expiration of the ten day period at Buyer's election), Buyer may, as Buyer's sole and exclusive remedy, in its sole and absolute discretion and without obligation to do so, cancel this Agreement, in which event this Agreement and the Escrow shall automatically terminate, the Deposit shall be returned to Buyer, and neither party shall thereafter

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have any further obligations or liability under this Agreement except as herein expressly provided for otherwise. "To Seller's actual knowledge" and similar phrases used in this Section 13 mean to the actual conscious knowledge of the Economic Development Department of the City of Avondale without any duty of investigation and without any imputed or constructive knowledge. If Seller gives notice of any changes or Buyer discovers any changes and Buyer does not elect to cancel this Agreement, Seller's representations, warranties and covenants shall be deemed amended to reflect the changes.

l. 114th Avenue Improvements. Seller shall complete at its expense all of the offsite improvements for 114th Avenue consisting of concrete sidewalk, vertical curb, driveway entrances and asphalt pavement as specifically shown on the approved site plan. Once such improvements are completed, Seller shall accept such improvements for maintenance into the city system. Seller shall complete such improvements on or before Buyer or its tenant or occupant of the Property applies for an initial certificate of occupancy to open up the retail business on the Property that is the subject of the acquisition.

m. Municipal Organization. Seller is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of Arizona and has full power and authority to enter into and perform this Agreement in accordance with its terms. All proceedings of Buyer to consummate the transaction contemplated by this Agreement and all documents and instruments required to be executed and delivered hereunder by Buyer have been duly and validly authorized, and upon execution and delivery by Buyer will constitute the valid and binding obligations of Buyer in accordance with their terms.

n. Foreign Persons. Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code 1986, as amended, or any regulations promulgated thereunder (collectively, the "Code"); and Seller is not, and will not become, a person or entity with whom United States persons or entities are restricted or prohibited from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's specially designated and blocked persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

14. Conditions to Buyer's Obligation to Close. The Buyer's obligation to purchase the Property from Seller is conditioned upon and subject to (unless waived in writing by Buyer in Buyer's sole and absolute discretion):

- a. Escrow Agent (or its title insurance underwriter, if appropriate) committing to issue to Buyer at or promptly after the Closing the extended coverage title insurance policy required under Section 9 above.
- b. The performance and compliance by Seller of all agreements and conditions required or contemplated by this Agreement to be performed or complied with by it prior to or at the Closing, including the curing and/or removal of any title objections which Seller agreed to cure in writing in accordance with Section 9 above.

15. Representations of Buyer. Buyer represents and warrants to, and covenants with Seller that:

a. Buyer has full power and authority to enter into and perform this Agreement in accordance with its terms. Buyer is a Limited Liability Company validly formed and in good standing under the laws of the State of Arizona. Buyer is duly qualified to do business and is in good standing in the State of Arizona. All requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with this Agreement or shall have been taken on or prior to the Closing Date. Buyer's execution, delivery and performance of this Agreement have been duly authorized and all required consents or approvals have been obtained. The individuals executing this Agreement on behalf of Buyer have the power and authority to bind Buyer to the terms and conditions of this Agreement;

b. This Agreement is a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally;

c. Buyer has not violated any contract, agreement or other instrument to which Buyer is a party, nor any judicial order, judgment or decree to which Buyer is bound by: (i) entering into this Agreement; (ii) executing any of the documents Buyer is obligated to execute and deliver on the Closing Date or (iii) performing any of its duties or obligations under this Agreement or otherwise necessary to consummate the transactions contemplated by this Agreement;

d. There are no actions, lawsuits, litigation or proceedings pending or threatened in any court or before any governmental or regulatory agency that affect Buyer's power or authority to enter into or perform this Agreement;

e. Buyer shall defend and indemnify Seller against, and hold Seller harmless from, all claims, demands, liabilities, losses, damages, costs and expenses, including reasonable attorneys' fees, asserted by third parties for any breach, default or violation of any Lease, or covenant thereof, arising and occurring after the Closing Date.

Buyer is not, and will not become, a person or entity with whom United States persons or entities are restricted or prohibited from doing business under regulations OFAC (including those named on OFAC's specially designated and blocked persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities; and there are no judgments, orders, or decrees of any kind against Buyer unpaid or unsatisfied of record, nor any actions, suits or other legal or administrative proceedings pending or, to the best of Buyer's actual knowledge, threatened against Buyer, which would have any material adverse effect on the business or assets or the condition, financial or otherwise, of Buyer or the ability of Buyer to consummate the transactions contemplated by this Agreement. Except to the extent Buyer gives Seller notice as herein below provided, Buyer represents and warrants to, and covenants with, Seller that the foregoing representations and warranties will be true and correct as of the Closing Date. The foregoing

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representations and warranties shall survive the Closing for a period of one year. Buyer agrees to take no voluntary and intentional actions or omissions to act that would cause any of its representations, warranties or covenants in this Agreement to become untrue. If, after the Escrow Opening Date, Buyer obtains actual knowledge that any of its representations, warranties or covenants are, or have become, untrue in any material adverse respect (whether occurring before or after the Escrow Opening Date), with or without the voluntary and intentional act or omission to act of Buyer, then Buyer shall immediately give written notice of such fact to Seller. Within ten days after receipt of any such notice from Buyer or discovery of such changes by Seller (and, if necessary, the Closing shall be appropriately extended until the expiration of the ten day period at Seller's election), Seller may, as Seller's sole and exclusive remedy, in its sole and absolute discretion and without obligation to do so, cancel this Agreement, in which event this Agreement and the Escrow shall automatically terminate, and the Deposit shall be refunded to Buyer, and neither party shall thereafter have any further obligations or liability under this Agreement except as herein expressly provided for otherwise. If Buyer gives notice of any changes or Seller discovers any changes and Seller does not elect to cancel this Agreement, Buyer's representations, warranties and covenants shall be deemed amended to reflect the changes.

16. As-Is Sale. BUYER REPRESENTS AND WARRANTS THAT IT HAS THE EXPERIENCE AND ABILITY TO INVESTIGATE THE PROPERTY AND TO DETERMINE WHETHER THE PROPERTY IS SUITABLE FOR BUYER WITHOUT NEEDING TO RELY ON ANY REPRESENTATIONS FROM SELLER NOT EXPRESSLY STATED IN THIS AGREEMENT (THE TERM "THIS AGREEMENT" AS USED IN THIS SECTION SHALL INCLUDE THE CLOSING DOCUMENTS EXECUTED BY SELLER PURSUANT TO THIS AGREEMENT). EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES IN THIS AGREEMENT, BUYER AGREES THAT SELLER HAS NOT MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE PROPERTY, ITS PHYSICAL CONDITION OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY, AND THE PROPERTY IS BEING CONVEYED AND TRANSFERRED TO BUYER "AS IS, WHERE IS AND WITH ALL FAULTS." SELLER DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS MAY BE EXPRESSLY OTHERWISE PROVIDED IN THIS AGREEMENT, BY CLOSING HEREUNDER, BUYER ASSUMES AND RELEASES SELLER AND ITS AFFILIATES HARMLESS FROM ANY LIABILITY, COST, EXPENSE, CLAIM, OBLIGATION OR JUDGMENT WHETHER KNOWN OR UNKNOWN AND WHETHER EXISTING NOW OR ARISING IN THE FUTURE, RELATED TO, ARISING FROM OR REGARDING THE CONDITION OF THE PROPERTY AND ANY WORK OR IMPROVEMENT RELATED THERETO AND FROM ALL OBLIGATIONS UNDER CERCLA OR ANY OTHER STATE, FEDERAL OR LOCAL ENVIRONMENTAL OR OTHER LAW CONCERNING THE PROPERTY AND, EXCEPT AS MAY BE EXPRESSLY OTHERWISE PROVIDED HEREIN, WAIVES ANY RIGHT TO HOLD SELLER AND ITS AFFILIATES RESPONSIBLE FOR ANYTHING WHICH OCCURRED PRIOR TO CLOSING WITH REGARD TO THE CONDITION OF THE PROPERTY. THE PROVISIONS OF THIS SECTION 14 WILL SURVIVE THE CLOSING.

17. Seller's Remedies. Except as otherwise expressly provided in this Agreement, if Buyer breaches this Agreement, after the applicable notice and Cure Period, Seller's sole and exclusive right and remedy shall be to terminate this Agreement and retain the Deposit as liquidated damages for Buyer's failure. The parties acknowledge that it would be impractical to fix the actual damages suffered by Seller as a result of such default, and the amount of liquidated damages represents a fair and reasonable compensation to Seller for such failure. Seller waives all other remedies. Neither party shall thereafter have any further obligations or liability to the other except as herein expressly provided for otherwise.

18. Buyer's Remedies. If the Escrow hereunder fails to close because of a breach by the Seller, after the applicable notice and Cure Period, Buyer's sole and exclusive right and remedy shall be to elect to either (a) terminate this Agreement by written notice to Seller and Escrow Agent and receive a refund of the Deposit, or (b) sue Seller for specific performance if Buyer fully and timely performs and brings such action within one (1) year after the Closing Date. If Buyer elects to terminate this Agreement pursuant to clause (a) of the previous sentence, upon receipt of written notice to Escrow Agent and Seller, Escrow Agent shall return the Deposit to Buyer.

19. Breach; Cure. Failure or unreasonable delay by the Seller or Buyer to perform or otherwise act in accordance with any term or provision hereof shall constitute a breach of this Agreement and, if the breach is not cured within 5 days after written notice thereof from the other party, shall constitute a default under this Agreement; provided, however, that if the failure is such that more than 5 days would reasonably be required to perform such action or comply with any term or provision hereof, then the party shall have such additional time as may be necessary to perform or comply so long as the party commences performance or compliance within said 5-day period and diligently proceeds to complete such performance or fulfill such obligation (the "Cure Period"); provided further, however, that no such cure period shall extend beyond the Closing Date, unless otherwise agreed to, in writing, by the parties. Any notice of a breach shall specify the nature of the alleged breach and the manner in which said breach may be satisfactorily cured, if possible. In the event a breach is not cured within the Cure Period, the non-defaulting party shall have the rights and remedies set forth in Sections 17 and 18, respectively.

20. Eminent Domain. In the event that, prior to the Closing Date, any of the Property is taken by the power of condemnation or eminent domain, or in the event notice is given by any governmental authority (other than the City) of, or an action is commenced with respect to, the taking of any part of the Property by the power of condemnation or eminent domain, Seller shall give immediate written notice thereof to Buyer. Buyer may, in its sole discretion and within five (5) business days after receipt of such notice from Seller or prior to the Closing Date, whichever period is shorter, elect to terminate this Agreement by written notice of such election to Seller and Escrow Agent and be refunded the Deposit. In the event Buyer elects to cancel this Agreement, neither party shall thereafter have any further obligation or liability to the other except as herein expressly provided for otherwise. If Buyer does not elect to so cancel this Agreement, all condemnation awards relating to the Property and rights thereto are hereby assigned to Buyer and shall be paid to Buyer and the Purchase Price shall not be reduced.

21. Risk of Loss. Prior to the Closing Date, the risk of loss resulting from any cause, including, without limitation, fire or other casualty, to the improvements or any property, real or personal, subject to this Agreement shall be that of Seller. If, at any time prior to the Closing, the improvements on the Property, if any, are destroyed or materially damaged, Buyer will close Escrow notwithstanding such damage, in which event all insurance proceeds from Seller's insurance are hereby assigned to Buyer and shall be paid to Buyer within ten days of a demand therefore.

22. Brokerage.

a. Buyer represents and warrants to Seller that it has not dealt or negotiated with, or engaged on its own behalf or for its benefit, any broker, finder, consultant, advisor, or professional in the capacity of a broker or finder (each a "Broker") in connection with this Agreement or the transactions contemplated hereby other than GPS Retail, LLC (the "Buyer's Broker"). Buyer hereby agrees to indemnify, defend and hold Seller and its disclosed and undisclosed direct and indirect shareholders, officers, directors, partners, principals, members, employees, agents, contractors and any successors or assigns of the foregoing, harmless from and against any and all claims, demands, causes of action, losses, costs and expenses (including reasonable attorneys' fees, court costs and disbursements) arising from any claim for commission, fees or other compensation or reimbursement for expenses made by any Broker (other than Buyer's Broker) engaged by or claiming to have dealt with Buyer in connection with this Agreement or the transactions contemplated hereby. The parties agree that Buyer's Broker shall be paid by Seller, a sales commission of five percent (5%) of the Purchase Price and authorize Escrow Agent to hold such amount from Seller's proceeds and pay said commission to Buyer's Broker at and through the Closing.

b. Seller represents and warrants to Buyer that it has not dealt or negotiated with, or engaged on its own behalf or for its benefit, any Broker in connection with this Agreement or the transactions contemplated hereby. Seller hereby agrees to indemnify, defend and hold Purchaser and its disclosed and undisclosed direct and indirect shareholders, officers, directors, partners, principals, members, employees, agents, contractors and any successors or assigns of the foregoing, harmless from and against any and all claims, demands, causes of action, losses, costs and expenses (including reasonable attorneys' fees, court costs and disbursements) arising from any claim for commission, fees or other compensation or reimbursement for expenses made by any Broker engaged by or claiming to have dealt with Seller in connection with this Agreement or the transactions contemplated hereby.

23. Insurance. The Buyer shall provide such evidence of insurance which Seller may reasonably require regarding Buyer's activities upon the Property.

24. General Provisions.

a. Further Instruments. Each party, promptly upon the request of the other, shall execute, acknowledge and deliver to the other any and all further instruments as may be necessary or proper to carry out the purpose and intent of this Agreement.

b. Assignment. Either party may assign or transfer its rights, duties and obligations under this Agreement only with the prior written consent of the other party, which consent may be withheld for any reason or for no reason. Any such transfer or assignment shall be subject to the terms of this Agreement. Notwithstanding the foregoing or anything to the contrary herein, Buyer may assign this Agreement to any entity under common control or ownership without the consent of Seller. In the event of any such assignment to an affiliated entity, Buyer shall deliver written notice to Seller and Escrow Agent no later than ten (10) days prior to the Closing Date of such assignment accompanied by an executed assignment and assumption agreement.

c. Successors and Assigns. Except as otherwise provided herein and subject to Section 24(b) above, this Agreement and all the terms and provisions hereof shall be binding upon and inure to the benefit of the parties and their heirs, successors and assigns.

d. Entire Agreement. This Agreement contains the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes any prior written or oral understandings or agreements between the parties.

e. Modification of Agreement. No modification of this Agreement shall be effective unless in writing and signed by the parties hereto.

f. Waiver. The waiver of a breach of any term or condition of this Agreement may be made only in writing and shall not be deemed to constitute a waiver of subsequent breach of such term or condition, or a waiver of a breach or subsequent breach of any other term or condition.

g. Survival. Subject to the one-year limitation on survival contained in Sections 13 and 15, all agreements, representations and warranties made in this Agreement shall survive the termination of this Agreement.

h. Counterparts; Scanned and Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which shall constitute one and the same agreement. This Agreement may be signed by facsimile, electronic mail or DocuSign and a faxed, scanned or digital signature of a party hereto shall have the same force and effect as an original "wet" signature of such party.

i. Terms. Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person may in the context require.

j. Descriptive Headings. The descriptive headings throughout this Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

k. Third Party Beneficiary. None of the terms or provisions of this Agreement shall be deemed or construed to create any third-party beneficiary rights to any person who is not a party hereto unless expressly otherwise provided.

l. Notice. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (1) delivered to the party at the address set forth below, (2) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, (3) given to a recognized and reputable overnight delivery service, to the address set forth below or (4) delivered by facsimile or electronic mail (e-mail) transmission to the respective addresses or numbers set forth below:

If to Seller: City of Avondale
11465 West Civic Center Drive
Avondale, Arizona 85323
Facsimile: (623) 333-0100
Attn: Charles A. Montoya, City Manager
E-mail: cmontoya@avondaleaz.gov

and a copy to: City of Avondale
Office of the City Attorney
11465 West Civic Center Drive
Avondale, Arizona 85323
Attn: Michael Wawro
E-mail: mwawro@avondaleaz.gov

If to the Buyer: West Side DB, LLC
8716 W. Ludlow Drive, #10
Peoria, Arizona 85381
Attn: Caleb Berkey
E-mail: calebberkey@gmail.com

With copy to: Jamie Eisenfeld, Esq.
c/o Buchalter PC
16435 N. Scottsdale Road, #440
Scottsdale, Arizona 85254
Tel. 602-686-8700
E-mail: jeisenfeld@buchalter.com

If to Escrow Agent: Security Title Agency
4724 North 24th Street, Suite 200
Phoenix, AZ 85016
Attn. Victoria M. Smith
E-mail: vsmith@securitytitle.com

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (1) when delivered to the party, (2) three business days after being placed in the U.S.

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Mail, registered or certified, properly addressed, with sufficient postage, (3) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (4) on the date delivered by facsimile or e-mail transmission. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

m. Governing Law and Venue. This Agreement and the rights of the parties hereto shall be governed by and construed in accordance with the laws of the State of Arizona. Any action at law or judicial proceeding instituted by any party relating to this Agreement shall be instituted only in the state or federal courts located in Maricopa County, Arizona.

n. Attorneys' Fees. In the event of any controversy, claim or dispute between the parties arising out of or relating to this Agreement or the breach thereof, the prevailing party shall be entitled, in addition to such other relief as may be granted, to recover its costs and expenses, including without limitation, reasonable attorneys' fees, expert witness fees and investigators' fees, which shall be determined by the court if the matter is litigated or otherwise in a separate action brought for that purpose.

o. Time of the Essence. All dates and times for performance set forth in this Agreement are of the essence.

p. Severability. If any provision or provisions of this Agreement, or the application thereof to any person or circumstance be determined to be invalid or unenforceable to any extent by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

q. Time Periods. If the time for the performance of any obligation under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

r. Disclosure. This Agreement may be disclosed to any board, official, officer, party or person as Buyer or its counsel may determine is necessary, including entry into any public record and disclosure at any public meeting or hearing.

s. Public Funds Law. Nothing herein shall be construed or enforced in a manner that violates applicable Arizona law regarding public funds.

t. Cancellation. This Agreement may be cancelled by the Seller pursuant to ARIZ. REV. STAT. § 38-511.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first written above.

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"SELLER"

CITY OF AVONDALE, an Arizona Municipal Corporation

By: _____
Charles A. Montoya, City Manager

Signature Date: _____

ATTEST:

Marcella Carrillo, City Clerk

Signature Date: _____

"BUYER"

West Side DB, LLC , an Arizona Limited Liability Company

By: _____
Caleb T. Berkey, its Member

Signature Date: 11/23/2020

ACCEPTED AND APPROVED:

ESCROW AGENT: SECURITY TITLE AGENCY

By: _____

Signature Date: _____

Name: _____

Title: _____

EXHIBIT A
TO
PURCHASE AND SALE AGREEMENT

[Legal Description and Map of Property]

See following page.

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
A PART OF APN 102-57-240 AND 102-57-007R

A PARCEL OF LAND SITUATED IN THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, AND BEING A PORTION OF LOT 3, AVONDALE CITY CENTER PHASE I AS RECORDED IN BOOK 1027 OF MAPS ON PAGE 31, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA AND A PORTION OF THAT CERTAIN PARCEL DESCRIBED IN INSTRUMENT 2009-0997316, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY NORTHEAST CORNER OF SAID LOT 3;

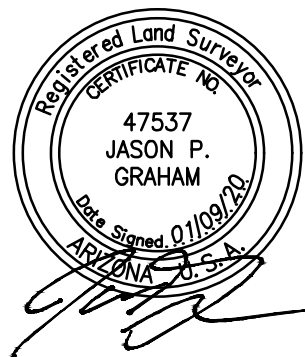
THENCE UPON AND WITH THE NORTHEASTERLY LINE OF SAID LOT 3, SOUTH 45 DEGREES 29 MINUTES 57 SECONDS EAST, A DISTANCE OF 49.11 FEET;

THENCE UPON AND WITH THE EAST LINE OF SAID LOT 3, SOUTH 00 DEGREES 03 MINUTES 11 SECONDS EAST, A DISTANCE OF 114.82 FEET;

THENCE DEPARTING SAID EAST LINE, SOUTH 89 DEGREES 03 MINUTES 18 SECONDS WEST, A DISTANCE OF 240.53 FEET;

THENCE NORTH 00 DEGREES 03 MINUTES 11 SECONDS WEST, A DISTANCE OF 149.82 FEET TO THE NORTH LINE OF THE AFORESAID LOT 3;

THENCE UPON AND WITH SAID NORTH LINE, NORTH 89 DEGREES 03 MINUTES 18 SECONDS EAST, A DISTANCE OF 205.53 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 35,419 SQUARE FEET OR 0.813 ACRES OF LAND, MORE OR LESS.



AVONDALE BOULEVARD

N00°02'19"W 528.30'

DALE EARNHARDT DRIVE

POINT OF BEGINNING
N89°03'18"E 424.01'

N89°03'18"E

205.53'

S45°29'57"E 49.11'

N00°03'11"W

149.82'

240.53'

114.82'

S00°03'11"E

S00°03'11"E 528.31'

114TH AVENUE

APN 102-57-007R
2009-0997316

APN 102-57-240
LOT 3
AVONDALE CITY CENTER PHASE I
BK 1027, PG 31, MCR

S89°03'18"W

S89°03'25"W 424.15'

CITY CENTER DRIVE



NTS

PARCEL AREA:
35,419 SF OR
0.813 ACRES

THIS IS NOT A PROPERTY
BOUNDARY SURVEY.

**Dibble
Engineering**

Dibble Engineering
Proj No 1018119.03



EXHIBIT "B"
COFFEE SHOP PARCEL

A PART OF THE SW 1/4 SECTION 6, T1N,
R1E, GILA & SALT RIVER MERIDIAN,
MARICOPA COUNTY, ARIZONA

DATE: JAN 2020

DRN: CSD CHK: JPG

PAGE 2

EXHIBIT B
TO
PURCHASE AND SALE AGREEMENT

[Special Warranty Deed]

See following pages.

When Recorded Mail To:
City Clerk
City of Avondale
11465 West Civic Center Drive, Suite 100
Avondale, Arizona 85323-6804

SPECIAL WARRANTY DEED

For consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, CITY OF AVONDALE, an Arizona municipal corporation, the Grantor, herein, does hereby convey to _____, an Arizona limited liability company, the Grantee, all of its rights, title and interest in and to the real property described on **Exhibit 1** attached hereto and incorporated herein by this reference and situated in Maricopa County, Arizona, together with all rights and privileges appurtenant thereto (the "Property").

Subject to all taxes and other assessments, reservations in patents and all easements, rights-of-way, encumbrances and liens, covenants, conditions, restrictions, obligations and liabilities as may appear of record or would be revealed by an inspection of the Property or an accurate survey of the Property, and all restrictions imposed by law.

And the Grantor hereby binds itself and its successors to warrant and defend the title as against all acts of the Grantor herein and no other, subject to the matters set forth above.

DATED this ____ day of _____, 2020.

[SIGNATURE ON FOLLOWING PAGE]

"Grantor"

CITY OF AVONDALE, an Arizona municipal
corporation

By: _____
Charles A. Montoya, City Manager

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this ____ day
of _____, 20____, by Charles A. Montoya, City Manager of the CITY OF AVONDALE,
an Arizona municipal corporation, on behalf of the City of Avondale.

Notary Public

(Seal)

EXHIBIT 1
TO
SPECIAL WARRANTY DEED

[Legal Description and Map of Property]

See following page.

EXHIBIT "A"
LEGAL DESCRIPTION
FOR
A PART OF APN 102-57-240 AND 102-57-007R

A PARCEL OF LAND SITUATED IN THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 1 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, AND BEING A PORTION OF LOT 3, AVONDALE CITY CENTER PHASE I AS RECORDED IN BOOK 1027 OF MAPS ON PAGE 31, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA AND A PORTION OF THAT CERTAIN PARCEL DESCRIBED IN INSTRUMENT 2009-0997316, OFFICIAL RECORDS OF MARICOPA COUNTY, ARIZONA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY NORTHEAST CORNER OF SAID LOT 3;

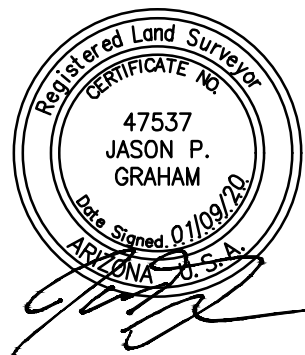
THENCE UPON AND WITH THE NORTHEASTERLY LINE OF SAID LOT 3, SOUTH 45 DEGREES 29 MINUTES 57 SECONDS EAST, A DISTANCE OF 49.11 FEET;

THENCE UPON AND WITH THE EAST LINE OF SAID LOT 3, SOUTH 00 DEGREES 03 MINUTES 11 SECONDS EAST, A DISTANCE OF 114.82 FEET;

THENCE DEPARTING SAID EAST LINE, SOUTH 89 DEGREES 03 MINUTES 18 SECONDS WEST, A DISTANCE OF 240.53 FEET;

THENCE NORTH 00 DEGREES 03 MINUTES 11 SECONDS WEST, A DISTANCE OF 149.82 FEET TO THE NORTH LINE OF THE AFORESAID LOT 3;

THENCE UPON AND WITH SAID NORTH LINE, NORTH 89 DEGREES 03 MINUTES 18 SECONDS EAST, A DISTANCE OF 205.53 FEET TO THE POINT OF BEGINNING AND CONTAINING A COMPUTED AREA OF 35,419 SQUARE FEET OR 0.813 ACRES OF LAND, MORE OR LESS.



FILE:\PROJECTS\2018\1018119.03 Avondale Lot 3 ALTA-plat\CAD\EXHIBITS\Shop.dwg DATE: Jan, 09 2020 TIME: 10:45 am

AVONDALE BOULEVARD

N00°02'19"W 528.30'

DALE EARNHARDT
DRIVE

N00°03'11"W

149.82'

POINT OF
BEGINNING

N89°03'18"E 424.01'

N89°03'18"E

205.53'

S45°29'57"E
49.11'

114.82'

S00°03'11"E

S00°03'11"E 528.31'

114TH AVENUE

APN 102-57-007R
2009-0997316

APN 102-57-240
LOT 3
AVONDALE CITY CENTER PHASE I
BK 1027, PG 31, MCR

240.53'

S89°03'18"W

S89°03'25"W 424.15'

CITY CENTER DRIVE



NTS

PARCEL AREA:
35,419 SF OR
0.813 ACRES

THIS IS NOT A PROPERTY
BOUNDARY SURVEY.

**Dibble
Engineering**

Dibble Engineering
Proj No 1018119.03



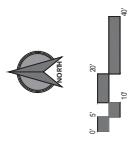
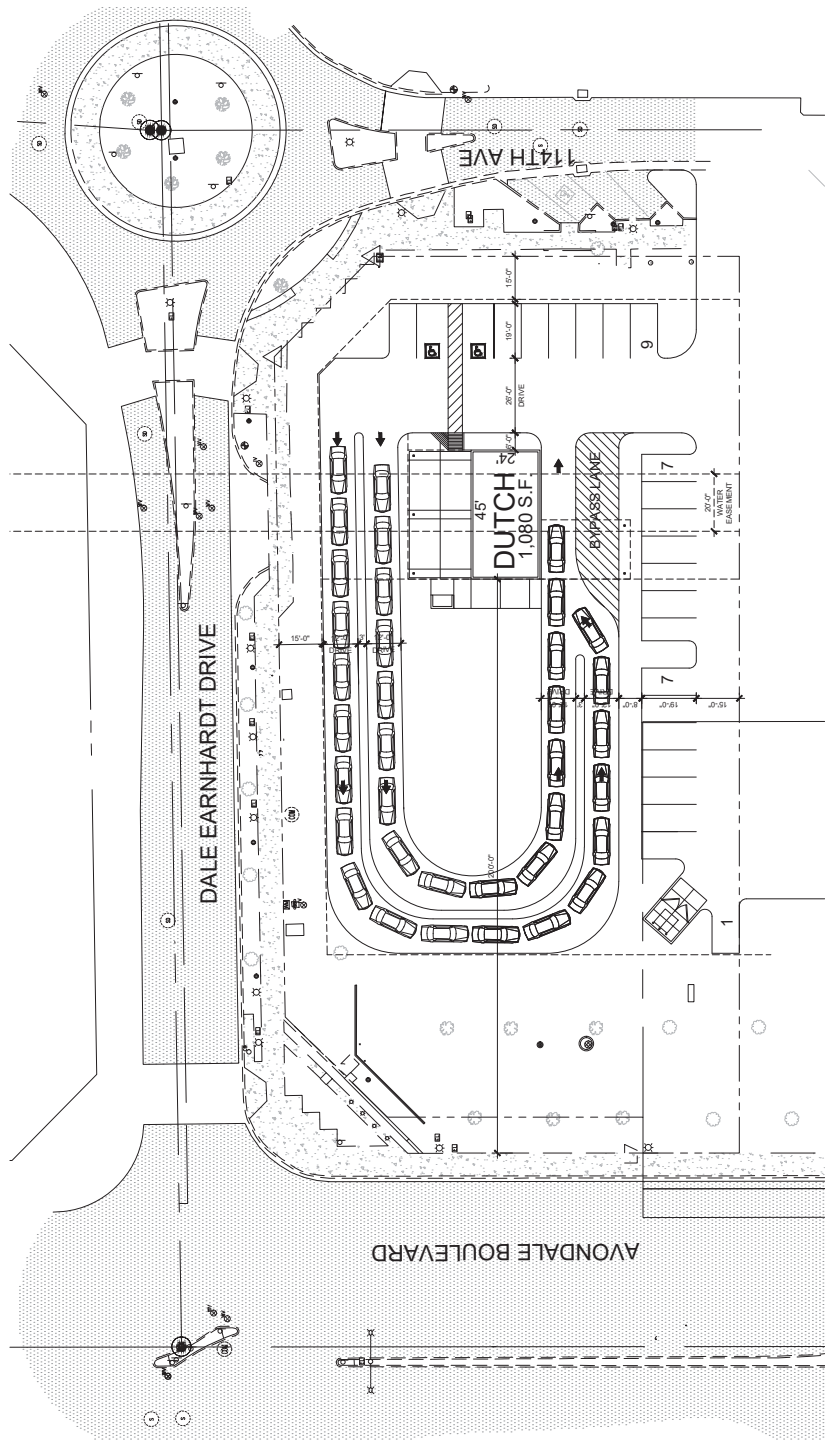
EXHIBIT "B"
COFFEE SHOP PARCEL

A PART OF THE SW 1/4 SECTION 6, T1N,
R1E, GILA & SALT RIVER MERIDIAN,
MARICOPA COUNTY, ARIZONA

DATE: JAN 2020

DRN: CSD CHK: JPG

PAGE 2



SITE: 47,246 SF (1.08 ACRES)

CITY COUNCIL REPORT

SUBJECT: Professional Services Agreement with American Medical Response of Maricopa, LLC DBA American Medical Response (AMR), for Ambulance Services

MEETING DATE: 2/3/2020

TO: Mayor and Council

FROM: Jeff Case, Fire Chief (623) 333-6100

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:

City Council will consider a request to approve a Professional Services Agreement with American Medical Response of Maricopa, LLC (AMR) commencing on the date the agreement is approved by Arizona Department of Health Services (ADHS) and valid for a period of two years for emergency ambulance and medical transportation services for the term of the agreement and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents. The Council will take appropriate action.

BACKGROUND:

The Avondale Fire and Medical Department provides advanced life support emergency medical first response involving over 11,000 calls for service annually. When transportation to a medical facility is determined necessary by on scene medical personnel in coordination with the department's Medical Directors direction, an ambulance is requested and then dispatched to the emergency scene. Dispatch protocols also allow for automatic initial response by the ambulance through the alarm room for critical advanced life support emergencies that meet the defined criteria.

On September 26, 2019, the City released a formal solicitation, requesting proposals for Emergency Medical Transportation. Proposals were received on October 24, 2019. It was determined that AMR submitted a responsive proposal and is qualified to perform the required services. AMR has successfully negotiated the attached agreement, which will require final approval from ADHS.

DISCUSSION:

Entering into the agreement allows the City of Avondale and AMR to contract for emergency ambulance and medical transportation services. Awarding this contract will allow the Avondale Fire and Medical Department the ability to recover Advanced Life Support (ALS) Fees. The revenue recovery from ALS fees is estimated to be in the \$120,000 range annually. In addition, AMR has agreed to assign no less than 2.5 Ambulances specifically for the City of Avondale. AMR has also agreed to have an Ambulance available for standby for city special events when requested. Lastly, the contract with AMR allows the City of Avondale to move towards obtaining its own Certificate of Necessity (CON). AMR agrees to not impede in any way the pursuit of said CON. AMR agrees to provide both support and assistance in the transition to Avondale Fire and Medical Department Emergency Ambulance Medical Transportation services provided to the City of Avondale and its citizens if that is the direction the City decides to take in the future.

BUDGET IMPACT:

Annually an estimated amount of \$120,000 of revenue will be generated for the general fund account 101-6310-00-4495 for Advanced Life Support reimbursement to the City of Avondale Fire and Medical Department. In addition, AMR agrees to reimburse all cost the City of Avondale incurred for the dispatch fees charged by the City of Phoenix during the contract period. Paid in fund account 101-6310-00-4840.

RECOMMENDATION:

Staff recommends that the Mayor and City Council approve an award of a Professional Services Agreement with AMR for emergency ambulance and medical transport services to the City of Avondale, Arizona commencing on the date the agreement is approved by Department of Health Services (DHS) for a period of two years and authorize the Mayor or City Manager and City Clerk to execute the necessary documents.

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
AMERICAN MEDICAL RESPONSE OF MARICOPA, LLC**

THIS PROFESSIONAL SERVICES AGREEMENT (this “Agreement”) is entered into as of January 21, 2020, between the City of Avondale, an Arizona municipal corporation (the “City”) and American Medical Response of Maricopa, LLC, a Delaware corporation (the “Contractor”).

RECITALS

A. The City issued a Request for Proposals, FD 20-014 “Emergency Medical Transportation” (the “RFP”), a copy of which is on file in the City’s Finance Office and incorporated herein by reference, seeking proposals from vendors for Emergency Transportation Services (the “Services”).

B. The Contractor responded to the RFP by submitting a proposal (the “Proposal”), attached hereto as Exhibit A and incorporated herein by reference, and the City desires to enter into an Agreement with the Contractor for the Services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Contractor hereby agree as follows:

1. **Term of Agreement.**

1.1 **Initial Term.** This Agreement shall be effective upon the date the Agreement is approved by Arizona Department of Health Services (ADHS), or upon such other effective date set by ADHS in its approval and shall remain in full force and effect for two years (the “Initial Term”), unless terminated as otherwise provided in this Agreement.

1.2 **Renewal Terms.** After the expiration of the Initial Term, this City shall have the option to renew this Agreement for up to three successive one-year terms (each, a “Successive Term”) if (i) it is deemed in the best interests of the City, subject to availability and appropriation of funds for renewal in each subsequent year, unless the Contractor notifies the City in writing of its desire to terminate the Contract; and (ii) upon recommendation of the Contract Administrator and concurrence of the City Manager and approval by a specific City Council action. If extended, the then-current prices shall be applicable during the subsequent Successive Term unless the Contractor notifies the City in writing of any rate increase and the City approves the increase with an authorized signature, prior to the end of the then-current term. Any such extensions shall require the approval of ADHS prior to implementation. Contractor is responsible for obtaining ADHS approval of the Contract extension as outlined in Ariz. Rev. Stat. § 36-2234(K). The Initial Term

and any Successive Term(s) are collectively referred to herein as the “Term.” Upon renewal, the terms and conditions of this Agreement shall remain in full force and effect.

1.3 Non-Default. By requesting extension for a Successive Term as set forth above, or by consenting to a Successive Term in any manner, Contractor shall be deemed to affirmatively assert that (i) the City is not currently in default, nor has been in default at any time prior to the Successive Term, under any of the terms or conditions of the Agreement and (ii) any and all Contractor claims, known and unknown, relating to the Agreement and existing on or before the commencement date of the Successive Term are forever waived.

2. Scope of Work. Contractor shall provide the Services as set forth in the Scope of Work attached hereto as Exhibit B and incorporated herein by reference. Additional services which are outside the Scope of Work may not be performed by the Contractor without prior written authorization from the City.

3. Compensation.

3.1 Primary Compensation. Contractor’s primary compensation shall be from its own efforts to collect ambulance user fees from patients and their insurance, in accordance with ambulance service rates set forth by the Arizona Department of Health Services.

3.2 Compensation for Specific Services. Contractor’s compensation from City for specific services contained in the Scope of Work, including those furnished by its subcontractors, shall not exceed the value of the Purchase Orders issued under this Agreement, in accordance with the budget adopted by the City Council, for each fiscal year of this Agreement. City shall pay Contractor at the unit rates as set forth in the Fee Proposal attached hereto as Exhibit C and incorporated herein by reference. Adjustments to compensation require a written amendment to this Agreement and may require City Council approval.

3.3 Standby Services Compensation. City shall pay Contractor at the rates set forth in Exhibit C for standby services in conjunction with special events. Such rates may be adjusted upon mutual consent of the parties as evidenced in a written amendment to this Agreement.

4. Payments. The City shall pay the Contractor monthly, based upon work performed and completed to date, and upon submission and approval of invoices in a manner and format reasonably acceptable to the City Finance Department. All invoices shall document and itemize all work completed to date. Each invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment.

5. Safety Plan. Contractor shall provide the Services in accordance with a safety plan that is compliant with Occupational Safety and Health Administration (“OSHA”), American National Standards Institute and National Institute for Occupational Safety and Health standards. If, in the Contractor’s sole determination, the Services to be provided do not require a safety plan, Contractor shall notify the City, in writing, describing the reasons a safety plan is unnecessary. The City reserves the right to request a safety plan following such notification.

6. Documents. All documents, including any intellectual property rights thereto, prepared and submitted to the City pursuant to this Agreement shall be the property of the City.

7. Contractor Personnel. Contractor shall provide adequate, experienced personnel, capable of and devoted to the successful performance of the Services under this Agreement. Contractor agrees to assign specific individuals to key positions. If deemed qualified, the Contractor is encouraged to hire City residents to fill vacant positions at all levels. Contractor agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the City. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days or are expected to devote substantially less effort to the Services than initially anticipated, Contractor will endeavor to immediately notify the City of same and will, subject to the concurrence of the City, replace such personnel with personnel possessing substantially equal ability and qualifications.

8. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the City at reasonable times during Contractor's performance. The Contractor shall provide and maintain a self-inspection system that is acceptable to the City.

9. Licenses; Materials. Contractor shall maintain in current status all federal, state and local licenses, permits, and Certificates of Necessity (CONs) required for the operation of the business conducted by the Contractor. In addition, the Contractor will make all necessary payments for licenses and permits to conduct its business and duties under the Contract. The Contractor will assure that all necessary renewals for required federal, state, and local licenses and CONs are made on time. The Contractor will be responsible for assuring that all of its personnel hold valid state and local certifications at the times required to meet the Contractor's responsibilities under this Agreement. The City has no obligation to provide Contractor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The City has no obligation to provide tools, equipment or material to Contractor.

10. Performance Warranty. Contractor warrants that the Services rendered will conform to the requirements of this Agreement and with the care and skill ordinarily used by members of the same profession practicing under similar circumstances at the same time and in the same locality.

10.1 Quality Assurance Program. Contractor shall provide to the City in writing a quality assurance program containing written standards and criteria for analyzing the quality of health care through the review of professional practices, training and experience, patient experience and conduct of licensed providers of contractor

11. Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the City and each council member, officer, employee or agent thereof (the City and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever

("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

12. Insurance.

12.1 General.

A. Insurer Qualifications. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies authorized to do business in the State of Arizona pursuant to ARIZ. REV. STAT. § 20-206, as amended, with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the City. Failure to maintain insurance as specified herein may result in termination of this Agreement at the City's option.

B. No Representation of Coverage Adequacy. By requiring insurance herein, the City does not represent that coverage and limits will be adequate to protect Contractor. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

C. Additional Insured. All insurance coverage, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees as Additional Named Insured as specified under the respective coverage sections of this Agreement.

D. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the City, unless specified otherwise in this Agreement.

E. Primary Insurance. Contractor's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the City as an Additional Insured.

F. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past

completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance and necessary endorsements citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

G. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the City, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

H. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to the City. Contractor shall be solely responsible for any such deductible or self-insured retention amount.

I. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Contractor shall execute written agreements with its subcontractors containing the indemnification provisions set forth above and insurance requirements set forth herein protecting the City and Contractor. Contractor shall be responsible for executing any agreements with its subcontractors and obtaining certificates of insurance verifying the insurance requirements.

J. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Contractor will provide the City with suitable evidence of insurance in the form of certificates of insurance and a copy of the declaration page(s) of the insurance policies as required by this Agreement, issued by Contractor's insurance insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. Confidential information such as the policy premium may be redacted from the declaration page(s) of each insurance policy, provided that such redactions do not alter any of the information required by this Agreement. The City shall reasonably rely upon the certificates of insurance and declaration page(s) of the insurance policies as evidence of coverage, but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the policies required by this Agreement expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal certificates and declaration page(s) to the City 30 days prior to the expiration date. All certificates of insurance and declarations required by this Agreement shall be identified by referencing the RFP number and title or this Agreement. A \$25.00 administrative fee shall be assessed for all certificates or declarations received without the appropriate RFP number and title or a reference to this Agreement, as applicable. Additionally, certificates of insurance and declaration page(s) of the insurance policies submitted without referencing the appropriate RFP number and title or a reference to this Agreement, as applicable, will be subject to

rejection and may be returned or discarded. Certificates of insurance and declaration page(s) shall specifically include the following provisions:

(1) The City, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability – Under Insurance Services Office, Inc., (“ISO”) Form CG 20 10 03 97 or equivalent.

(b) Auto Liability – Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability – Follow Form to underlying insurance.

(2) Contractor’s insurance shall be primary insurance with respect to performance of this Agreement.

(3) All policies, except for Professional Liability, including Workers’ Compensation, waive rights of recovery (subrogation) against City, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Contractor under this Agreement.

(4) ACORD certificate of insurance form 25 (2014/01) is preferred. If ACORD certificate of insurance form 25 (2001/08) is used, the phrases in the cancellation provision “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

K. Endorsements. Contractor shall provide the City with the necessary endorsements to ensure City is provided the insurance coverage set forth in this Section.

12.2 Required Insurance Coverage.

A. Commercial General Liability. Contractor shall maintain “occurrence” form Commercial General Liability insurance with an unimpaired limit of not less than \$3,000,000 for each occurrence, \$5,000,000 Products and Completed Operations Annual Aggregate and a \$5,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 10 93 or equivalent thereof, including but not limited to, separation of insured’s clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read “Who is an Insured (Section II) is amended to include

as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of “your work” for that insured by or for you.” If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

B. Vehicle Liability. Contractor shall maintain Business Automobile Liability insurance with a limit of \$3,000,000 each occurrence on Contractor’s owned, hired and non-owned vehicles assigned to or used in the performance of the Contractor’s work or services under this Agreement. Coverage will be at least as broad as ISO coverage code “1” “any auto” policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the City, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be “follow form” equal or broader in coverage scope than underlying insurance.

C. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Contractor engages in any professional services or work in any way related to performing the work under this Agreement, the Contractor shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Contractor, or anyone employed by the Contractor, or anyone for whose negligent acts, mistakes, errors and omissions the Contractor is legally liable, with an unimpaired liability insurance limit of \$3,000,000 each claim and \$5,000,000 annual aggregate.

D. Workers’ Compensation Insurance. If Contractor employs anyone who is required by law to be covered by workers’ compensation insurance, Contractor shall maintain Workers’ Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Contractor’s employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

12.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or be materially changed without 30 days’ prior written notice to the City.

13. Termination; Cancellation.

13.1 For City’s Convenience. This Agreement is for the convenience of the City and, as such, may be terminated without cause after receipt by Contractor of a 60-day written notice from the City. Upon termination for convenience, Contractor shall be paid for all undisputed services performed to the termination date.

13.2 For Cause. If either party fails to perform any obligation pursuant to this Agreement and such party fails to cure its nonperformance within 30 days after notice of nonperformance is given by the non-defaulting party, such party will be in default. In the event of

such default, the non-defaulting party may terminate this Agreement immediately for cause and will have all remedies that are available to it at law or in equity including, without limitation, the remedy of specific performance. If the nature of the defaulting party's nonperformance is such that it cannot reasonably be cured within 30 days, then the defaulting party will have such additional periods of time as may be reasonably necessary under the circumstances, provided the defaulting party immediately (A) provides written notice to the non-defaulting party and (B) commences to cure its nonperformance and thereafter diligently continues to completion the cure of its nonperformance. In no event shall any such cure period exceed 90 days. In the event of such termination for cause, payment shall be made by the City to the Contractor for the undisputed portion of its fee due as of the termination date.

13.3 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The City may cancel this Agreement without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee of any other party to this Agreement in any capacity or a Contractor to any other party of this Agreement with respect to the subject matter of this Agreement.

13.4 Gratuities. The City may, by written notice to the Contractor, cancel this Agreement if it is found by the City that gratuities, in the form of economic opportunity, future employment, entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer, agent or employee of the City for the purpose of securing this Agreement. In the event this Agreement is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover and withhold from the Contractor an amount equal to 150% of the gratuity.

13.5 Agreement Subject to Appropriation. The City is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the City's then current fiscal year. The City's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the City concerning budgeted purposes and appropriation of funds. Should the City elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the City shall be relieved of any subsequent obligation under this Agreement. The parties agree that the City has no obligation or duty of good faith to budget or appropriate the payment of the City's obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The City shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The City shall keep Contractor informed as to the availability of funds for this Agreement. The obligation of the City to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the City. Contractor hereby waives any and all rights to bring any claim against the City from or relating in any way to the City's termination of this Agreement pursuant to this section.

14. Miscellaneous.

14.1 Independent Contractor. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the City. Contractor, its employees and subcontractors are not entitled to workers' compensation benefits from the City. The City does not have the authority to supervise or control the actual work of Contractor, its employees or subcontractors. The Contractor, and not the City, shall determine the time of its performance of the services provided under this Agreement so long as Contractor meets the requirements of its agreed Scope of Work as set forth in Section 2 above and Exhibit B. Contractor is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. City and Contractor do not intend to, nor will they combine business operations under this Agreement.

14.2 Applicable Law; Venue. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in Maricopa County, Arizona.

14.3 Laws and Regulations. Contractor shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Contractor is responsible abides by, and remains in compliance with, all rules, regulations, ordinances, statutes or laws affecting the Services, including, but not limited to, the following: (A) existing and future City and County ordinances and regulations; (B) existing and future State and Federal laws; and (C) existing and future Occupational Safety and Health Administration standards.

14.4 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the City and the Contractor. All amendments shall be submitted to ADHS for review and approval.

14.5 Provisions Required by Law. Each and every provision of law and any clause required by law to be in this Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, this Agreement will promptly be physically amended to make such insertion or correction.

14.6 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of this Agreement which may remain in effect without the invalid provision or application.

14.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of

this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting this Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

14.8 Assignment; Delegation. No right or interest in this Agreement shall be assigned or delegated by Contractor without prior, written permission of the City, signed by the City Manager. Any attempted assignment or delegation by Contractor in violation of this provision shall be a breach of this Agreement by Contractor.

14.9 Subcontracts. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material or services specified herein without the prior, written approval of the City. The Contractor is responsible for performance under this Agreement whether or not subcontractors are used. Failure to pay subcontractors in a timely manner pursuant to any subcontract shall be a material breach of this Agreement by Contractor.

14.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the City of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the City to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the City's acceptance of and payment for services, shall not release the Contractor from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the City to insist upon the strict performance of this Agreement.

14.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

14.12 Liens. All materials or services shall be free of all liens and, if the City requests, a formal release of all liens shall be delivered to the City.

14.13 Offset.

A. Offset for Damages. In addition to all other remedies at law or equity, the City may offset from any money due to the Contractor any amounts Contractor owes to the City for damages resulting from breach or deficiencies in performance or breach of any obligation under this Agreement.

B. Offset for Delinquent Fees or Taxes. The City may offset from any money due to the Contractor any amounts Contractor owes to the City for delinquent fees, transaction privilege use taxes and property taxes, including any interest or penalties.

14.14 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below or (C) given to a recognized and reputable overnight delivery service, to the address set forth below:

If to the City: City of Avondale
11465 West Civic Center Drive
Avondale, Arizona 85323
Attn: Charles A. Montoya, City Manager

With copies to: City of Avondale
11465 West Civic Center Drive
Avondale, Arizona 85323
Attn: Kevin Custer, Procurement Manager

City of Avondale
11465 West Civic Center Drive
Avondale, Arizona 85323
Attn: Michael Wawro, City Attorney

If to Contractor: American Medical Response
8465 North Pima Road
Scottsdale, Arizona 85258
Attn: John Valentine, Regional Director

With copies to: AMR Law Department
6363 S. Fiddler's Green Circle, 14th Floor
Greenwood Village, CO 80111
Attn: Walt Landon, AMR Attorney

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

14.15 Confidentiality of Records. The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of ensuring that information contained in its records or obtained from the City or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Contractor's duties under this Agreement. Persons requesting such

information should be referred to the City. 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 this Agreement.

14.16 Records and Audit Rights. To ensure that the Contractor and its subcontractors are complying with the warranty under subsection 14.17 below, Contractor's and its subcontractor's books, records, correspondence, accounting procedures and practices, and any other supporting evidence relating to this Agreement, including the papers of any Contractor and its subcontractors' employees who perform any work or services pursuant to this Agreement (all of the foregoing hereinafter referred to as "Records"), shall be open to inspection and subject to audit and/or reproduction during normal working hours by the City, to the extent necessary to adequately permit (A) evaluation and verification of any invoices, payments or claims based on Contractor's and its subcontractors' actual costs (including direct and indirect costs and overhead allocations) incurred, or units expended directly in the performance of work under this Agreement and (B) evaluation of the Contractor's and its subcontractors' compliance with the Arizona employer sanctions laws referenced in subsection 14.17 below. To the extent necessary for the City to audit Records as set forth in this subsection, Contractor and its subcontractors hereby waive any rights to keep such Records confidential. For the purpose of evaluating or verifying such actual or claimed costs or units expended, the City shall have access to said Records, even if located at its subcontractors' facilities, from the effective date of this Agreement for the duration of the work and until three years after the date of final payment by the City to Contractor pursuant to this Agreement. Contractor and its subcontractors shall provide the City with adequate and appropriate workspace so that the City can conduct audits in compliance with the provisions of this subsection. The City shall give Contractor or its subcontractors reasonable advance notice of intended audits. Contractor shall require its subcontractors to comply with the provisions of this subsection by insertion of the requirements hereof in any subcontract pursuant to this Agreement.

14.16.1 Records. Contractor shall cooperate with the City in the City's maintenance of complete and accurate records of all requests for service and deployment of transportation resources, including time and date of the request, location of the incident, identification of the response unit, arrival time of the response unit at the incident scene and total elapsed time between dispatch and completion of transportation to the care facility. Such records shall be provided in a manner acceptable to City's Fire Department. Contractor shall maintain, for at least three years, records regarding the personnel dispatched on each responding ambulance. Contractor shall make available to City a complete and current record of all personnel employed to perform Contractor's obligations as set forth in the Scope of Work. Contractor shall keep, and maintain at its regular billing center, accurate and complete billing records for the operation of its ambulance service. City and its duly authorized representative shall have the right during the term of this Agreement, and for a period of three (3) years thereafter, to inspect and audit at reasonable times during normal business hours such billing records and to make copies thereof.

14.17 E-verify Requirements. To the extent applicable under ARIZ. REV. STAT. § 41-4401, the Contractor and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under ARIZ. REV. STAT. § 23-214(A). Contractor's or its subcontractors' failure to comply with such warranty shall be deemed a material breach of this Agreement and may result in the termination of this Agreement by the City.

14.18 Israel. For Contracts in excess of One Hundred Thousand (\$100,000) Dollars Contractor certifies that it is not currently engaged in, and agrees for the duration of this Agreement that it will not engage in a “boycott,” as that term is defined in ARIZ. REV. STAT. § 35-393, of Israel.

14.19 Conflicting Terms. In the event of any inconsistency, conflict or ambiguity among the terms of this Agreement, any amendments, the Scope of Work, any City-approved Purchase Order, the Fee Proposal, the RFP and the Contractor’s Proposal, the documents shall govern in the order listed herein. If the Agreement is renewed pursuant to Subsection 1.2 above and such renewal includes any conflicting terms, other than price, those terms will be null and void.

14.20 Non-Exclusive Contract. This Agreement is entered into with the understanding and agreement that it is for the sole convenience of the City. The City reserves the right to obtain like goods and services from another source when necessary.

14.21 Cooperative Purchasing. Specific eligible political subdivisions and nonprofit educational or public health institutions (“Eligible Procurement Unit(s)”) are permitted to utilize procurement agreements developed by the City, at their discretion and with the agreement of the awarded Contractor. Contractor may, at its sole discretion, accept orders from Eligible Procurement Unit(s) for the purchase of the Materials and/or Services at the prices and under the terms and conditions of this Agreement, in such quantities and configurations as may be agreed upon between the parties. All cooperative procurements under this Agreement shall be transacted solely between the requesting Eligible Procurement Unit and Contractor. Payment for such purchases will be the sole responsibility of the Eligible Procurement Unit. The exercise of any rights, responsibilities or remedies by the Eligible Procurement Unit shall be the exclusive obligation of such unit. The City assumes no responsibility for payment, performance or any liability or obligation associated with any cooperative procurement under this Agreement. The City shall not be responsible for any disputes arising out of transactions made by others.

14.22. Alternative Dispute Resolution. The Alternative Dispute Resolution (ADR) process provided herein shall be applicable to all claims, disputes and other matters in question between the City and Contractor which do not involve matters within the jurisdiction of the Arizona Department of Health Services (ADHS) pursuant to Arizona Revised Statutes Sections 36-2231, et. seq. Except as provided above, the ADR provision shall be the exclusive means for resolution of claims relating to this contract, or the performance of or the breach by any party. The parties agree to implement the Informal Problem Resolution as set forth in this Scope of Work and Exhibit D prior to seeking resolution through ADR. Nothing herein shall foreclose any party from seeking an administrative remedy through ADHS for such matters within the jurisdiction of ADHS.

14.22.1 Notice. Contractor shall submit written notice of any claim or dispute to City’s Contract administrator (identified in Section 14.14. above) within fifteen (15) days of the occurrence, event or dispute response from the City, or at the conclusion of informal Problem Resolution, if applicable, for immediate resolution pursuant to these provisions. Each claim or dispute shall be submitted and resolved as it occurs and not postponed until the end of this Contract or combined with other pending claims. If either party believes that the matter is

within the jurisdiction of ADHS, they shall provide the other party notice of such position in accordance with Section 14.22.3 below.

14.22.2 Response. The party that is the subject of the claim, request for clarification or dispute shall provide a written response within fifteen (15) days from the receipt of the written claim or the notice of the party's position that his is a matter within the jurisdiction of ADHS.

14.22.3 Administrative Review. If Contractor disagrees with the response of the City's Contract Administrator, within ten days of the date of the response by the City's contract administrator, Contractor shall file with the City's Contract Administrator written notice of the request for administrative review. The City's Contract Administrator shall provide copies of all relevant information concerning this contract and claim or dispute to the City Manager (or a person he has designated in writing). The City Manager or their designee will make a final decision on the administrative review. If a claim has been filed with ADHS, the City Manager or their designee may issue written order suspending any action until such time as ADHS has ruled upon the matter. The City Manager or their designee may request additional information from the parties and shall hold an informal information hearing, unless the parties waive such hearing. The City Manager or their designee shall make a final determination on the matter based on the information provided giving due deference to the agency's interpretation of its duties and application of the law. Written notice shall be provided to the parties. A good faith effort shall be made to hold the informal review within Thirty (30) days of filing.

14.22.4 Mediation. After completion of the Administrative Review and prior to any litigation in the matter, the parties agree to Mediation of all disputes, except those within the jurisdiction of ADHS. The parties shall have ten (10) days following the final determination of the City Manager or their designee to notify the other party of their request to mediate the matter. Within ten (10) days of providing notice of intent to mediate the matter, the parties shall submit to each other three names of independent parties with a background in health services and contracts from a recognized professional entity such as the American Arbitration Association or the Arizona list of distinguished neutrals. If the parties can agree upon a name from their respective lists, then that person shall be selected. If no agreement can be reached, the American Arbitration Association shall be asked to select a mediator. All documents considered by the City Manager or their designee in the informal review, together with a complete copy of the contract file shall be provided to the mediator. The mediator is authorized to enact such rules consistent with concepts of fairness and due process to complete the mediation. The expense of the mediation shall be shared equally among the parties.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first set forth above.

“City”

CITY OF AVONDALE,
an Arizona municipal corporation

Charles A. Montoya, City Manager

ATTEST:

Marcella Carrillo, City Clerk

“Contractor”

AMERICAN MEDICAL RESPONSE OF MARICOPA, LLC,
a Delaware corporation

By: American Medical Response, Inc. a Delaware corporation,
Its Sole Member

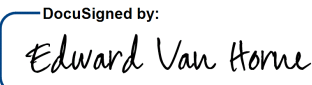
DocuSigned by:

Name: Edward Van Horne
C6CE072ED4E94A9...
chief
operating
Title: officer

EXHIBIT A

TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
AMERICAN MEDICAL RESPONSE OF MARICOPA, LLC

[Contractor's Proposal]

See following pages.



PROPOSAL FOR EMERGENCY MEDICAL
TRANSPORTATION SERVICES
FOR AVONDALE FIRE AND MEDICAL DEPARTMENT
RFP # FD20-014
OCTOBER 24, 2019





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ADDENDA N/A

ATTACHMENTS N/A



COVER LETTER

24 October 2019

City of Avondale City Hall
ATTN: Kevin Custer | RFP Administrator
11465 W. Civic Center Drive | Avondale, AZ 85323
Phone: 623.333.2046
Email: kcuster@avondaleaz.gov

RE: FD20-014 Emergency Medical Transportation Request for Proposals

Mr. Custer,
American Medical Response of Maricopa, LLC DBA American Medical Response ("AMR"), is pleased to submit our response to the City of Avondale's Request for Proposals ("RFP") seeking a provider for all emergency medical transportation services that will successfully meet the needs of the Avondale Fire and Medical Department ("AFMD").

After a thorough review of the RFP, AMR has identified several qualities required of your ambulance provider today and looking toward the future, as your Emergency Medical Services (EMS) system evolves:

- **DEDICATED SYSTEM AND EASE OF USE.** Your provider should manage and operate all local EMS while working to streamline daily processes for system stakeholders. AMR will assign new ambulance units and dedicated staffing resources to AFMD.
- **COMMITMENT TO INNOVATION.** Your ideal provider should be committed to evolving with the industry, introducing new vehicles, equipment, technology, and adaptive solutions. AMR recently conducted upgrades to our front-line vehicles with the addition of Stryker XPS stretchers and LIFEPAK 15 monitor/defibrillators that are already delivering best-in-class patient care. As an industry leader and a progressive provider, AMR's proven Nurse Navigation solution can help AFMD prevent unnecessary responses and respond more appropriately to non-emergent requests.
- **TRANSPARENCY AND ACCOUNTABILITY.** Your provider should always staff an on-duty supervisor and be committed to regular data collection and reporting (both operational and financial) to ensure response-time benchmarks are being met. Through the installation of Mobile Communication Terminals (MCTs) in all of our units, Phoenix Fire Department Regional Dispatch Center ("PFDRDC") will have direct dispatching capabilities over our units. AFMD chiefs and other EMS system stakeholders will know how AMR is performing at any time.
- **OVERCOMING LACK OF INTEGRATION.** While most providers are capable of standard transportation, many are used to operating autonomously with little oversight. As the current provider, AMR is fully entrenched with AFMD and other first responders in the EMS system, following all established protocols and looking for new ways to collaborate.
- **GROUND AMBULANCE MEMBERSHIP.** AMR is the only ambulance service provider in the area to offer Avondale citizens a ground ambulance subscription membership program, known as Redi-Care, helping reduce or eliminate out-of-pocket expenses. Benefits cover transports for emergencies, such as heart attacks and life-threatening injuries, and covers insurance-approved, non-emergency transports to approved healthcare facilities for patients who require ambulance transport. Applicants who are accepted into the program receive a membership card that contains a membership number and plan expiration date.

AMR knows this system better than any other ambulance service, because we have lived and worked in this community for years.



Our 76 caregivers (45 EMTs, 31 Paramedics) are fortunate enough to work alongside AFMD crews and our workforce has a keen awareness of the system's efficiencies and challenges.

Our current AFMD and other City of Avondale partnerships have been built through constant collaboration, retrospective improvement, and shared best practices.

As the long-time provider of emergency 911 transport service in the West Valley, even in communities where AMR has no formal agreement, we continue to serve as the safety net to support and protect the communities we have operating authority in under our CON. For example, currently AMR averages more than 50 calls a month to back up these other providers, such as Maricopa Ambulance in the communities of Glendale, Goodyear, and Surprise. Additionally, AMR was recently issued a temporary emergency CON by the Department of Health to deploy daily resources for the Gila Bend community to ensure its ambulance service requirements were timely met, while they reconfigured their EMS system.

In addition to serving as a sustainable partner to the City of Avondale's EMS system, AMR has proudly cared for the patrons, drivers, and track officials at ISM Raceway since the racetrack opened in 1964. We are a constant presence inside and outside the one-mile, low-banked tri-oval, provide staffing during NASCAR weekends and any major event at ISM.

AMR understands caring for this community extends to outreach initiatives that provide education to Avondale residents. We participate in career fairs at local high schools and "show-and-tells" at elementary schools.

As seen in other cities, a new, untested ambulance provider to the City of Avondale — unfamiliar and inexperienced with local guidelines — would have to start back at square-one. Until they are rooted in the system, outside providers won't know if their proposed model is even realistic and if all factors have been accounted for.

Our shared years of successes, opportunities for improvement, and challenges have let us learn and adapt, improving our ability to operate together and is proof that good partnerships are sustainable. AMR is constantly looking at different approaches and technologies so we can be a better provider. When the issues to the system arise, we have and will continue to expedite those problems in cooperation with AFMD, PFDRDC, and other Avondale EMS stakeholders.

AMR remains steadfast in being responsive to the system and making necessary corrections. As a leader in EMS system delivery, in more than 235 communities nationwide, AMR has never wavered in providing care to the world at a moment's notice.

Thank you for consideration. Please contact me directly if you have any questions.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "John Valentine", is written over a blue ink scribble.

JOHN VALENTINE | REGIONAL DIRECTOR
480.606.3636 | John.Valentine@amr.net

RESPONSE WORKBOOK

Cover Sheet

OFFEROR NAME: American Medical Response of Maricopa, LLC DBA American Medical Response
("AMR")

OFFEROR ADDRESS: 8465 N. Pima Road, Scottsdale, AZ 85258

Offer Sheet

Avondale Aspiring. Achieving. Accelerating.	CITY OF AVONDALE FIRE AND MEDICAL DEPARTMENT FD20-014 EMERGENCY MEDICAL TRANSPORTATION
OFFER SHEET (Must be printed, signed and returned) Offeror certifies that they have read, understand, and will fully and faithfully comply with this solicitation, its attachments and any referenced documents. Offeror also certifies that the prices offered were independently developed without consultation with any of the other Offerors or potential Offerors.	
Authorized Signature	24 October 2019 Date
<u>John S. Valentine</u> Printed Name (Authorized Signatory)	<u>American Medical Response of Maricopa, LLC</u> Legal Company Name
<u>Regional Director - Arizona, South Region</u> Job Title	Offeror Certifies it is a (check only one): ☐ Proprietorship ☐ Partnership ☒ Corporation
<u>john.valentine@amr.net</u> Email Address	<u>8465 N. Pima Road</u> Mailing Address
<u>480.606.3636</u> Phone Number	<u>Scottsdale, AZ 85258</u> City, State & Zip Code
Questions regarding this offer should be directed to (if different from above):	
<u>John S. Valentine</u> Contact Name	<u>480.606.3636</u> Phone Number
	<u>john.valentine@amr.net</u> Email Address
FEDERAL TAXPAYER ID NUMBER (Required): <u>30-0824958</u>	
OFFEROR IS A MINORITY OR WOMEN OWNED BUSINESS: ☐ Yes ☒ No	
DO YOU HAVE AN ARIZONA TRANSACTION PRIVILEGE TAX (TPT) LICENSE?	
☒ Yes, Number <u>2122189</u> Tax Rate: <u>7.35%</u> OR ☐ No, not required to have an Arizona TPT License	
CONFLICT OF INTEREST (SPECIAL NOTICES):	
☒ No, I do not have a conflict of interest	
☐ Yes, I have a conflict of interest and response includes the disclosure required (see Section 1.16 of the RFP)	
ACKNOWLEDGEMENTS: <i>By signing this Offer Sheet and submitting the accompanying solicitation response, Offeror is certifying that they have read, understand, and agree to comply with all required terms and conditions provided in the RFP. Failure to provide this acknowledgement will result in disqualification.</i>	



1. Qualifications, Experience and Capabilities of Contractor

1.1 CONTRACTOR'S RESPONSIBILITIES

AMR understands, agrees, and will comply with the requirements as outlined throughout the **SCOPE OF WORK** and in J. Contractor's Responsibilities of RFP FD20-014.

Our history and roots run deep in the City of Avondale and throughout the State of Arizona. For years, AMR, through its predecessor companies has proudly served numerous EMS systems throughout the state, demonstrating an unwavering commitment to enhancing patient satisfaction for the residents and visitors we serve. In 2015, our combined companies went through a strategic integration and consolidation through the Arizona Department of Health (ADHS), resulting in AMR's CON #136. We have included a copy of our CON in the RESUMES, LICENSES AND CERTIFICATIONS section.

For the past five years, AMR's assigned ambulance units have maintained a response-time compliance percentage of 95.5% to the City of Avondale's unique EMS system; 96.2% in the last year alone. Our compliance data is tracked through our robust data reporting system, which gives us real time updates and notifications of system compliance with our CON and contracts. We provide addition details of our stellar response-time performance in section 1.4 SERVICE PERFORMANCE.

AMR has the existing local personnel required to perform the services and all related functions as set by the RFP. AMR currently has 76 dedicated employees caring for the needs of Avondale citizens and guests, representing decades of EMS experience and knowledge. In addition, within Maricopa County, AMR and its affiliated companies employ a total of 255 Paramedics and 416 EMTs that can be called upon when needed to assist in the Services. As the incumbent provider, AMR does not need to hire or retain additional personnel to ensure superior services to the City of Avondale, but rather can rely upon our experience and knowledge. AMR caregivers work in partnership with AFMD and have an extensive knowledge of the City of Avondale EMS system and West Valley EMS protocols.

Recruitment and Qualifications

AMR's national footprint allowed us to build a program designed to support local recruiting efforts by developing the largest possible pool of qualified candidates. Our goal is to identify and attract the best pre-hospital medical professionals for long-term employment. We also seek to recruit a diverse workforce that reflects the communities we serve. All our recruitment and screening practices are culturally sensitive and are an integral component of our hiring process.

The following is required for all EMT and paramedic candidates for employment:

- Valid state EMT-B or EMT-P provider's certificate
- Valid Arizona state driver's license
- Valid AHA Healthcare Provider
- Valid AHA ACLS for Paramedic Providers.
- Satisfactorily completion of a physical agility test that simulate normal work activities
- Provide a personal health history & immunization record
- Successful completion of a drug-screening test
- Completion of a national criminal background check before an offer of employment is made

We also understand the importance of retaining a stable workforce. Employees who feel respected, cared about, and know that their perspective matters tend to be happier, more committed and willing to stay with the team. Our commitment is to care for our team members with the same kindness, compassion, dignity, and respect that we expect them to show their patients.



We currently have several unique strategies used to relay this commitment to our team members, such as industry-leading compensation, unique benefits packages, employee recognition programs, and innovative ways for our staff to voice concerns and ideas for improvement.

Diversity Workforce

AMR is proud to cultivate a culturally diverse workforce to provide for the specific needs of every population served. We believe in the recruitment of personnel who represent a variety of ethnic traits, backgrounds, cultures, groups, customs, and language that can provide the highest quality of care.

Culture, race, and national origin are not the only factors that should be considered by companies creating diversity work plans. We have eagerly supported workforce diversity that includes gender, age, religion, and disability. Responding to challenges posed by a small number of minority applicants, we engage in minority recruitment activities at both local and national levels that include, but are not limited to, the following:

- A formal diversity plans
- Legislative lobbying to make more financial resources available for minorities seeking to enter the medical transportation industry
- Continued presence at cultural events that celebrate diversity
- Participation in career day events
- Annual diversity training

We pledge to meet the federal and state equal opportunity requirements during our hiring practices. These requirements specifically include:

- All advertising identifies us as an equal opportunity employer
- Annual training on sexual harassment, sensitivity and awareness; a pledge to our vision statement; and our Code of Business Conduct, all contribute to a desirable workplace, free of discrimination by age, gender, religion, race, disability, national origin, sexual orientation, or marital status
- AMR maintains a workforce culture that is inclusive. To that end, we have a regional EEOC plan that includes analysis and reports of regional demographics and operational progress.

To better improve our caregivers' sensitivity to all citizens and guests of the City of Avondale, AMR recently partnered with ONE Community, Arizona's LGBTQ friendly business directory. AMR's operations in the Phoenix Metroplex and Tucson already has pledged our support with ONE Community.

Training and Supervision

All new employees are required to complete our comprehensive New Employee Orientation ("NEO") Training Program, as well as our Emergency Vehicle Operator Certification (EVOC) program. All AMR field personnel are properly oriented before being assigned to respond to emergency medical requests. Once selected for employment with AMR, each new employee undergoes a comprehensive orientation program, which includes approximately 6 days, or 54 hours, of classroom and hands-on instruction in AMR policies and procedures, local protocols, and legal and compliance issues as well as specialized safety and risk management and disaster training.

AMR provides regular monthly continuing education offerings and, while the curriculum differs each session, the goal is to cover local topics identified as areas of concern by the internal improvement process. To ensure that our personnel adhere to high clinical educational standards, Dr. Danniell Stites — our local medical director — reviews and approve all training courses and protocols.

For an EMS system to function effectively and maintain the highest level of clinical care and superior customer service, the system must always have consistent and competent field supervision.



AMR understands this need and takes pride in the fact that our Avondale team operates at all times under the direction of a highly experienced and extensively-trained team of supervisors.

AMR Field Supervisors are provided with the training and tools to monitor, evaluate, and improve the clinical care provided by paramedic and EMT personnel. Upon hire and consistently throughout employment, our supervisory team members are provided with local professional development opportunities, often in collaboration with AMR regional leadership teams in neighboring counties.

AMR will continue to train all City of Avondale ambulance personnel, supervisory personnel, and operational personnel in the Incident Command System (“ICS”), Standardized Emergency Management System (“SEMS”), and National Incident Management System (“NIMS”), consistent with federal, state, and local doctrine. AMR will continue to work seamlessly with fire department and law enforcement incident commanders to ensure that the best patient care is provided under various field conditions and circumstances.

- All non-supervisory AMR field personnel (e.g.: EMTs and paramedics) must complete ICS-100, ICS-200, IS-700, IS-800 and SEMS.
- All AMR supervisory and operational management personnel and any personnel will complete ICS-100, ICS-200, ICS-300, ICS-400, IS-700, IS-800, and SEMS.

Operations Manager David Tantone is always available by phone, text, or email if needed. Among his responsibilities to the City of Avondale’s EMS system is timely submission of data and all required reports. For patient data tracking and reporting, AMR uses the MEDS (Multi EMS Data System) Electronic Patient Care Report (ePCR) system. MEDS is a National EMS Information System (NEMSIS) Gold-certified software tool providing our caregivers and local healthcare partners with real-time access to patient data. The system is deployed on ruggedized tablets or via a Web application, making patient data collection, reporting, and transmittal to local billing and receiving facilities 100% paperless.

Medical Director and City Representative Participation

AMR’s Operations Manager David Tantone regularly meets with AFMD representatives. We also routinely communicate via text, email and through phone conversations when we, or the department deem it necessary. We actively participate in the Westside EMS Consortium, which meets on a quarterly basis. This meeting allows all agencies (Hospital, and Pre-Hospital) to come together and discuss issues that affect the West Valley EMS protocols. AMR and our Medical Director, Dr. Danniell Stites, will continue to actively work with the AFMD Medical Director to collaborate on innovative methods for the City of Avondale’s EMS system.

Indemnification, Insurance Performance Guarantees

AMR has a robust insurance program and policies to ensure compliance with any and all final contract terms and provisions, including but not limited to excess umbrella coverage. AMR has reviewed the draft proposed contract and once final terms and completed, AMR will comply with all terms related to insurance and indemnification. Included as **ATTACHMENT 1** at the end of our proposal is a copy of our certificate of insurance.

Based on the review of the RFP, AMR sees no references to required performance guarantees, however, to the extent such obligations arise during final contract negotiations, AMR is willing to consider what guarantees are required by the City to guaranty its assurance of performance.

ISM Raceway

AMR has been the on-site event medical provider of the state-of-art ISM Raceway for decades. We cover each turn at the tri-oval speedway with ambulance units, as well as providing first-aid services to the infield care center. AMR’s services at ISM also includes coverage beyond the grandstands.



While AMR has multiple walking teams and patient transport cart crews patrolling the parking lots, we collaborate with Avondale Fire on a joint operational workforce to serve the ISM Raceway camping areas.

1.2 CONTRACTOR'S CAPABILITIES AND METHODS

AMR has provided a thorough and detailed description of our capabilities and methods in

3. CAPABILITIES AND METHODS OF OPERATIONS.

1.3 SUBCONTRACTOR(S)

While we never intend to utilize subcontractors to render services, AMR can tap into unparalleled resources and take advantage of large-scale purchasing agreements with industry-leading manufacturers for the recapitalization of equipment as it reaches end-of-service life. For decades, we have established healthy relationships with groups, such as Phillips, Ford Motor Company, Physio-Control, Stryker Corporation, etc.

1.4 SERVICE PERFORMANCE

1.4.1 Response Time Requirements

AMR will continue to provide the services within the City of Avondale's EMS system to achieve and exceed compliance with the response-time requirements of the RFP. **AMR will work collaboratively with AFMD to determine the appropriate amount of dedicated ambulances necessary to achieve and maintain the response performance as outlined in the RFP, but no less than 2.5 units.**

For the last five years, we have maintained a 98.2 percentage for all Code 2 calls and 93.3% for all Code 3 calls, significantly above the RFP's minimum compliance of 90%. We have maintained an average response time of less than 8 minutes for all calls in the City of Avondale's EMS system.

Grand Totals: Avondale		Code 3 Responses		Code 2 Responses	
Total Dispatches:	21887	Code 3 Dispatches:	12085	Code 2 Dispatches:	9802
Total Other Dispatches:		Code 3 On Scenes:	10662	Code 2 On Scenes:	8683
Cancel's Before Scene:	2545	Transports:	8764	Transports:	7957
Cancel's Staged:	90	Avg Resp. Time:	00:06:56	Avg Resp. Time:	00:08:59
Cancel's On Scene:	2628	On Scene Exceptions:	711	On Scene Exceptions:	153
Overall Avg Resp. Time:	00:07:51	Qualified Responses:		Qualified Responses:	

In the last 12 months, our response-time metrics are better with a Code 2 compliance of 98.8% and Code 3 compliance of 94%.

Grand Totals: Avondale		Code 3 Responses		Code 2 Responses	
Total Dispatches:	6373	Code 3 Dispatches:	3421	Code 2 Dispatches:	2952
Total Other Dispatches:		Code 3 On Scenes:	3003	Code 2 On Scenes:	2622
Cancel's Before Scene:	749	Transports:	2416	Transports:	2373
Cancel's Staged:	33	Avg Resp. Time:	00:06:59	Avg Resp. Time:	00:09:00
Cancel's On Scene:	840	On Scene Exceptions:	179	On Scene Exceptions:	29
Overall Avg Resp. Time:	00:07:56	Qualified Responses:		Qualified Responses:	

1.4.2 Response Time Measurement

AMR has the experience and technology needed to ensure efficient management of resources. Our Operations Planning and Analysis Platform (OPAP) provides local management and leadership visibility to trend the City of Avondale's EMS system's transport demand and performance data. The flexibility of this software, along with a dedicated team producing reports, allows managers to pinpoint opportunities to add, move, or adjust resources as needed to service each district effectively.

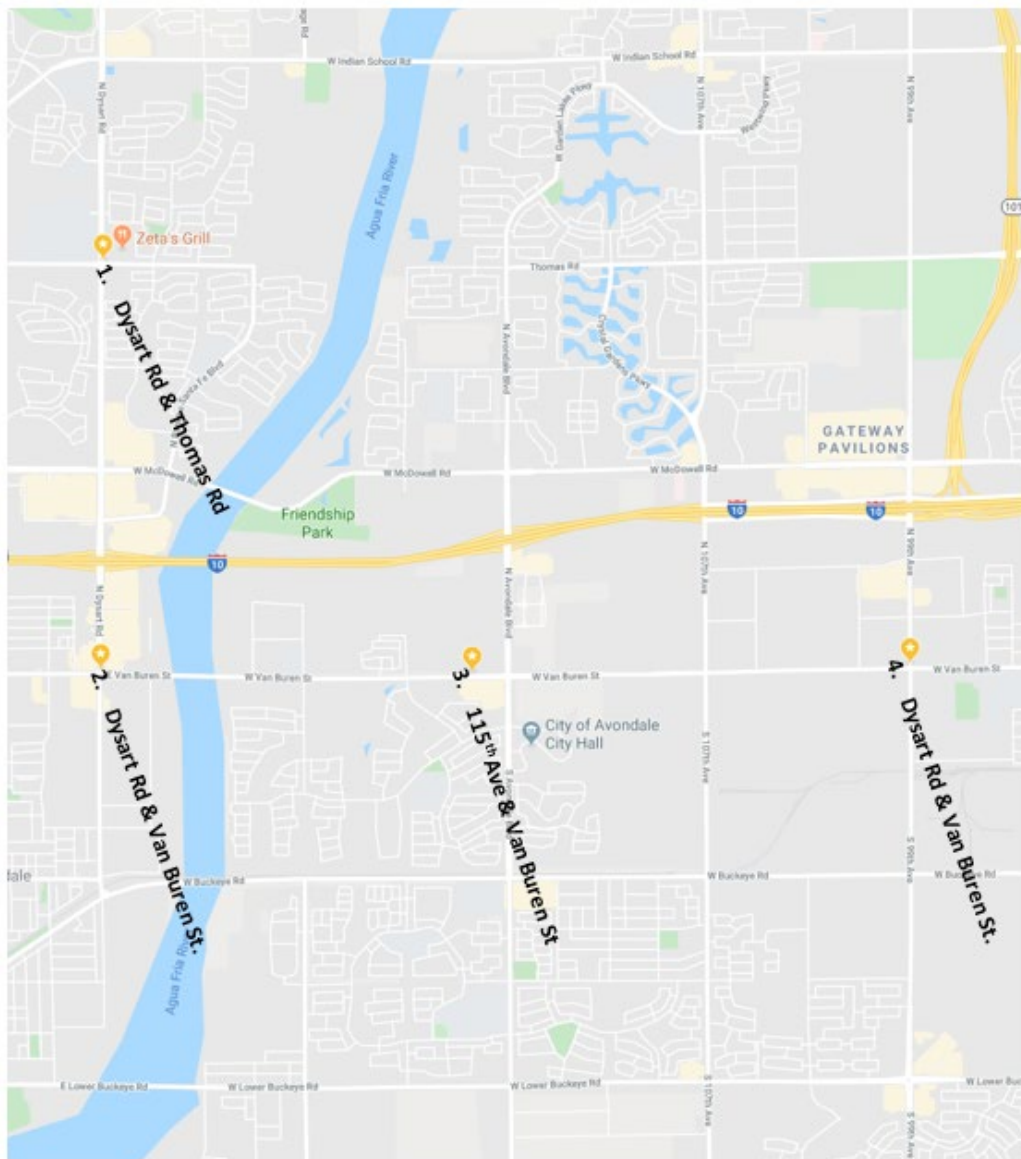
OPAP also detects sudden short-term changes in the EMS system, allowing our management team to react quickly and close any coverage gaps. With its ability to store and recall years of system data, we can compare current trends against historical patterns to identify seasonal call volume trends.

Each day, we compare current demand analysis with equivalent timeframes from previous years to determine trends and predict future needs for planned and unplanned surges. The platform contains many system modules for data collection, schedule building, reporting, etc. AMR will continue to provide the City of Avondale stakeholders with reports, demonstrating our compliance and providing full transparency into our operation.

1.4.3 Move-Up Policy

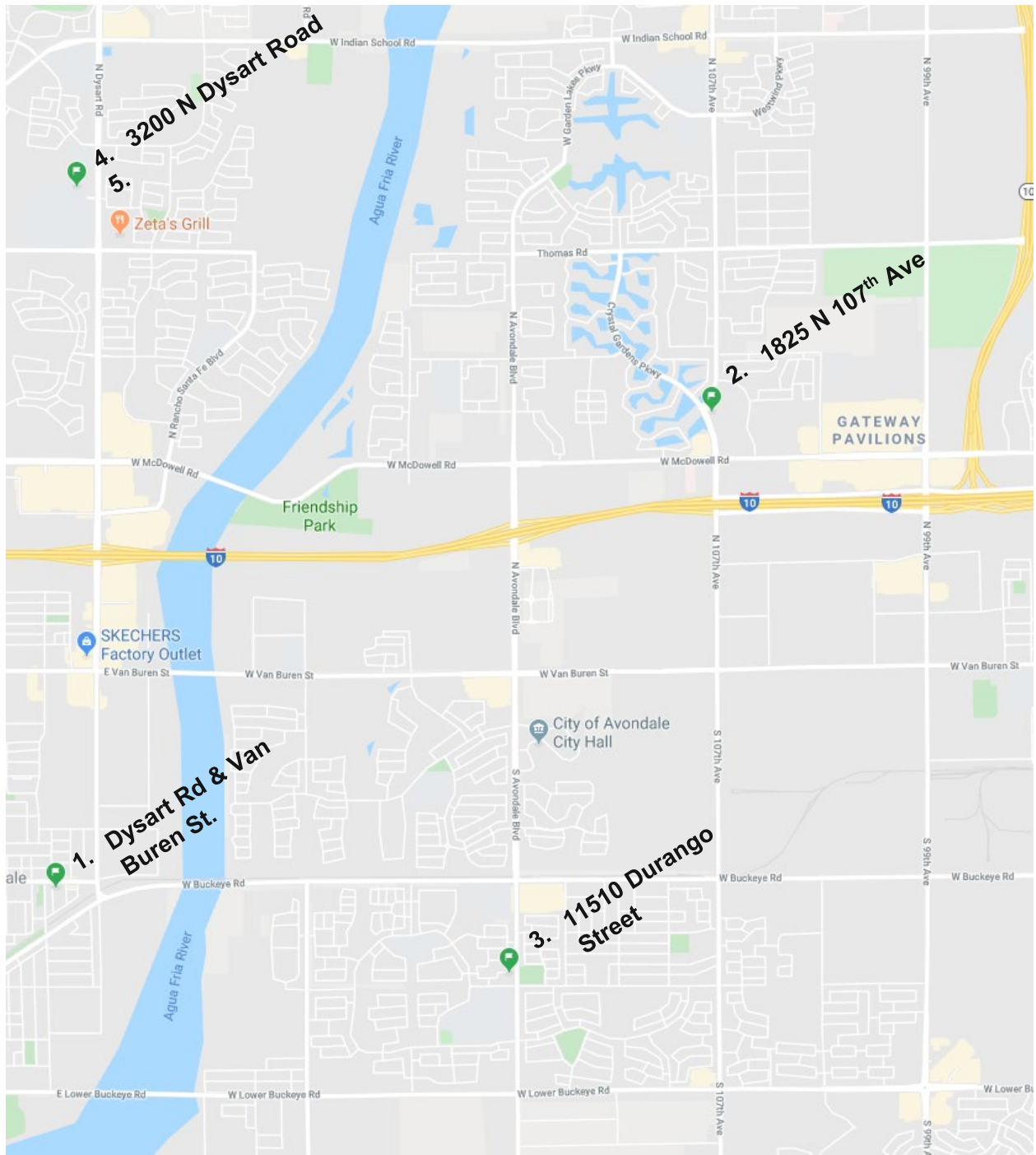
AMR will continue to comply with all applicable AFMD and PFDRDC move-up policies. If changes are needed, we look forward to collaborating with the City of Avondale to ensure all stakeholders are in alignment with any changes to the policy.

As the incumbent and our years of experience, our SSM and move-up policies have been proven extremely efficient with our response-time compliance exceeding City of Avondale standards, as discussed earlier in this section.



Per the RFP, AMR is eager to collaborate with Avondale EMS stakeholders on housing our crews in existing fire stations throughout the City, if the stations could accommodate our workforce. Our proposed new move-up policy, included below, would have AMR deploy our resources from the following AVFD stations:

- AVFD Station 171 – 101 S 5th St.
- AVFD Station 172 – 1825 N 107th Ave.
- AVFD – Station 173 – 11510 Durango St.
- AVFD Station 174 – 3200 N Dysart Road



If not, AMR would continue to perform services in our existing stations throughout the City of Avondale. As AMR works throughout Maricopa County, we currently deploy our resources out of several fire stations and would enjoy discussing a similar model with the City of Avondale at fair market value vs. housing our stations somewhere else.

1.4.4 Response Time Audit Trail

AMR will continue to provide the City of Avondale EMS stakeholders with complete assurance of compliance for all response times by providing monthly audit trails that we're able to pull from OPAP.

Through OPAP, AMR can pull hundreds of data points to produce customized reports for the City of Avondale, which will continue to be shared with EMS stakeholders at monthly meetings.

1.5 EQUIPMENT AND RESOURCES

AMR is committed to introducing new equipment and technologies to better meet the needs of our patients. We stay current with trends in medical transportation services, actively pursuing upgrades identified by our local employees or suggested by our customers.

- AMR uses the Stryker Power-PRO XT Powered X-Frame stretchers for all transports for AFMD, which includes the XPS (Expandable Patient Surface) upgrade. These modified stretchers provide for larger surfaces, making it safer and more comfortable for larger patients. They also include an innovative battery-powered hydraulic system that raises and lowers the cot at the touch of a button.
- In Avondale, AMR utilizes Physio-Control LIFEPAK 15 monitor/defibrillators on our front-line vehicles. This combination 15-lead heart monitor and defibrillator is a state-of-the-art, comprehensive patient monitoring system incorporating multiple new algorithms to support decision-making in the field or in consultation with the hospitals. It is capable of invasive monitoring (up to two arterial lines), capnography and entitle wave forms, non-invasive monitoring, pulse oximetry, and wireless transmission of 15-leads and pediatric vital signs.

In addition to the standard radio equipment installed in each ambulance, AMR will bear the costs for the installation of Mobile Communication Terminals (MCTs) into each ambulance positioned in or responding within the City of Avondale, as well as all required radios per the RFP requirement for interoperability with the PFDRDC system. **AMR is also committed to the addition of four LUCAS devices.** These hands-free chest compression systems facilitate constant blood flow, helping to improve the patient's chances of success.

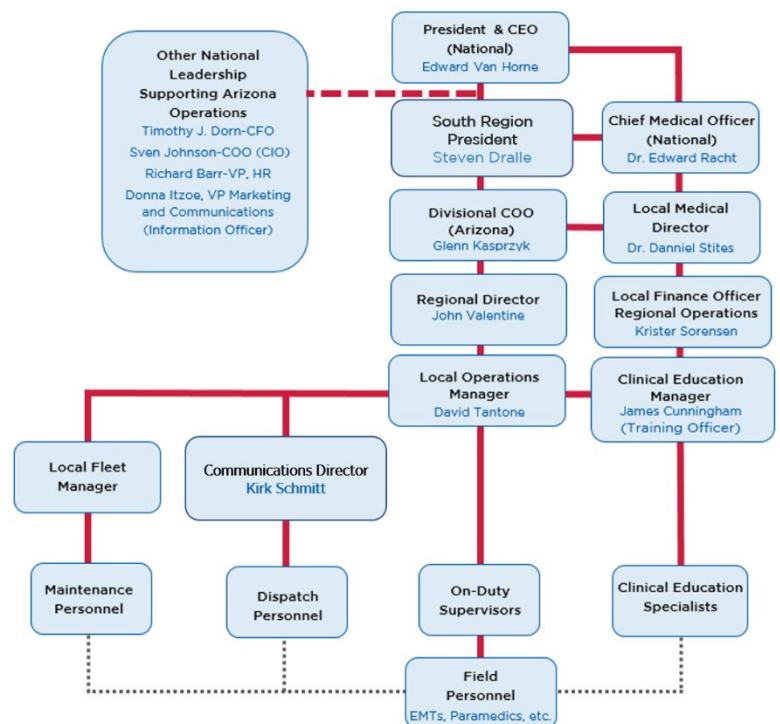
AMR will continue to resupply all AFVD crews and vehicles with disposable medical supplies on a one-for-one basis at the time of the call. When situations don't allow for immediate restock, fire personnel can restock from a different AMR unit later, or as agreed upon.

This ensures that AVFD's respective units are completely stocked and ready for another call they are on immediately upon clearing the call they are on.

1.6 KEY PERSONNEL & RESUMES

1.6.1 Organizational Chart

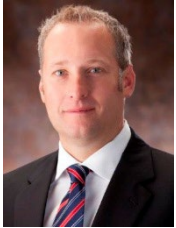
A copy of our organizational chart has been included, **at right**.



1.6.2 Key Personnel Biographies

Our team consists of a group of highly-qualified, dedicated individuals with decades of experience. These professionals live and work in the communities they serve, delivering hands-on customer service and care. During our decades of local service, our dynamic and experienced local leadership team has proven its commitment and ensure that we continue to provide quality service for the City of Avondale in the years ahead. We have provided biographies of our local leadership below and on the following page.

GLENN KASPRZYK, DIVISIONAL CHIEF OPERATING OFFICER



Glenn Kasprzyk is a dedicated ambulance service administrator with over twenty years of proven achievement in EMS. Arizona-based since 2006, Mr. Kasprzyk has served as the regional/division Chief Operating Officer. He monitors continuous quality improvement programs for all operational departments, monitors operating budgets, designs new processes and methodologies, and reports to the AMR South Region's Chief Executive Officer. Mr. Kasprzyk received his Paramedic certification from the Western New York EMS Training Institute in June 1994, and holds certifications as an Advanced Emergency Medical Dispatcher and a Certified Ambulance Coder. He is a member of the Arizona Chamber of Commerce, Mesa Chamber of Commerce, the Central Arizona Partnership, the Governor's Council on Infectious Disease Preparedness and Response, and is Vice Chair of the Arizona Emergency Medical Services Council.

JOHN VALENTINE, REGIONAL DIRECTOR



Mr. Valentine has been working in the Emergency Medical Services (EMS) field for over 38 years. Mr. Valentine has a very well-rounded view of the health care industry throughout the country, and has worked in every division of the industry. John has devoted his life to helping others through his work in EMS. Mr. Valentine currently works as the Regional Director for six operations in Arizona. Mr. Valentine guides his teams to meet local and state health care needs while overseeing the financial objectives necessary to maintain stable operations for the communities we serve.

DAVID TANTONE, OPERATIONS MANAGER



Mr. Tantone has over 17 years of experience in the EMS industry. Mr. Tantone has held numerous positions including EMT, Paramedic, Field Training Officer, Administrative Supervisor, and Operations Manager. As the current local West Valley Operations Manager, he is responsible for daily operations throughout Maricopa County.

He oversees more than 100 personnel providing hundreds of patients transports throughout Arizona.

1.6.3 Resumes

Resumes for Mr. Kasprzyk, Mr. Valentine, and Mr. Tantone have been included as **ATTACHMENT 2**. Additional resumes can be obtained upon request.

1.6.4 Contact Person

Regional Director John S. Valentine will serve as AMR's point of contact to the City of Avondale and will be supported by Operations Manager David Tantone. Their contact information can be found below.

Name Title:	John S. Valentine Regional Director	Contact Information:	john.valentine@amr.net 480.606.3636
Name Title:	David Tantone Operations Manager	Contact Information:	david.tantone@amr.net 623.463.3986



1.7 TRAINING

As stated earlier in our proposal, [TRAINING AND SUPERVISION](#), AMR has a robust training and orientation program for all new employees.

In addition, employees spend time as a third person on the ambulance and are mentored by Field Training Officers (FTO) for a minimum of 48 hours to ensure practical application and evaluation of all aspects of ambulance operation.

AMR's ongoing continuing education is an essential tool if pre-hospital health care providers are to remain current in the skills and knowledge necessary to provide the safest, most appropriate, and effective patient care. Our formal educational programs are structured and planned to meet the needs of our employees.

AMR's Clinical Education Services ("CES") department coordinates to ensure that training provided addresses trends identified in our improvement process, and develops additional training/education regularly.

2. Financials and References

2.1 FINANCIAL HISTORY

As the existing provider of services, AMR is fully aware of the financial requirements of the City of Avondale's EMS system. We have the proven financial strength to continue to provide the level of service outlined in our proposal. American Medical Response, Inc. — through its affiliated and subsidiary operating companies, including American Medical Response of Maricopa, LLC — are all owned under the umbrella of AMR HoldCo., Inc. Collectively, we are the nation's largest provider of emergency medical transportation services, emergency MICU, ALS and/or BLS ambulance services for 235 public customers.

We have fully costed the necessary capital expenditures and contingencies outlined in the contract and this proposal, and we have no need for additional financing to meet the requirements.

2.2 SOURCES OF SUFFICIENT CAPITAL

AMR has invested in the resources needed to maintain optimal coverage and response for the City of Avondale including but not limited to:

- Working in cooperation with PFDRDC to improve and optimize incident location mapping (Power Maps)
- Optimizing Computer Aided Dispatch (CAD) mapping to improve ambulance assignments
- Working with other Maricopa Association of Governments (MAG) members creating text to 911 capabilities
- Completed Emergency Medical Dispatch (EMD) training with 100% of staff now EMD certified

Additional capital required for new ambulance vehicle procurement are well-supported by our operations' current finances and the support and financial integrity of our parent organization. AMR HoldCo., Inc. together with its parent company Global Medical Response, Inc. ("GMR") has the financial resources and infrastructure in place to perform or exceed the requested services. We are financially healthy and stable.

2.3 FINANCIAL RESERVES

AMR HoldCo., Inc. together with GMR has a significant reserve, unparalleled in the ambulance industry, which ensures our ability to provide continued services. GMR is prepared to undertake all necessary actions to ensure the financial and long-term success of AMR with the City of Avondale EMS system, if awarded a contract. This includes pre-funding working capital, using cash on hand, accessing our credit facility with Bank of America, and providing other financial support. This strength and experience directly benefit AMR as it can call upon a variety of financial and personnel resources when necessary. Additionally, GMR has cash on hand of approximately \$188 million as of June 2019.



2.4 UNEXPECTED CIRCUMSTANCES

AMR does not have any circumstances or anticipated events that may have material bearing on the financial condition, solvency or credit worthiness that may impact our ability to perform this contract.

As set forth herein, AMR has sufficient insurance to address any and all liabilities, is unaware of any uninsured liabilities and is a financially healthy and stable company looking forward to the continuation of services to the communities it serves.

2.5 FINANCIAL STATEMENTS/SEC FORMS

AMR HoldCo., Inc. together with its parent company GMR are private companies not publicly traded.

2.6 AUDITED FINANCIAL STATEMENTS

The audited financials for our parent company, AMR HoldCo, Inc., have been included as **ATTACHMENT 3**. Also included as **ATTACHMENT 4** is a guaranty letter of credit.

2.7 BILLING PROCESSES AND PROCEDURES

AMR has an Arizona billing center dedicated to the processing and filing of Arizona all claims and more than 100 local Arizona dedicated billing advocates that assist patients with billing inquiries. Our efficient local Accounts Receivable process minimizes out-of-pocket costs for our patients and considers their special circumstances, if any, while maximizing reimbursement from third-party payors and ensuring compliance with all federal, state and local rules and regulations.

AMR's billing system, AM2000, processes more ambulance claims than any other system in the nation. AM2000 has been and will continue to bill both Medicare and Medicaid electronically. In addition to these government payors, we also bill many private insurance companies electronically, which shortens the payment cycle and improves our ability to close a customer's account quickly.

Our billing system has been designed in a way that allows us to generate invoices and CMS1500 forms as requested, even for those payors that have unique billing requirements.

Compassionate Care Program

On those occasions when we encounter a patient who is unable to pay his or her bill, we maintain a "Compassionate Care Allowance" for these patients with self-pay balances. Patients who can demonstrate insufficient assets or financial hardship may have their charges written off.

Our Compassionate Care Program identifies those patients who do not have third-party insurance and who are within 200% of the federal poverty level. Based upon this criterion, patients enrolled in our program are eligible for no-cost service as part of our dedication to our community. In Arizona alone, we have provided more than \$30,000 dollars in compassionate care transportation assistance to those who have qualified.

REDI-CARE Membership Program

A single trip in an ambulance can result in substantial costs for patients, even those with health insurance. As a key differentiator for the City of Avondale, AMR offers the Redi-Care Membership Program at an annual price of \$90.19. Program benefits apply to medically necessary ambulance services provided by AMR Paramedics or EMTs. Membership benefits would cover transports for emergencies, such as heart attacks and life-threatening injuries, as well as cover insurance-approved, non-emergency transports to approved healthcare facilities for patients who require ambulance transport. AMR would actively market their membership program throughout the City of Avondale. Wheelchair van and RN-staffed services are not included.

Through the strength of GMR and our medical aircraft sister companies, AMR can offer your citizens access to our AirMedCare Network subscription program.



Once enrolled, if they or a family member experience a life- or limb-threatening emergency, our alliance of air and ground ambulances can provide medical transport – dramatically reducing travel time to an emergency treatment facility and saving the patient thousands. As an AirMedCare Network member, families are covered by more than 320 locations across 38 states, including Alaska and Hawaii.

2.8 REFERENCES

We have included descriptions for our [REFERENCES](#) later in our proposal.

3. Capabilities and Methods of Operations

System planning can be accomplished using our OPAP system. OPAP can evaluate our CAD data to help determine the appropriate number of ambulances to deploy daily, and what times to deploy them. This is done in conjunction with our OPAP team, a group that specializes in CAD data analysis and ambulance deployment.

SYSTEM STATUS MANAGEMENT (“SSM”)

Through both automated and manual SSM processes, AMR continually evaluates our systems to ensure ambulances are located where they should be. This may include confirmation the posting plan is being utilized correctly; crews initiate their response to each request for service within the required period; dispatchers are dispatching the crews in the required time period; and/or the crews are provided with the appropriate response information, including potential safety instructions, when necessary.

Our dedicated CAD connection to the PFDRDC provides the most accurate data possible. Additionally, there are several mechanisms in place to detect an issue with a response in real-time, and send alerts to individuals, such as a supervisor, manager, and/or dispatcher, to make them aware of a potential issue.

Each non-compliant response is audited, recorded, and reviewed to determine why the ambulance did not arrive on time. When reviewing late responses, we first look to determine if there was a system issue, or a human error that either contributed or directly caused the late response.

Courses of remediation may include employee training, corrective action, system adjustments, and possibly a complete review of both the current deployment system and operating procedures that may need to be addressed to ensure future compliance is met.

NURSE NAVIGATION

As a key differentiator, AMR proposes our proven Nurse Navigation solution that is aimed at helping the City’s EMS system prevent unnecessary responses and respond more appropriately to non-emergency requests.

Nurse Navigation is one of AMR’s innovative solutions to better help the system utilize its resources. AMR will work alongside AFMD, City of Avondale stakeholders, and PFDRDC to ensure this program’s implementation is streamlined and addresses this low-acuity calls from Avondale citizens and guests.

Nurse Navigation can be assimilated easily, supporting current programs, functions, and future growth capabilities. The tool makes robust data available and can be integrated with different CADs, reporting, data collection, IT, and other platforms.

Three AMR Medical Command Centers (MCCs) are staffed with nurses, who are licensed in all 50 states and available 24 hours a day, seven days a week. Additionally, there is a Lyft / ride-share integration option that can capture and share transport data for better control of the City of Avondale’s EMS system.

We would like to discuss with the City financially stable models that have seen success in similar communities. As a case study, the Nurse Navigation program in Washington, D.C. preserves the scarce Fire and EMS resources and assets for true medical emergencies, reducing their overall response time in these situations.



FIELD SUPERVISION

For an EMS system to function effectively and maintain the highest level of clinical care and superior customer service, the system must always have consistent and competent field supervision.

AMR understands this need and takes pride in the fact that our Avondale team always operates under the direction of a highly experienced and extensively trained team of supervisors.

AMR Field Supervisors are provided with the training and tools to monitor, evaluate, and improve the clinical care provided by paramedic and EMT personnel. Upon hire and consistently throughout employment, our supervisory team members are provided with local professional development opportunities, often in collaboration with AMR regional leadership teams in neighboring counties.

Operations Manager David Tantone is always available by phone, text, or email if needed. Our local senior leadership team is available at the regional level 24 hours a day, 7 days a week, and 365 days a year.

INTERACTIONS WITH FIRST RESPONDERS

AMR has forged strong, collaborative partnerships with the City of Avondale, AFMD, PFDRDC, and other first responder agencies. We understand that the best patient outcomes come from an integrated system.

From shared medical direction and vehicles to supply restocking, we take every measure available to ensure that our personnel and local responders have the resources and support needed to work as a team.

We routinely work alongside first responders at standby, on-site event medical care for Cardinals football games at State Farm Stadium; Rattlers games at Talking Stick Resort Arena; as well as World Wrestling Entertainment and Ultimate Fighting events at Comerica Theater.

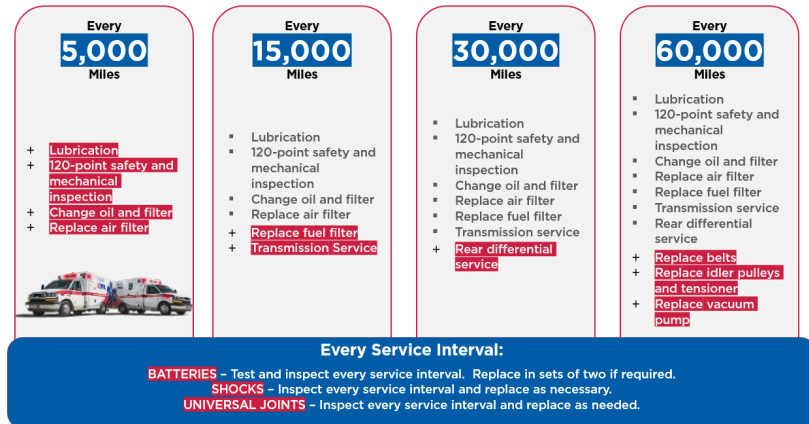
FLEET MANAGEMENT CAPABILITIES

All vehicles serving City of Avondale's citizens and guests will be equipped, maintained, and operated in accordance with the laws of the State of Arizona and the rules and regulations with the Department of Health Services.

The identification and repair of vehicle and equipment issues is paramount in providing uninterrupted service. For the City of Avondale, we provide continuous maintenance of our vehicles and equipment, ensuring local patients are transported as safely as possible. We offer a proven inspection and maintenance program, along with careful evaluation of equipment and stringent standards for replacement of major systems.

We utilize a commercial fleet maintenance software package to track maintenance and to evaluate our performance. This allows us to document service and repairs, track mileage, and generate a full range of reports, including vehicle service schedules.

Field personnel also clean and review equipment at the start of each shift and inspect it for any damage at the end of the shift. If there is any damage, they report this immediately and remove the item from service as soon as possible. All costs of repairs and maintenance, including extended warranties, fall under our expense. We have the financial ability to replace equipment or vehicles at any time, if needed.





DRIVER TRAINING AND RISK MANAGEMENT

We use the Emergency Vehicle Operator Certification (EVOC) program for all our employees. This consists of classroom training, a road course, as well as in ambulance one on one driving instruction.

AMR maintains an aggressive Health and Safety Program for Avondale's EMS system. The Program demonstrates AMR's commitment to the safety of our employees, our patients, and Avondale citizens and guests we serve.

Fully embedded into our continuous quality improvement (CQI) process, the program includes the following five objectives and strategies for achieving safety:

- The selection of highly qualified employees
- Loss control through exemplary safety policies and programs
- Effective personnel education and training
- Management of employee safety and accountability
- Continuous review and improvement as well as new safety initiatives

OSHA COMPLIANCE AND EXPOSURE CONTROL

We can collect data on every clinical and risk management incident. Through these channels, we gather all safety incident data, exceeding legal and OSHA requirements.

AMR complies with all requirements of OSHA and incorporates research from across the entire healthcare spectrum into those efforts. Safety equipment (gloves, masks, sharps containers, gowns, etc.) is vetted at great length to ensure its appropriateness for field use. Every employee receives training during our new hire orientation on infection control, including how to use personal protective equipment as well as practices to reduce cross-contamination between themselves and patients and patient-to-patient.

We maintain a set of ongoing practices to further reduce risk of infection and re-infection including the following:

- | | |
|---------------------------------------|--|
| ■ Cleaning, Disinfection and Disposal | ■ Post-Exposure Management |
| ■ Sharps Exposure Prevention | ■ Respiratory Protection Program |
| ■ Personal Protective Equipment | ■ Employee vaccinations including H1N1 Flu |

MEDICARE AND AHCCCS (MEDICAID) COMPLIANCE PROGRAM

AMR monitors and audits processes to ensure compliance with all billing regulations including Medicare and AHCCCS (Medicaid) regulations.

Our entire organization and our clients, customers, and patients benefit from what is recognized as an industry-leading Corporate Ethics and Compliance Program. AMR's Ethics and Compliance Department has a threefold mission: to prevent, detect, and mitigate regulatory risks. The Department monitors changes in federal laws and regulations, as well as government enforcement that affect AMR and our customers. It also implements our Code of Business Conduct program, which is designed to promote ethical decision-making and professionalism in every aspect of our operations.

Annual Code of Business Conduct training is mandatory for all AMR employees. Employees are encouraged to report compliance concerns anonymously via our toll-free Ethics and Integrity Help Line.

3.1 REGULATORY INVESTIGATIONS

American Medical Response of Maricopa, LLC has not been investigated in the last five years.

Like others in the industry, AMR and its subsidiaries have from time-to-time been contacted by government agencies in connection with their regulatory or investigational authority.



We have implemented policies and procedures we believe will assure we are in substantial compliance with the laws that these governmental agencies regulate.

Any past matters have been resolved with the appropriate governmental agency including, for example, Corporate Integrity Agreements related to our local operations in Texas, California, Massachusetts and New York. Additionally, local AMR operations receive inquiries from state and local health departments, EMS bureaus, state attorneys and other regulatory or law enforcement agencies. AMR cooperates with these authorities to resolve all inquiries.

3.2 LITIGATION AND CLAIMS

As of the date of this submission, we believe there is no outstanding or pending litigation that would affect our ability to materially perform the requirements of the RFP and we believe that there is no pending litigation that would preclude use from billing third-party payers.

At this time, we believe that any pending litigation or claims that may be asserted against us are without merit and/or adequately provided for by insurance or reserves and will not have a material effect on the operations or the services that we would provide under this RFP. Additionally, AMR HoldCo., Inc maintains insurance that is significantly higher than other providers in the emergency medical services industry. There are several layers of excess insurance for professional liability, auto liability and general liability reaching into the high eight figures for various lines.

3.3 SUBCONTRACTOR CREDENTIALS

AMR will not utilize subcontractors to render services for this contract.

3.4 DISASTER PREPAREDNESS

One of the major differentiators between AMR and other providers is our ability to provide for and protect communities in times of large-scale emergencies. We will continue to provide the City of Avondale with sufficient resources, equipment, and highly trained skills in disaster preparedness.

Not only will we mobilize our local crews and units, but we can pull additional resources from across the state and nationally through the strength of GMR, our parent company that provides care to the world in a moment's notice.

As the contracted national provider for FEMA since 2007 – and with collective experience in a wide variety of natural disasters, active shooter events, and evacuations – AMR is the nation's most experienced and best-prepared provider of emergency evacuations and support in catastrophic situations. We also have a track record of excellent performance with 9-1-1 service areas and our client hospitals during catastrophic events.



3.5 LOCATIONS OF STATIONS

AMR's station locations ensure we continue to provide the fastest ambulance response possible to Avondale's citizens. AMR operates two stations — 1050 N. Eliseo C Felix Way, No. 117 and 1585 N. 113th Ave., No. 108 — and is currently searching for a site for our third location. As stated earlier in our proposal, it is AMR's desire to cohabitate our crews in Avondale Fire stations to maximize our shared vision for the EMS system.

We've included a description of our current stations' living quarters, facilities, and storage areas on the following page. As an enhancement to streamline our response to transport requests, AMR is outfitting our ambulance units with MCTs to provide direct communication into the PFDRDC system. Additionally, AMR attests we have the ability and will pay for any ancillary costs to install the PFDRDC system into our stations. We have included a copy of the description of our living quarters and stations' facilities, **at right**.

Article 73. Crew Accommodations

The Company shall comply with all applicable State, Local and Federal guidelines concerning crew accommodations.

The Labor Management Committee shall make recommendations on all crew accommodations to provide comfortable, safe, and private living quarters for all crews.

In addition, the stations shall have, at minimum, the following:

- a. AC/heat.
- b. In-quarters bathroom, where possible, with hot and cold running water of drinkable quality. Where in-quarters bathrooms are not possible, employees must have 24 / 7 access to an in-building bathroom.
- c. A shower or nearby shower with 24/7 access.
- d. A kitchen area with a microwave, sink, and refrigerator.
- e. A sleeping area separate with a door.
- f. A day room with satellite / cable TV, where available.
- g. Proper lighting in all areas.
- h. Cleaning supplies (vacuum, broom, mop, paper towel, toilet paper, plunger, bowl brush and disinfectant).
- i. If permitted by the owner of the property, the area outside of quarters shall have running water for cleaning ambulances
- j. Computer with network connection for clocking in, company email, etc...

The Union shall appoint a representative to work with the Company for potential site locations in an attempt to reach these goals.

During the life of this Agreement the Company shall, through the Labor Management committee or the Union, repair, replace or enhance station accommodations as recommended by the Labor Management Committee giving consideration to practicality and reasonable budget restraints.

Repairs required to correct safety hazards shall be completed as soon as practical. Should a hazard pose imminent danger to health or life safety, the Company agrees to temporarily relocate affected employees to a safe location while facilitating any necessary repairs.

The Union shall be notified of any applicable timelines to remediate items which are in violation of the provisions of this Agreement and such items shall be corrected within thirty (30) days unless extended by mutual agreement.

It shall be the responsibility of the Labor Management Committee to inspect each existing station and to prioritize upgrades.

4. Funding and Reimbursement

4.1 PFDRDC EQUIPMENT FOR SPECIAL EVENT AMBULANCES

AMR will be responsible for all radio purchases, leases and maintenance costs associated with the 700 to 800 MHz system. We understand that reimbursement of any fees or costs associated with radio systems will not exceed the amount the City pays for these services on behalf of AMR. AMR understands that the City has entered into an agreement with the PFDRDC to dispatch ambulances directly.

In addition to being a dedicated, local partner to the Cardinals (NFL) and Diamondbacks (MLB) professional organizations, AMR has decades of experience providing event medical standby services and first-aid for the professional and collegiate teams, as well as NASCAR and U.S. Presidential inaugurations.

4.2 TRAFFIC PREEMPTION EQUIPMENT

As an alternative to the Street Eagle Driver Behavior System, each AMR ambulance deployed for 911 operations in the City of Avondale are outfitted with a Lytx DriveCam unit in the driver's compartment. DriveCam's driver safety solution includes a video event recorder, which captures both good and risky driving behavior and uploads daily recordings of it via a secure cellular connection. The information is then transferred to our supervisors for analysis or opportunity to praise our employees and to provide safety coaching. This wealth of information includes vehicle speeds, stop times and locations, idle duration, driving distance, estimated arrival and departure times, and more. DriveCam provides reports for fleet tracking to identify opportunities for training and coaching. If the City of Avondale requests specifically the Street Eagle system, AMR is eager to collaborate with City of Avondale leaders to discuss the efficacy and implementation of the program. AMR will design our Avondale fleet to include traffic preemptive equipment, as well as DriveCam.



VENDOR INFORMATION FORM

Avondale
Aspiring. Achieving. Accelerating

**CITY OF AVONDALE
FIRE AND MEDICAL DEPARTMENT
FD20-014 EMERGENCY MEDICAL TRANSPORTATION**

PART III. VENDOR INFORMATION FORM

By submitting a Proposal, the submitting Vendor certifies that it has reviewed the administrative information and draft of the Professional Services Agreement's terms and conditions and, if awarded the Agreement, agrees to be bound thereto.

American Medical Response of Maricopa, LLC
VENDOR SUBMITTING PROPOSAL

30-0824958

FEDERAL TAX ID NUMBER

John Valentine, Regional Director
PRINTED NAME AND TITLE


AUTHORIZED SIGNATURE

8465 N. Pima Road
ADDRESS

480.606.3636

TELEPHONE

480.606.3338

FAX #

Scottsdale, AZ 85258

CITY STATE ZIP

October 24, 2019

DATE

WEB SITE: www.amr.net

E-MAIL ADDRESS: John.Valentine@amr.net

ARIZONA CORPORATION COMMISSION FILE NO. R19193996

SMALL, MINORITY, DISADVANTAGED AND WOMEN-OWNED BUSINESS ENTERPRISES (check appropriate item(s):

- ☐ Small Business Enterprise (SBE)
☐ Minority Business Enterprise (MBE)
☐ Disadvantaged Business Enterprise (DBE)
☐ Women-Owned Business Enterprise (WBE)

Has the Vendor been certified by any jurisdiction in Arizona as a minority or woman-owned business enterprise? **No.**

If yes, please provide details and documentation of the certification.



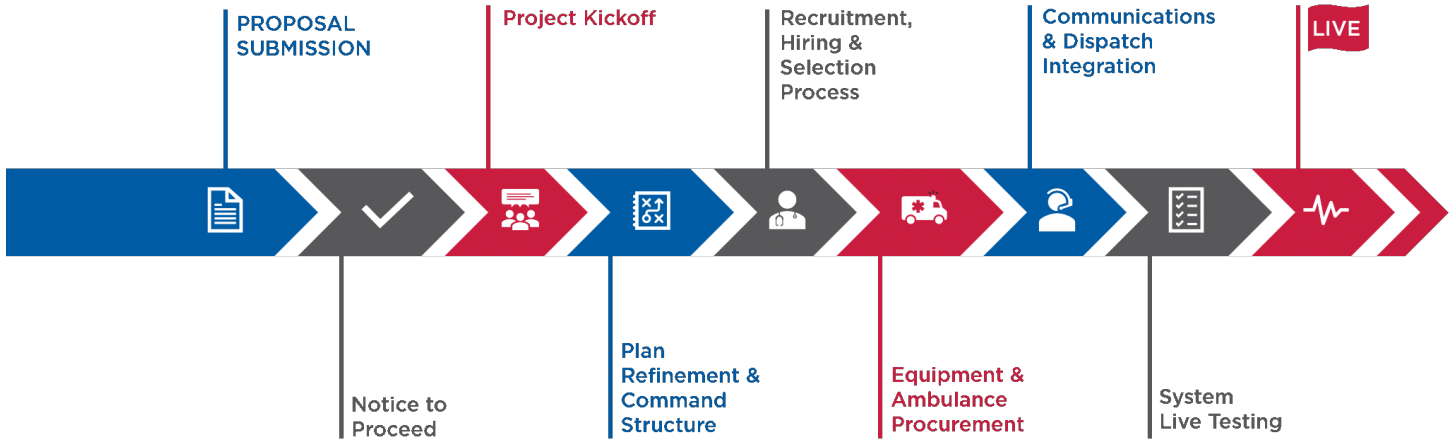
REFERENCES

Contracting Agency:	Towns of Gilbert and Queen Creek	Contact Information:	Bob Badgett Assistant Fire Chief 480.503.6334
Type and Level of Service:	911	Period/Term:	October 2016 to Present
Services Description:	In the Town of Gilbert, AMR works very closely with the Gilbert Fire and Medical Department in a performance-based system. With four (4) ALS 24-hour units and two (2) strategically placed peak units, we run in a progressive and robust Priority Dispatch model. This model maintains a high level of efficiency on each call for service and improves the safety for our employees and the community that we serve, prioritizing the need for transportation early in the patient experience to elicit the appropriate level of care and service for each customer. Our units are housed within six (6) fire stations within the Town of Gilbert. Our collaboration and cooperation with the Town of Gilbert Fire and Medical Department is a main driver of exceptional patient care, efficient use of transportation services, and ultimately the best possible customer experience. We respond to over 11,000 calls for service with nearly 9,500 transports per year, and that total is increasing with the local population.		

Contracting Agency:	City of Chandler	Contact Information:	Thomas Dwiggins Fire Chief 480.782.2130
Type and Level of Service:	911	Period/Term:	December 2005 to Present
Services Description:	We staff a total of six ALS units throughout this city of nearly 250,000. We are co-staffed with Chandler Fire – providing a certified EMT while Chandler Fire staffs a paramedic – to provide ALS-level service, 24 hours a day. We are highly integrated with our fire partners throughout the city.		

Contracting Agency:	Banner Health	Contact Information:	Charley Larsen Senior Director Banner Health Transfer Center 480-412-5667 Charles.Larsen@bannerhealth.com
Type and Level of Service:	Interfacility	Period/Term:	2016 to Present
Services Description:	With a fleet of between 55 and 65 ambulance units, AMR responds to calls for ALS BLS, and CCT services. Our units are fully equipped with necessary supplies, including ventilators and pumps. We also conduct specialty transports, such as bariatric, long distance, ECMO, etc.		

PROJECT SCHEDULE



As the incumbent provider, the Avondale stakeholders will be relieved of all the project tasks listed in the graphic above. Based on our past performance in the City of Avondale EMS system, AMR has already executed these benchmarks to ensure City of Avondale citizens and guests will not experience any interruption in the performance of services.

RESUMES, LICENSES AND CERTIFICATIONS

Included, **at right**, is AMR's Certificate of Necessity ("CON" 136), authorizing the operation as a ground ALS and BLS ambulance service in the State of Arizona for the transportation of individuals who are sick, injured, wounded or otherwise incapacitated or helpless within the service area.

A completed version of our CON has been attached on our USB and can be obtained upon request.

AMR has included resumes of our listed personnel as **ATTACHMENT 2**.

ARIZONA DEPARTMENT OF HEALTH SERVICES

STATE OF ARIZONA) ss
County of Maricopa

CERTIFICATE NO. - 136 -
DOCKET NO. - EMS 01532

THE ARIZONA DEPARTMENT OF HEALTH SERVICES has found, under the authority of A.R.S. § 36-2232 and pursuant to Department of Health Services rules, that public necessity requires the operation of

AMERICAN MEDICAL RESPONSE OF MARICOPA, LLC,
dba AMERICAN MEDICAL RESPONSE, dba AMR, dba SW GENERAL INC., dba
SOUTHWEST AMBULANCE, dba SOUTHWEST AMBULANCE OF CASA GRANDE, INC.,
dba SOUTHWEST AMBULANCE AND RESCUE OF ARIZONA

as a ground ALS and BLS ambulance service in the State of Arizona for the transportation of individuals who are sick, injured, wounded or otherwise incapacitated or helpless within the following service area, with the following central operations station and response times:

1. Service Area:
1) Beginning at the southwest corner of Maricopa County (32° 30' 17.80"N, 113° 20' 2.00"W). Proceed north and east along the Maricopa County Line to a point 0.19 miles east of Hwy 88 where the boundary of the Tonto National Forest turns south (33° 27' 52.24"N, 111° 28' 36.54"W). Proceed south and east along the Tonto National Forest to a point south of E. Hewitt Station Rd. where the Tonto National Forest boundary turns east (33° 16' 41.50"N, 111° 16' 8.28"W), then proceed due west to a point north of Florence Junction (33° 16' 41.50"N, 111° 20' 18.1"W), then proceed south to Florence Junction (33° 15' 22"N, 111° 20' 18.1"W), then proceed southwest approximately 9.75 miles to a point where Cambs Road intersects with the Fannin-McFarland Aqueduct (33° 13' 12.44"N, 111° 30' 3.22"W), then follow the Fannin-McFarland Aqueduct Southeast to the extension of N. Quail Run Lane (33° 12' 9.03"N, 111° 29' 34.96"W); proceed South to the intersection of N. Quail Run Lane and E. Skyline Dr. (33° 11' 28.09"N, 111° 29' 34.02"W); then West to the intersection of E. Skyline Dr. & N. Gantzel Rd. (33° 11' 27.21"N, 111° 33' 24.14"W); then South to the intersection of N. Gantzel Rd. & E. Bella Vista Rd (33° 9' 42.26"N, 111° 32' 41.58"W); then East to

Now, therefore, by virtue of the authority vested in the Arizona Department of Health Services, under the constitution and laws of the State of Arizona, does hereby grant this

RENEWAL
CERTIFICATE OF NECESSITY

authorizing the operation of the aforesaid ambulance service for a period ending February 25, 2022, unless for cause sooner amended, suspended, revoked or terminated subject to the decisions and orders, and rules of the Department.

PROVIDED, that this certificate shall not be assigned nor transferred unless authorized by the Arizona Department of Health Services.

BY THE ORDER OF THE ARIZONA DEPARTMENT OF HEALTH SERVICES, IN WITNESS WHEREOF, I, CARA M. CHRIST, MD, the Director of the Arizona Department of Health Services, have hereunto set my hand and caused the official seal of the Arizona Department of Health Services to be affixed at Phoenix, Arizona on December 31, 2018



PRICING WORKBOOK

5. COSTS FOR SERVICES

5.1 DETAILED COSTS

Provided below are AMR's costs per hour for providing emergency medical transportation services for special events as stated in the **SCOPE OF WORK** and **SPECIFICATIONS** of the RFP.

SERVICE	RATES
ALS Standby	\$95.52
BLS Standby	\$65.67
RN Standby	\$191.04

OFFEROR NAME: American Medical Response of Maricopa, LLC

5.2 REGULATED AMBULANCE TRANSPORT RATES

The below rates have been approved and are regulated by the Arizona Department of Health Services and fall under the Phoenix rate group, as of September 2019.

SERVICE	RATES
ALS Transport	\$965.67
BLS Transport	\$860.19
Mileage	\$20.02

5.3 REDI-CARE

As mentioned earlier in our proposal, AMR proposes our Redi-Care membership program as an enhancement to the City of Avondale EMS system. At an annual price of \$90.19, this subscription program benefits apply to medically necessary ambulance services provided by AMR Paramedics or EMTs. For a more detailed description, please see [REDI-CARE MEMBERSHIP PROGRAM](#).



ADDENDA

AMR acknowledges the two addenda that were released as part of this solicitation process. Signed copies of Addendum 1 and Addendum 2 are included below and on the following page.



**CITY OF AVONDALE
FIRE AND MEDICAL DEPARTMENT
FD20-014 EMERGENCY MEDICAL TRANSPORTATION**

REQUEST FOR PROPOSALS

Addendum 1 – Questions and Answers

October 17, 2019

Final Date for Questions: October 21, 2019

Proposals Due: October 24, 2019; 5:00 p.m. Local Time at:

City of Avondale City Hall

11465 W. Civic Center Drive

Avondale, Arizona 85323

Offerors are instructed to return a copy of this addenda form signed by an authorized firm agent as part of the submittal.

A handwritten signature in blue ink, appearing to be "John M. [unclear]", is written over a horizontal line.

SIGNATURE

American Medical Response of Maricopa, LLC

October 24, 2019

COMPANY

DATE



CITY OF AVONDALE
FIRE AND MEDICAL DEPARTMENT
FD20-014 EMERGENCY MEDICAL TRANSPORTATION

REQUEST FOR PROPOSALS

Addendum 2 – Questions and Answers

October 21, 2019

Final Date for Questions: October 21, 2019

Proposals Due: October 24, 2019; 5:00 p.m. Local Time at:

City of Avondale City Hall

11465 W. Civic Center Drive

Avondale, Arizona 85323

Question 1: On the electronic copy, may we include our audited financials, certificate of insurance, and other attachments that better explain the strength and stability AMR can continue provide to the City of Avondale's EMS system?

City Response: The City will allow audited financials and a certificate of insurance to be excluded from the 20-page limit. Any other attachments used for evaluation purposes will be included in the 20-page limit.

Offerors are instructed to return a copy of this addenda form signed by an authorized firm agent as part of the submittal.

A handwritten signature in blue ink, appearing to be "J. H. H.", is written over a horizontal line.

SIGNATURE

American Medical Response of Maricopa, LLC

October 24, 2019

COMPANY

DATE



ATTACHMENTS

ATTACHMENT 1 – CERTIFICATE OF INSURANCE

ATTACHMENT 2 – KEY PERSONNEL RESUMES

ATTACHMENT 3 – AUDITED FINANCIALS

ATTACHMENT 4 – GUARANTY LETTER OF CREDIT



City of Avondale | RFP# FD20-014
Proposal for Emergency Medical Transportation Services

Attachment 1 - Certificate of Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/28/2019

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

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

PRODUCER Woodruff-Sawyer & Co. 717 - 17th Street, Suite 1540 Denver CO 80202	CONTACT NAME: PHONE (A/C, No, Ext): 800-675-4467 FAX (A/C, No): 415-989-9923 E-MAIL ADDRESS: <table style="width: 100%;"> <tr> <td style="text-align: center;">INSURER(S) AFFORDING COVERAGE</td> <td style="text-align: center;">NAIC #</td> </tr> <tr> <td>INSURER A: ACE American Insurance Company</td> <td>22667</td> </tr> <tr> <td>INSURER B: Lloyds of London - Beazley</td> <td></td> </tr> <tr> <td>INSURER C: Indemnity Insurance Company of North America</td> <td>43575</td> </tr> <tr> <td>INSURER D: ACE Fire Underwriters Insurance Company</td> <td>20702</td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: ACE American Insurance Company	22667	INSURER B: Lloyds of London - Beazley		INSURER C: Indemnity Insurance Company of North America	43575	INSURER D: ACE Fire Underwriters Insurance Company	20702	INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A: ACE American Insurance Company	22667														
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INSURER D: ACE Fire Underwriters Insurance Company	20702														
INSURER E:															
INSURER F:															
INSURED GLOBMED-02 AMERICAN MEDICAL RESPONSE, INC. 6363 S. FIDDLERS GREEN CIRCLE, 14TH FLOOR GREENWOOD VILLAGE, CO 80111															

COVERAGES**CERTIFICATE NUMBER:** 770463393**REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ SIR 250,000 GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:		XSLG7123745A	3/31/2019	3/31/2020	EACH OCCURRENCE \$ 2,750,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 2,750,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ 2,750,000 \$
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY		ISAH25277090	3/31/2019	3/31/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 10,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$		W1B173190401	3/31/2019	3/31/2020	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
A C D A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N ☐ N / A	WLRC65896187 WLRC65896229 SCFC65896266 WCUC65896308	3/31/2019 3/31/2019 3/31/2019 3/31/2019	3/31/2020 3/31/2020 3/31/2020 3/31/2020	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Medical Professional Liability Claims Made		WB173190401	3/31/2019	3/31/2020	EA OCC/GEN AGG SIR 10,000,000 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

*\$1,000,000 SIR APPLIES TO EXCESS WC POLICY NO. WCUC65896308
 EVIDENCE OF COVERAGE FOR AMERICAN MEDICAL RESPONSE, INC.

CERTIFICATE HOLDER**CANCELLATION**

American Medical Response, Inc.
 6363 S. Fiddlers Green Circle, 14th Floor
 Greenwood Village CO 80111

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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City of Avondale | RFP# FD20-014
Proposal for Emergency Medical Transportation Services

Attachment 2 – Key Personnel Resumes

Glenn R. Kasprzyk

1111 East Missouri Avenue • Phoenix, AZ 85014
(928) 308-5692
Email: glenn.kasprzyk@amr.net

PROFILE

Dedicated ambulance service leader with over twenty-five years of proven achievement in emergency medical services. Able to work openly and honestly with others regardless of background or experience, earn trust and effectively build consensus to produce measurable results.

PROFESSIONAL EXPERIENCE

- AMERICAN MEDICAL RESPONSE (AMR), Scottsdale, Arizona** 2015-Present
Regional Chief Operations Officer – Arizona and New Mexico
- Ongoing market analysis, integration and planning of out-of-hospital EMS services to encompass ambulance service and mobile integrated healthcare.
 - Monitor continuous quality improvement metrics for all operational departments.
 - Negotiate contracts with community partners; governmental and private.
 - Plan, control and monitor operating budgets.
 - Establish goals and objectives for all operational departments and ensure alignment with corporate initiatives.
 - Design, implement and maintain process to maximize customer service and quality.
 - Monitor and ensure all regulatory compliance is maintained.
 - Direct reporting to Regional President.
- LIFE LINE AMBULANCE SERVICE (AMR), Prescott, Arizona** 2006-2015
Chief Operations Officer
- Responsible for direct budget management of operational departments.
 - Monitor operational and quality assurance data to ensure maximum system efficiency.
 - Interact with key public and private community partners to ensure a high level of customer service is met.
 - Develop and implement strategies to sustain and grow business.
 - Process analysis to ensure data collection, compliance and review between all company departments.
 - Direct reporting and accountability to Chief Executive Officer.
- RURAL METRO MEDICAL SERVICES, Orlando, Florida** 2002-2006
Operations Manager
- Interact with local governmental agencies and regulatory boards.
 - Utilize “Best Practices” to enhance operational and employee performance and satisfaction.
 - Work with marketing department to grow general transport business and analyze current business trends.
 - Report and review daily system statistics for contract and budgetary compliance.

PROFESSIONAL INVOLVEMENT

Member of Arizona Emergency Medical Services (EMS) Council; Vice Chair
Member of Governor’s Council on Infectious Disease Preparedness and Response
Board Member – Central AZ Partnership, AZ Chamber of Commerce and Mesa Chamber of Commerce
Registered Lobbyist - Arizona

EDUCATION and PROFESSIONAL DEVELOPMENT

NAED – Advanced Emergency Medical Dispatcher
National Academy of Ambulance Coding – Certified Ambulance Coder
NYS Certified Paramedic – Western New York EMS Training Institute - June 1994
Business concentration credits earned towards a degree – Erie Community College - May 1994
Continuous professional development through educational courses, seminars, speaking engagements, and workshops.

References available upon request

John S. Valentine
General Manager, Arizona



Education

1993 Paramedic Training, St. Joseph's Hospital and Medical Center, Phoenix, AZ
1987 Intermediate EMT Training, Mohave Community College, Bullhead City, AZ
1984 Emergency Medical Technician Challenge, AZ Department of Health Services
1980 Emergency Medical Technician/Street Law Training, San Marcos, CA

Experience

2008 – Present **Regional Director**, Arizona, South Division AMR

- Development and management of annual budget
- Oversee and manage deployment and operation of 60+ ALS, BLS, ambulances in combined urban/suburban/and rural setting
- Responsible for over (650) employees
- Responsible for market growth and, new business growth of 911 and IFT as well as responding to RFP
- Over see and manage Commutations Center which handles more than 30,000 emergency calls for service

2004 – 2008 **Area Manager / Paramedic**, River Medical, Inc.

- Responsible for supervision and coordination of ambulance resources and logistical management of the La Paz County region
- Responsible for supervision, leadership, disciplining, training, and evaluating of 40 employees

1996 – 2004 **Paramedic**, River Medical, Inc.

- Responsible for paramedic duties in ambulance operations

1999 – 2002 **Captain / EMS Coordinator**, Buckskin Fire Department

- Responsible for day-to-day operations and all aspects of EMS functions as a shift captain
- Responsible to carry out the duties as Vice President of the Firefighter's Association for the Department. (IAFF)

1998 – 2000 **Flight Paramedic**, Air Evac Services / Petroleum Helicopters, Inc.

- Responsible for the care of critically ill or injured adult/pediatric/obstetrical patients in the aero medical environment functioning as a team member with a flight nurse

1988 – 1999 **Division Chief / EMS Coordinator**, Quartzsite Fire Department

- Responsible for day-to-day operations as a Division Chief
- Responsible for supervision, hiring, training, and disciplining of employees

Professional Certifications

National Registry Certified Paramedic (1992 to present)
Advanced Cardiac Life Support Provider, American Heart Association
Pediatric Advanced Life Support Provider, American Heart Association
Basic Cardiac Life Support Provider, American Heart Association
Advanced Open Water Diver/Rescue Diver, PADI
NFPA Job Performance Requirements, IFSTA
Hazardous Materials Training, Arizona State Fire Marshall's Office
Hazardous Materials Incident Response Ops, US Environmental Protections Agency
Firefighter I and II Instructor/Evaluator, Arizona State Fire Marshall's Office
Tactics and Procedures, Arizona State Fire Marshall's Office
Infection Control for EMS Personnel, National Fire Academy
Certified Fire Investigator, Arson I/II, Internat'l. Assn. of Arson Investigators
Leadership Strategy for Company Success, Arizona State Fire Marshall's Office
Leadership III Company Officers, Arizona State Fire Marshall's Office
Emergency Driving Procedures, Arizona State Fire Marshall's Office

For more information, please contact me via email at john.valentine@amr.net or at (928) 302-0399.

David Tantone
Operations Manager, Arizona



Resume

Education

2010 ASHI ACLS/PALS Instructor/Southwest Ambulance
2007 Paramedic Training/DC MED PREP, Mesa, AZ
2001 Emergency Medical Technician/Cocconino Community College, Flagstaff, AZ

Experience

2017– Present **Operations Manager, Arizona, West EMS AMR**

- Oversight of Multiple business units in Maricopa County
- Analyze the market and develop plans to meet demands.
- Ensure optimal service levels
- Oversee and manage deployment and operation of 15+ ALS, BLS, ambulances in combined urban/suburban/and rural setting
- Responsible for over (96) employees
- Responsible for Contract and CON Compliance
- Plan, control and monitor operating budgets for assigned areas of responsibilities

2011 – 2017 **Administrative Supervisor, Arizona, West EMS AMR**

- Responsible for supervising, directing and developing subordinates.
- Monitor contract compliance data, and report it to the Operations Manager
- Liaison with patients, public safety agencies, training institutions, hospital personnel and other system users
- Prepare reports and manage projects as assigned by the Operations Manager.

2010 - 2011 **Field Training Officer, Rural/Metro Corp, Mesa, AZ**

- Responsible for NEOP Training for all new employees.
- Teach our Certified Emergency Vehicle Operator program to new employees.
- Teach ALS Refresher Program
- Alternate instructor for our internal Paramedic Academy

2007 – 2010 **Paramedic, Southwest Ambulance, Mesa, AZ**

- Responsible for the ALS care of critically ill or injured adult/pediatric patients in Urban, Suburban, and Rural Settings.

2005 - 2010 **EMT, Southwest Ambulance, Mesa, AZ**

- Responsible for standard emergency medical duties in ambulance operations

Professional Certifications

- ☐ National Registry Certified Paramedic (2007 to present)
- ☐ Advanced Cardiac Life Support Provider, American Heart Association
- ☐ Pediatric Advanced Life Support Provider, American Heart Association
- ☐ Basic Cardiac Life Support Provider, American Heart Association



City of Avondale | RFP# FD20-014
Proposal for Emergency Medical Transportation Services

Attachment 3 - AMR HoldCo, Inc., Audited Financials

Attachment 3 - AMR HoldCo,
Inc., Audited Financials



AMR HoldCo Inc.
(a wholly-owned subsidiary of Global Medical Response, Inc.)

**CONSOLIDATED FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT
FOR THE PERIOD FROM MARCH 14, 2018 TO DECEMBER 31, 2018, THE PERIOD FROM JANUARY 1,
2018 TO MARCH 13, 2018 AND THE YEAR ENDED DECEMBER 31, 2017**



KPMG LLP
Suite 800
1225 17th Street
Denver, CO 80202-5598

Independent Auditors' Report

The Board of Directors
AMR HoldCo Inc.:

We have audited the accompanying consolidated financial statements of AMR HoldCo Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations, changes in equity, and cash flows for the period from March 14, 2018 to December 31, 2018, the period from January 1, 2018 to March 13, 2018 and the year ended December 31, 2017, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AMR HoldCo Inc. and its subsidiaries as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the period from March 14, 2018 to December 31, 2018, the period from January 1, 2018 to March 13, 2018 and the year ended December 31, 2017, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Denver, Colorado
April 26, 2019

AMR HOLDCO INC.
(a wholly-owned subsidiary of Global Medical Response, Inc.)

CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>Successor</u> <u>December 31,</u> <u>2018</u>	<u>Predecessor</u> <u>December 31,</u> <u>2017</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 237,645	\$ 8,521
Insurance collateral	90,102	—
Insurance receivable from related party	—	83,883
Accounts receivable, net	383,711	487,144
Supplies inventory	39,061	36,257
Prepaid expenses	29,424	23,518
Other current assets	32,042	11,967
Total current assets	811,985	651,290
Property and equipment, net	364,837	343,404
Intangible assets, net	1,020,697	918,622
Goodwill	794,086	1,158,652
Other assets	21,916	36,796
Total assets	\$ 3,013,521	\$ 3,108,764
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 22,638	\$ 16,589
Accrued wages, benefits and taxes	107,203	84,157
Other accrued liabilities	164,528	186,254
Current portion of long-term debt and capital lease obligations	64	85
Total current liabilities	294,433	287,085
Long-term debt and capital lease obligations	995	1,293
Deferred income taxes	45,854	228,285
Insurance reserves	114,164	108,873
Other long-term liabilities	12,517	32,272
Total liabilities	467,963	657,808
Commitments and contingencies		
Equity:		
Investment by Parent/Prior Parent	2,497,175	2,526,826
Accumulated other comprehensive income (loss)	4,084	(4,447)
Retained earnings (accumulated deficit)	44,299	(71,423)
Total equity	2,545,558	2,450,956
Total liabilities and equity	\$ 3,013,521	\$ 3,108,764

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

AMR HOLDCO INC.
(a wholly-owned subsidiary of Global Medical Response, Inc.)

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)

	Successor	Predecessor	
	Period from March 14 to December 31, 2018	Period from January 1 to March 13, 2018	Year Ended December 31, 2017
Revenue	\$ 2,822,887	\$ 798,229	\$ 3,423,114
Provision for uncompensated care	(719,795)	(295,024)	(892,167)
Net revenue	2,103,092	503,205	2,530,947
Operating expenses:			
Employee wages, benefits and taxes	1,191,897	290,208	1,404,750
Maintenance, fuel and other direct expenses	130,156	34,981	161,362
Insurance expense	64,597	24,481	90,878
Other operating expenses	455,660	115,614	598,841
Acquisition, integration and other charges	75,111	11,694	37,255
Impairment charges	—	—	238,746
Depreciation and amortization	124,159	28,933	151,732
Total operating expenses	2,041,580	505,911	2,683,564
Operating income (loss)	61,512	(2,706)	(152,617)
Interest expense, net	834	252	1,988
Equity in earnings of unconsolidated affiliates	380	54	549
Other income (loss), net	(22)	—	(16)
Net income (loss) before income taxes	61,036	(2,904)	(154,072)
Income tax (benefit) expense	16,737	3,038	(79,175)
Net income (loss)	\$ 44,299	\$ (5,942)	\$ (74,897)
Other comprehensive income (loss):			
Unrealized holding gains (losses) during the period	(1,117)	—	—
Defined benefit pension plan net gain (loss)	6,532	—	(4,449)
Deferred income tax benefit (expense), net	(1,331)	—	—
Total other comprehensive income (loss), net of income tax	4,084	—	(4,449)
Comprehensive income (loss)	\$ 48,383	\$ (5,942)	\$ (79,346)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

AMR HOLDCO INC.
(a wholly-owned subsidiary of Global Medical Response, Inc.)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands)

	Investment by Parent/ Prior Parent	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total
Balance at January 1, 2017 (Predecessor)	\$ 2,471,404	\$ 2	\$ 3,474	\$ 2,474,880
Equity-based compensation	4,937	—	—	4,937
Net working capital distributed to Prior Parent	(112,729)	—	—	(112,729)
Allocation of Parent corporate overhead costs	43,840	—	—	43,840
Acquisitions funded by Prior Parent	119,374	—	—	119,374
Net income (loss)	—	—	(74,897)	(74,897)
Net change in defined benefit pension plan obligation	—	(4,449)	—	(4,449)
Balance at December 31, 2017 (Predecessor)	\$ 2,526,826	\$ (4,447)	\$ (71,423)	\$ 2,450,956
Net working capital distributed to Prior Parent	(71,372)	—	—	(71,372)
Net income (loss)	—	—	(5,942)	(5,942)
Predecessor balance prior to Acquisition on March 14, 2018	\$ 2,455,454	\$ (4,447)	\$ (77,365)	\$ 2,373,642
Elimination of Predecessor equity in connection with the Acquisition	(2,455,454)	4,447	77,365	(2,373,642)
Successor opening equity	2,388,431	—	—	2,388,431
Successor balance at March 14, 2018	\$ 2,388,431	\$ —	\$ —	\$ 2,388,431
Net working capital contributed by Parent	75,390	—	—	75,390
Acquisitions funded by Parent	33,354	—	—	33,354
Net income (loss)	—	—	44,299	44,299
Other comprehensive income (loss), net of tax expense of \$1,331	—	4,084	—	4,084
Balance at December 31, 2018 (Successor)	\$ 2,497,175	\$ 4,084	\$ 44,299	\$ 2,545,558

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

AMR HOLDCO INC.
(a wholly-owned subsidiary of Global Medical Response, Inc.)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	<u>Successor</u> Period from March 14 to December 31, 2018	<u>Predecessor</u> Period from January 1 to March 13, 2018	<u>Year Ended</u> December 31, 2017
Cash flows from operating activities:			
Net income (loss)	\$ 44,299	\$ (5,942)	\$ (74,897)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	124,159	28,933	151,732
Loss on disposal of property and equipment	825	303	1,399
Equity in earnings of unconsolidated affiliates	(380)	(54)	(549)
Impairment charges	—	—	238,746
Deferred income taxes	21,064	2,688	(100,668)
Change in operating assets/liabilities, net of acquisitions:			
Accounts receivable, net	10,582	92,542	(60,639)
Accounts payable	(1,682)	7,824	(1,499)
Accrued wages, benefits and taxes	9,003	14,311	5,648
Accrued liabilities	6,745	(29,022)	21,824
Other assets and liabilities, net	2,496	5,861	(5,245)
Net cash provided by operating activities	217,111	117,444	175,852
Cash flows from investing activities:			
Purchases of property and equipment	(75,341)	(23,339)	(109,156)
Proceeds from the sale of property and equipment	923	160	2,355
Acquisition of businesses, net of cash acquired	(33,354)	(1,396)	(119,374)
Net change in insurance collateral	72,071	(22,092)	(11,213)
Purchases of available for sale securities	(71,717)	—	—
Sales and maturities of available for sale securities	15,145	—	—
Other investing activities, net	714	(363)	478
Net cash used in investing activities	(91,559)	(47,030)	(236,910)
Cash flows from financing activities:			
Net working capital, overhead allocations and other transfers contributed (to) by Prior Parent	—	(77,288)	55,422
Net working capital and other transfers contributed by Parent	110,765	—	—
Other financing activities, net	(252)	(67)	(472)
Net cash provided by (used in) financing activities	110,513	(77,355)	54,950
Net increase (decrease) in cash and cash equivalents	236,065	(6,941)	(6,108)
Cash and cash equivalents, beginning of period	1,580	8,521	14,629
Cash and cash equivalents, end of period	\$ 237,645	\$ 1,580	\$ 8,521
Supplemental disclosure of cash flow information			
Cash paid during the period for			
Income taxes, net of refunds received	\$ (3,020)	\$ —	\$ —

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Notes to Consolidated Financial Statements

1. Description of Business

AMR HoldCo Inc., along with its subsidiaries (collectively, “AMR” or the “Company”) operates in 40 states and the District of Columbia, providing a full range of healthcare transportation services, including emergency (“911”), non-emergency, managed transportation, fire protection services, fixed-wing ambulance and disaster response. In addition, AMR operates 911 call and response services for large and small communities all across the United States, offers contracted medical staffing, and provides telephone triage, transportation dispatch and demand management services.

Prior to March 14, 2018, the Company was a wholly-owned subsidiary of Envision Healthcare Corporation (“EVHC” or “Prior Parent”). On March 14, 2018, Global Medical Response, Inc. (“GMR” or “Parent”) completed the acquisition of all outstanding equity interests of AMR (the “Acquisition”). The impacts of this acquisition, as described in Note 4, have been recognized in our financial statements beginning on March 14, 2018. Since March 14, 2018, the Company has been a wholly-owned subsidiary of GMR.

As a result of the application of purchase accounting at the Acquisition date, as well as the adoption by the Company of accounting policies to conform to those of the Parent, the Predecessor and Successor periods presented are not comparable.

As used herein the term “Predecessor” refers to the Company prior to the Acquisition date, while “Successor” refers to the Company subsequent to the Acquisition date.

2. Summary of Accounting Policies

Consolidation

The consolidated financial statements of the Company include all of its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

During 2017, the Prior Parent allocated costs to AMR for a portion of its corporate overhead costs and any other costs relating to AMR that were paid under an agreement, policy or contract owned by EVHC.

A summary of allocated costs to AMR from EVHC follows (in thousands):

	Year Ended December 31, 2017
Salaries and benefits	\$ 19,463
General and administrative	8,744
Operating	7,908
Insurance	1,469
Depreciation	6,256
Total related party operating costs and expenses	<u>\$ 43,840</u>

The allocation of salaries and benefits included personnel in various shared corporate functions of the Prior Parent, including: C-Suite, IT/Telecom, HR/Benefits, Legal, Communications, Purchasing, Accounting/Shared Services, Compliance, Internal Audit, and Tax. General and administrative consists primarily of allocations for software licenses and maintenance, equipment rentals, travel costs for all shared functions, public relations, and recruiting. Operating expenses include outside legal, audit, tax, consulting, other professional fees, and rent for the shared corporate headquarters.

Corporate overhead costs were allocated to AMR using a methodology employed by the Prior Parent for all shared corporate functions. The charges for the shared corporate functions were based on the time devoted to each EVHC

Notes to Consolidated Financial Statements – Continued

operating division. Additionally, department managers developed allocation percentages for other cost groups, such as professional fees, consulting, travel, and all other G&A based on actual costs during the period. If possible for these cost categories, allocations were made on a specific-identification basis. During 2018, the Company was not utilizing services of the Prior Parent or the Parent and thus no allocation of costs for shared corporate functions are included in the financial statements.

The consolidated financial statements of AMR may not include all actual expenses that would have been incurred and may not reflect AMR's combined results of operations, financial position, or cash flows had it been a stand-alone company during the periods presented. Actual costs that would have been incurred if AMR were a stand-alone company would depend on various factors, including organizational structure, capital structure, and strategic decisions made in various areas, such as information technology and infrastructure. Transactions resulting from shared corporate activities between AMR and Parent or Prior Parent are considered to be effectively settled for cash at the time the transaction is recorded. The net effect of settlement of these transactions is reflected in the accompanying consolidated statement of cash flows as a financing activity and in the accompanying consolidated balance sheet as a net investment from Parent / Prior Parent, respectively.

Investment by Parent / Prior Parent

Investment by Parent/ Prior Parent, in the consolidated balance sheets represents the Company's cumulative investment from the Parent or Prior Parent for the accumulation of

- Investments in AMR
- Net cash transfers to and from AMR
- Overhead cost allocations, if any
- Transactions between the Parent or Prior Parent and AMR
- Net cash transactions due to the Parent's or Prior Parent's centralized cash management.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions relating to the reporting of results of operations, financial condition and related disclosure of contingent assets and liabilities at the date of the financial statements including, but not limited to, estimates and assumptions for accounts receivable, insurance-related reserves and acquired or pushed-down intangible assets. Actual results may differ from those estimates under different assumptions or conditions.

Cash and Cash Equivalents

Cash and cash equivalents are comprised principally of demand deposits at banks and highly liquid short-term investments with a maturity of three months or less at acquisition, and are recorded at cost, which approximates market value.

Supplies Inventory

Parts and supplies inventory is valued at cost, determined on a first in, first out basis. Durable medical supplies are capitalized as inventory and expensed as used.

Restricted Cash

At December 31, 2018, the Company held restricted cash and cash equivalents of \$34.4 million, classified within "Insurance collateral" in the accompanying consolidated balance sheets. The cash was restricted for the purpose of satisfying the obligations of the Company's wholly-owned captive insurance company. At December 31, 2017, there were no amounts held in restricted cash and cash equivalents for these purposes.

Notes to Consolidated Financial Statements – Continued

Reclassifications

To improve comparability, certain classification changes have been made in the accompanying consolidated financial statements and these notes in prior periods to conform to current year classifications. Such reclassifications had no impact on the results of operations or cash flows previously reported.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Account Standards Board (“FASB”) or other standards setting bodies that the Company adopts as of the specified effective date. Unless otherwise discussed, the impact of any other recently issued standards that are not yet effective are either not applicable to the Company at this time or will not have a material impact on the Company’s consolidated financial statements upon adoption.

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers,” which will eliminate the transaction and industry-specific revenue recognition guidance under current GAAP and replace it with a principle-based approach using the following steps: identify the contract(s) with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognize revenue when (or as) the entity satisfies a performance obligation. In August 2015, the FASB issued ASU 2015-14 “Revenue from Contracts with Customers (Topic 606), Deferral of the Effective Date,” which granted a one-year deferral of this ASU. In 2016 and 2017, the FASB issued the following ASUs to provide entities further clarity on the application of ASU 2014-09:

- ASU No. 2016-08 “Principal versus Agent Considerations (Reporting Revenue Gross versus Net)”
- ASU No. 2016-10 “Identifying Performance Obligations and Licensing”
- ASU No. 2016-12 “Narrow-Scope Improvements and Practical Expedients”
- ASU No. 2016-20 “Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers”
- ASU No. 2017-13 “Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments (SEC Update)”

The guidance in ASU No. 2014-09 and the subsequently related ASUs will be effective for the Company on January 1, 2019. The Company adopted the new standard effective January 1, 2019 using the modified retrospective method. As a result of using this approach, the Company will recognize the cumulative effect adjustment to retained earnings for initial application of this guidance at the date of the initial adoption. The adoption of this standard is not expected to have a material impact on the Company’s results of operations or cash flows. However, as a result of certain changes by ASU No. 2014-09 and the subsequently related ASUs, the majority of the Company’s provision for uncompensated care will be recognized as a direct reduction to revenues, instead of separately as a deduction to arrive at revenue. Penalties incurred related to certain contracts will be recognized as a direct reduction to revenues, instead of separately as other operating expenses. Based on the Company’s evaluation of the new standard, the Company does not expect a material impact on our revenue recognition, results of operations, cash flows or policies as a result of adopting the new standard.

The majority of our revenue is generated from fee-for-service patient revenue, which is derived principally through contracts originating from medical transport services provided to patients of healthcare facilities and communities served. Each transport constitutes a single performance obligation and, in most instances, occur at readily determinable transaction prices. In addition, the Company adopted a portfolio approach to our sources of patient revenue, applied by payor type. At these levels, portfolios share the characteristics conducive to ensuring that the results do not materially differ from the new standard applied to individual patient contracts related to each transport. Accordingly, the Company does not expect a change to how patient revenue is currently recognized. Other revenue primarily represents income earned from our fire protection service contracts, standby, special event, community subsidies and disaster relief efforts. The transaction price for these arrangements may be fixed or variable, with determination periods generally ranging

Notes to Consolidated Financial Statements – Continued

from one month to 12 months. In these instances, the Company will estimate variable consideration at contract commencement and recognize revenue monthly on a straight-line basis, which correlates with the performance obligation to stand ready.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" which amends existing accounting standards for lease accounting, including requiring lessees to recognize most leases on the balance sheet and making changes to lessor accounting. The standard is effective for nonpublic entities for annual periods beginning after December 15, 2019. The new standard requires a modified retrospective application for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The Company will adopt the new standard effective January 1, 2020. The Company expects that nearly all leases currently classified as operating leases will be classified as operating leases under the new standard with a right-of-use asset and an obligation recognized on the balance sheet at the adoption date. The Company has not yet determined the impact this ASU will have on the Company's results of operations or cash flows.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash (A Consensus of the FASB Emerging Issues Task Force)" which requires entities to show the changes in cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. Entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. The standard is effective for annual periods beginning after December 15, 2018, and interim periods within those years and is to be adopted retrospectively. In future periods, the Company's statement of cash flows will be modified to reflect all changes in cash and cash equivalents, including restricted cash.

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations (Topic 805) - Clarifying the Definition of a Business" which changes the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. The guidance requires an entity to evaluate if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. The guidance is effective for annual periods beginning after December 15, 2018. The adoption of ASU No. 2017-01 is not expected to impact the Company's consolidated financial statements.

3. Revenue Recognition and Accounts Receivable

Revenue Recognition

Net revenue primarily consists of fee for service revenue and is principally derived from the provision of medical transportation services to patients of healthcare facilities and communities served. Other revenue primarily represents income earned from fire protection service contracts, stand by, special event and community subsidies. Revenue generated under fire protection service contracts is recognized over the life of the contract. Subscription fees, which are generally received in advance, are deferred and recognized on a straight-line basis over the term of the subscription agreement, which is generally one year.

Revenue is billed to patients for services provided, and the Company receives payments for these services from patients or their third-party payors. Payments for services provided are generally less than billed charges. The Company recognizes fee for service revenue, net of contractual adjustments and provision for uncompensated care, at the time services are provided by healthcare providers. Services provided but not yet billed are estimated and recognized in the period services are provided. Revenue recognized for services provided during the period but are not yet billed are based on fees and negotiated payment rates in the case of third-party payors, the specific benefits provided for under each patients' healthcare plan, mandated payment rates under the Medicare and Medicaid programs, and historical cash collections. The Company records net revenue from uninsured patients at an estimated realizable value, which includes a provision for uncompensated care balances, based on historical cash collections (net of recoveries). The Company records revenue net of an allowance for contractual adjustments, which represents the net revenue expected to collect from third-party payors (including managed care, commercial and governmental payors such as Medicare and Medicaid) and patients insured by these payors. These expected collections are based on fees and negotiated payment rates in the case of third-party payors, the specific

Notes to Consolidated Financial Statements – Continued

benefits provided for under each patient's healthcare plans, mandated payment rates in the case of Medicare and Medicaid programs, and historical cash collections (net of recoveries). The provision for uncompensated care includes an estimate of uncollectible balances due from uninsured patients, uncollectible co-pay and deductible balances due from insured patients and special charges, if any, for uncollectible balances due from managed care, commercial and governmental payors.

In certain circumstances, federal law requires providers to render emergency medical services to any patient who requires care regardless of their ability to pay. Services to these patients are not considered to be charity care and provisions for uncompensated care for these services are estimated accordingly. Although the Company does provide a level of charity care it is not significant to the Company's net revenues.

Estimating net revenue is a complex process, largely due to the volume of transactions, the number and complexity of contracts with payors, the limited availability, at times, of certain patient and payor information at the time services are provided, and the length of time it takes for collections to fully mature. In the period services are provided, the Company estimates gross charges based on: billed services plus an estimate for unbilled services based on pending case data collected, estimates of contractual allowances based on contracted rates and historical or actual cash collections (net of recoveries), when available, and estimates of the provision for uncompensated care based on historical cash collections (net of recoveries) from uninsured patients. The relationship between gross charges and the allowances for both contractual adjustments and provision for uncompensated care is significantly influenced by payor mix, as collections on gross charges may vary significantly depending on whether and with whom the patients the Company provides services to in the period are insured, and the contractual relationships with their payors. Payor mix is subject to change as additional patient and payor information is obtained after the period services are provided. The Company periodically assesses the estimates of unbilled revenue, contractual adjustments, provision for uncompensated care and payor mix for a period of at least one year following the date of service by analyzing actual results, including cash collections, against estimates. Changes in these estimates are charged or credited to the consolidated statement of operations in the period that the assessment is made. Significant changes in payor mix, contractual arrangements with payors, specialty mix, acuity, business office operations, general economic conditions and health care coverage provided by federal or state governments or private insurers may have a significant impact on estimates and significantly affect the results of operations and cash flows. Concentration of credit risk with respect to other payors is limited due to the large number of such payors.

The Company's billing and accounting systems provide historical trends of cash collections and contractual write-offs, accounts receivable agings and established fee adjustments from third-party payors. These estimates are recorded and monitored monthly as revenues are recognized. The principal exposure for uncollectible fee for service visits is from self-pay patients and, to a lesser extent, for co-payments and deductibles from patients with insurance.

Notes to Consolidated Financial Statements – Continued

Net revenue for the period from March 14, 2018 to December 31, 2018 (Successor), the period from January 1, 2018 to March 13, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor) consisted of the following (in thousands):

	Successor		Predecessor			
	Period from March 14 to December 31, 2018		Period from January 1 to March 13, 2018		Year Ended December 31, 2017	
Revenue, net of contractual discounts, excluding subsidies and fees:						
Medicare	\$ 696,914	33 %	\$ 222,256	44 %	\$ 787,763	31 %
Medicaid	210,013	10 %	60,860	12 %	241,999	9 %
Commercial insurance and managed care (excluding Medicare and Medicaid managed care)	701,113	33 %	221,264	44 %	877,570	35 %
Self-pay	684,446	33 %	189,734	37 %	832,098	33 %
Subtotal	2,292,486	109 %	694,114	137 %	2,739,430	108 %
Other revenue	530,401	25 %	104,115	21 %	683,684	27 %
Revenue	2,822,887	134 %	798,229	158 %	3,423,114	135 %
Provision for uncompensated care	(719,795)	(34)%	(295,024)	(58)%	(892,167)	(35)%
Net revenue	<u>\$ 2,103,092</u>	<u>100 %</u>	<u>\$ 503,205</u>	<u>100 %</u>	<u>\$ 2,530,947</u>	<u>100 %</u>

Accounts Receivable

The Company manages accounts receivable by regularly reviewing its accounts and contracts and by providing appropriate allowances for contractual adjustments and uncollectible amounts. Some of the factors considered by management in determining the amount of such allowances are the historical trends of cash collections, contractual and bad debt write-offs, accounts receivable agings, established fee schedules, contracts with payors, changes in payor mix and procedure statistics. Actual collections of accounts receivable in subsequent periods may require changes in the estimated contractual allowance and provision for uncollectibles.

The Company tests its analysis by comparing cash collections to net patient revenues and monitoring self-pay utilization. In addition, when actual collection percentages differ from expected results, on a contract by contract basis, supplemental detailed reviews of the outstanding accounts receivable balances may be performed by the Company's billing operations to determine whether there are facts and circumstances existing that may cause a different conclusion as to the estimate of the collectability of that contract's accounts receivable from the estimate resulting from using the historical collection experience. Changes in these estimates, if any, are charged or credited to net revenues in the period of change. Material changes in estimates may result from unforeseen write-offs of patient or third-party accounts receivable, unsuccessful disputes with managed care payors, adverse macro-economic conditions which limit patients' ability to meet their financial obligations, or broad changes to government regulations that adversely impact reimbursement rates for services provided by the Company. Significant changes in payor mix, changes in contractual arrangements with payors, business office operations, general economic conditions and health care coverage provided by federal or state governments or private insurers may have a significant impact on the Company's estimates and significantly affect its results of operations and cash flows. Concentration of credit risk is limited by the diversity and number of facilities, patients, payors and by the geographic dispersion of the Company's operations.

4. Acquisitions

The Company accounts for its business combinations under the fundamental requirements of the acquisition method of accounting and under the premise that an acquirer be identified for each business combination. The acquirer is the entity that obtains control of one or more businesses in the business combination and the acquisition date is the date the acquirer achieves control. The assets acquired and liabilities assumed at the acquisition date are recognized at their fair values as

Notes to Consolidated Financial Statements – Continued

of that date, and the direct costs incurred in connection with the business combination are recorded and expensed separately from the business combination.

On March 14, 2018, GMR completed the acquisition of all of the outstanding equity interests of the Company for a total purchase price of \$2.45 billion, subject to working capital adjustments of (\$60.3) million, paid in cash and rollover equity awards valued at \$10.0 million. Since March 14, 2018, the Company has been a wholly-owned subsidiary of GMR. Pursuant to the purchase agreement, the EVHC and GMR agreed to a Section 338(h)(10) election of the Internal Revenue Code allowing GMR to achieve certain tax benefits in exchange for additional purchase consideration reflected in the total purchase price above.

The goodwill recognized in connection with the acquisition is primarily attributable to synergies that are expected to be achieved through the integration of AMR under GMR. The total amount of goodwill that is expected to be deductible for tax purposes is \$646.8 million.

The accounting for the AMR acquisition is currently preliminary. The Company continues to obtain information relative to the fair values of the assets acquired and liabilities assumed in the transaction, which could result in material changes to the amounts allocated below. The Company expects to finalize the purchase price allocation during the first quarter of 2019.

The preliminary allocation of the AMR purchase price is in the table below (in thousands):

	Value Assigned
Cash and cash equivalents	\$ 1,580
Insurance collateral	106,084
Accounts receivable	394,293
Spare parts, medical supplies, and fuel	37,018
Prepaid and other current assets	64,780
Property and equipment	384,972
Intangible assets	1,039,000
Goodwill	772,946
Other assets	38,422
Accounts payable	(24,320)
Accrued wages, benefits and taxes	(97,841)
Other accrued liabilities	(151,939)
Capital lease obligations	(1,311)
Deferred income taxes	(23,459)
Insurance reserves	(117,946)
Other long-term liabilities	(33,848)
	<u>\$ 2,388,431</u>

Included in other accrued liabilities and other long-term liabilities is an earn-out provision related to the Kurtz acquisition of approximately \$8.1 million, as discussed further below.

2017 Acquisitions

McCormick Ambulance

On September 29, 2017, the Company completed the acquisition of Westmed Ambulance, Inc., d/b/a McCormick Ambulance (“McCormick”). As of the closing date, McCormick provided emergency and non-emergency medical ground transportation services in the greater Los Angeles County area in California. The Company acquired McCormick to achieve certain operational and strategic benefits. The goodwill recognized in connection with the acquisition is primarily

Notes to Consolidated Financial Statements – Continued

attributable to synergies that are expected to be achieved through the integration of McCormick into the existing operations of AMR. Of the goodwill recorded, none is tax deductible.

The final allocation of the purchase price is in the table below (in thousands):

Cash and cash equivalents	\$ 1,061
Accounts receivable	7,253
Prepaid and other current assets	78
Property and equipment	8,366
Intangible assets	35,000
Goodwill	42,368
Accounts payable	(354)
Accrued wages, benefits and taxes	(826)
Other accrued liabilities	(5,964)
Deferred income taxes	(19,482)
	<u>\$ 67,500</u>

Kurtz Ambulance

On December 21, 2017, the Company completed the acquisition of Kurtz Ambulance Service, Inc. (“Kurtz”). As of the closing date, Kurtz provided emergency and non-emergency medical ground transportation services in the states of Illinois and Indiana, municipal dispatch services in Illinois, paramedic staffing services in Illinois and Wisconsin, and fire response and suppression staffing services in the states of Alabama, Arizona, Illinois, Indiana, Minnesota, New Mexico, Tennessee and Texas. The Company acquired Kurtz to achieve certain operational and strategic benefits. The goodwill recognized in connection with the acquisition is primarily attributable to synergies that are expected to be achieved through the integration of Kurtz into the existing operations of AMR. Of the goodwill recorded, none is tax deductible.

The final allocation of the purchase price is in the table below (in thousands):

Cash and cash equivalents	\$ 866
Accounts receivable	5,159
Prepaid and other current assets	935
Property and equipment	1,155
Intangible assets	18,300
Goodwill	37,564
Other assets	10
Accounts payable	(282)
Accrued wages, benefits and taxes	(1,758)
Other accrued liabilities	(2,186)
Other long-term liabilities	(33)
Deferred income taxes	(6,853)
	<u>\$ 52,877</u>

The Kurtz acquisition is subject to an earn-out provision of \$8.1 million expected to be paid out over the two years following the AMR acquisition.

Notes to Consolidated Financial Statements – Continued

Other Acquisitions

During the years ended December 31, 2018 and 2017, the Company paid \$32.4 million and \$11.7 million, in cash, in total aggregate purchase consideration for certain acquisitions. The Company acquired each of these companies in order to achieve certain operational and strategic benefits.

The other acquisitions completed during the years ended December 31, 2018 and 2017 consist of the following:

Acquired Operation	Location	Date Acquired	Transportation Specialty
MedCare Emergency Health, Inc.	Massachusetts	December 2018	Ground medical
Physicians Transport Service LLC	Virginia	June 2018	Ground medical
Southern Colorado Rural Emergency Medical Service, Inc.	Colorado	June 2018	Ground medical
Life Guard International	Nevada	June 2017	Air medical

The acquisition date fair value of the total consideration transferred and acquisition date fair value of each major class of assets and liabilities for the other acquisitions completed during 2018 and 2017 are as follows (in thousands):

	2018	2017
Cash and cash equivalents	\$ —	\$ 160
Accounts receivable	—	1,494
Prepaid and other current assets	—	65
Spare parts, medical supplies and fuel	225	—
Property and equipment	1,702	2,738
Intangible assets	9,775	6,000
Goodwill	21,140	3,282
Accounts payable	—	(245)
Accrued wages, benefits and taxes	(359)	(7)
Other accrued liabilities	(50)	(26)
Deferred income taxes	—	(1,720)
Intangible assets	<u>\$ 32,433</u>	<u>\$ 11,741</u>

The total amount of goodwill that is expected to be deductible for tax purposes for other acquisitions completed during the year ended December 31, 2018 is \$21.3 million. No goodwill recorded for the other acquisition completed during 2017 is expected to be deductible for tax purposes.

The accounting for other acquisitions completed during 2018 is currently preliminary. The Company continues to obtain information relative to the fair values of the assets acquired and liabilities assumed in the transactions, which could result in material changes to the amounts allocated above. The Company expects to finalize the purchase price allocations for these other acquisitions as soon as practicable. The purchase price allocation for the other acquisition completed during 2017 is considered final.

5. Fair Value Measurements

The fair value of a financial instrument is the amount at which the instrument could be exchanged in an orderly transaction between market participants to sell the asset or transfer the liability. The inputs used by the Company to measure fair value are classified into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities. The Company does not adjust the quoted price for these assets or liabilities, which include investments held in connection with the Company's captive insurance program.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

Notes to Consolidated Financial Statements – Continued

Level 3: Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Balances in this category include the Company's estimate, using a combination of internal and external fair value analyses, of contingent consideration for certain acquisitions described in Note 4.

The Company classifies its financial instruments that are reported at fair value based on a hierarchal framework which ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is impacted by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The following table summarizes the valuation of the Company's financial instruments by the above fair value hierarchy levels as of December 31, 2018 (in thousands):

Description	December 31, 2018			Total
	Level 1	Level 2	Level 3	
Assets:				
Available-for-sale securities	55,738	—	—	55,738
Liabilities:				
Contingent consideration	—	—	8,177	8,177

As of December 31, 2017, we had contingent consideration of \$7.9 million classified as Level 3 liabilities.

Insurance Collateral

Insurance collateral is comprised of investments in U.S. Treasuries and marketable equity and debt securities held by the Company's wholly-owned captive insurance subsidiary that support the Company's insurance programs and reserves, as well as cash deposits with third parties. Certain of these investments, if sold or otherwise liquidated, would have to be replaced by other suitable financial assurances and are, therefore, considered restricted. These investments are designated as available-for-sale and reported at fair value with the related temporary unrealized gains and losses reported as a separate component of accumulated other comprehensive income (loss), net of deferred income tax. Declines in the fair value of a marketable investment security which are determined to be other-than-temporary are recognized in the statements of operations, thus establishing a new cost basis for such investment. Investment income earned on these investments is reported as a component of other income, net in the accompanying statements of operations. Realized gains and losses are determined based on an average cost basis.

Investments are generally classified within Level 1 or Level 2 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

Insurance collateral consisted of the following as of December 31, 2018 (in thousands):

	2018
Available-for-sale securities:	
U.S. Treasuries	\$ 118
Corporate bonds/Fixed income	9,230
Corporate equity	46,390
Total available-for-sale securities	55,738
Cash deposits and other	34,364
Insurance Collateral	\$ 90,102

Notes to Consolidated Financial Statements – Continued

There was no insurance collateral as of December 31, 2017. During 2017, the Company held insurance policies with an off shore captive insurance program through a wholly-owned subsidiary of the Prior Parent. As of December 31, 2017, a \$83.9 million insurance receivable was recorded which represented premiums paid to this captive insurance program, less payments made for claims.

Amortized cost basis and aggregate fair value of the Company's available-for-sale securities as of December 31, 2018 were as follows (in thousands):

Description:	December 31, 2018			
	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasuries	\$ 116	\$ 2	\$ —	\$ 118
Corporate bonds/Fixed Income	46,702	155	(467)	46,390
Corporate equity	10,037	8	(815)	9,230
Total available-for-sale securities	<u>\$ 56,855</u>	<u>\$ 165</u>	<u>\$ (1,282)</u>	<u>\$ 55,738</u>

As of December 31, 2018, available-for-sale securities included U.S Treasuries, corporate bonds and fixed income securities of \$5.0 million with contractual maturities within one year and \$18.6 million with contractual maturities extending longer than one year through five years and \$22.9 million with contractual maturities extending longer than five years. Actual maturities may differ from contractual maturities as a result of the Company's ability to sell these securities prior to maturity.

The Company evaluates the investment securities available-for-sale on a quarterly basis to determine whether declines in the fair value of these securities are other-than-temporary. The evaluation consists of reviewing the fair value of the security compared to the carrying amount, the historical volatility of the price of each security, and any industry and company specific factors related to each security. There were no available-for-sale investment securities that were other-than-temporarily impaired as of December 31, 2018.

The Company is not aware of any specific factors indicating that the underlying issuers of the corporate bonds/fixed income securities would not be able to pay interest as it becomes due or repay the principal amount at maturity. Therefore, the Company believes that the changes in the estimated fair values of these debt securities are related to temporary market fluctuations and the Company does not intend to dispose of these investments. Additionally, the Company is not aware of any specific factors which indicate the unrealized losses on the investments in corporate equity securities are due to anything other than temporary market fluctuations.

The Company realized net losses of less than \$0.1 million on the sales and maturities of available-for-sale securities for the period from March 14, 2018 to December 31, 2018 (Successor). No realized net gain (loss) was incurred for the period from January 1, 2018 to March 13, 2018 (Predecessor) or the year ended December 31, 2017 (Predecessor).

Notes to Consolidated Financial Statements – Continued

6. Property and Equipment, net

Property and equipment is recorded at cost, except for property and equipment acquired through business acquisitions, which is initially recorded at fair value. Depreciation of property, plant and equipment is provided substantially on a straight line basis over their estimated useful lives, which are as follows:

Buildings	35 to 40 years
Leasehold improvements	Shorter of expected life or life of lease
Vehicles	5 to 7 years
Computer hardware	3 to 5 years
Other	3 to 10 years

Maintenance and repairs that do not extend the useful life of the property are charged to expense as incurred. Gains and losses from dispositions of property and equipment are recorded in the period incurred. Property and equipment, net, consisted of the following (in thousands):

	December 31, 2018	December 31, 2017
Land	\$ 3,003	\$ 1,877
Building and building improvements	7,305	7,306
Leasehold improvements	15,408	14,852
Medical equipment and other	118,577	117,781
Vehicles	203,686	195,667
Computer hardware and software	86,877	58,373
Construction in process	18,663	10,011
Property and equipment	453,519	405,867
Less: Accumulated depreciation	(88,682)	(62,463)
Property and equipment, net	<u>\$ 364,837</u>	<u>\$ 343,404</u>

Depreciation expense was \$96.1 million for the period from March 14, 2018 to December 31, 2018 (Successor) and \$21.5 million and \$117.3 million for the period from January 1, 2018 to March 31, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor), respectively.

7. Goodwill and Intangible Assets, net

The Company's intangible assets include goodwill and other intangibles, which include the fair value of both the customer relationships and trade names. The Company's indefinite-lived intangibles include goodwill, trade names and licenses. Goodwill represents the excess of purchase price over the fair value of net assets acquired. The Company evaluates indefinite-lived intangible assets, including goodwill, for impairment at least on an annual basis and more frequently if certain indicators are encountered. Goodwill is tested at the reporting unit level, defined as an operating segment or one level below an operating segment (referred to as a component), with the fair value of the reporting unit being compared to its carrying amount. The Company consists of one reporting unit. If the fair value of a reporting unit exceeds its carrying amount, the goodwill associated with the reporting unit is not considered to be impaired.

The Company completed its annual impairment test as of October 1, 2018, using a qualitative assessment and determined that its indefinite-lived intangibles were not impaired. The Company's finite-lived intangibles include its customer relationships and testing for impairment is performed whenever events or circumstances indicate that the carrying amount may not be recoverable. The Company's policy is to recognize an impairment change when the carrying amount is not recoverable and such amount exceeds fair value. During the periods from March 14, 2018 to December 31, 2018 (Successor) and from January 1, 2018 to March 13, 2018 (Predecessor), there were no events or circumstances that indicated a potential impairment in the Company's finite-lived intangibles.

Notes to Consolidated Financial Statements – Continued

At December 31, 2017, it was determined that the carrying value of the Company exceeded its fair value. Accordingly, under ASU No. 2017-04 the Company recorded a non-cash impairment charge of \$238.7 million to reduce goodwill. No impairment of the Company's indefinite-lived intangibles, excluding goodwill was recorded as of December 31, 2017.

To perform this evaluation, the Company derived fair value from the definitive agreement entered into by the Prior Parent on August 7, 2017 to sell the Company to an entity controlled by funds affiliated with KKR & Co. L.P. for approximately \$2.45 billion in cash. This transaction subsequently closed on March 14, 2018.

The following table presents changes in the carrying amount of goodwill during the years ended December 31, 2018 and 2017 (in thousands):

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance at beginning of period	\$ 1,158,652	\$ 1,330,112
Measurement period adjustments	5,105	(10,171)
Elimination of Predecessor goodwill	(1,163,757)	—
Goodwill established as a result of the Acquisition	772,946	—
New acquisitions	21,140	77,457
Goodwill impairment charges	—	(238,746)
Balance at end of period	\$ 794,086	\$ 1,158,652

Intangible assets consist primarily of customer relationships, non-amortizing trade names and certain non-amortizable licenses. The table below illustrates the useful lives of each class of intangible assets and the remaining weighted average amortization period.

Amortizable Intangibles Assets	Estimated Useful Life	Weighted Average Amortization Period
Customer relationships	20 years	19 years

The Company's intangible assets, net, as of December 31, 2018 and 2017 are as follows (in thousands):

	December 31, 2018			December 31, 2017		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:						
Customer relationships	\$ 705,776	\$ (28,079)	\$ 677,697	\$ 727,800	\$ (36,886)	\$ 690,914
Trade names	—	—	—	1,500	(292)	1,208
Total amortizing intangible assets	705,776	(28,079)	677,697	729,300	(37,178)	692,122
Non-amortizable intangible assets						
Licenses	17,000	—	17,000	16,500	—	16,500
Trade names	326,000	—	326,000	210,000	—	210,000
Total non-amortizing intangible assets	343,000	—	343,000	226,500	—	226,500
Total intangibles, net	\$ 1,048,776	\$ (28,079)	\$ 1,020,697	\$ 955,800	\$ (37,178)	\$ 918,622

Notes to Consolidated Financial Statements – Continued

The following table shows the expected amortization of long-lived intangible assets for each of the years ending December 31 (in thousands):

2019	\$ 35,289
2020	35,289
2021	35,289
2022	35,289
2023	35,289
Thereafter	501,252
	\$ 677,697

Amortization expense was \$28.1 million for the period from March 14, 2018 to December 31, 2018 (Successor) and \$7.9 million and \$34.0 million for the period from January 1, 2018 to March 31, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor), respectively

8. Other Accrued Liabilities

Accrued liabilities were as follows as of December 31, 2018 and 2017 (in thousands):

	December 31, 2018	December 31, 2017
Insurance reserves	\$ 48,805	\$ 52,693
Deferred revenue	26,462	24,965
Accrued legal fees and settlements	21,117	6,328
Other	68,144	102,268
Total other accrued liabilities	\$ 164,528	\$ 186,254

9. Income Taxes

The components of income tax expense (benefit) were as follows (in thousands):

	Successor Period from March 14 to December 31, 2018	Predecessor Period from January 1 to March 13, 2018	Year Ended December 31, 2017
Current:			
Federal	\$ (6,670)	\$ 108	\$ 13,079
State	2,343	242	8,414
Total current	(4,327)	350	21,493
Deferred:			
Federal	20,406	234	(102,308)
State	658	2,454	1,640
Total deferred	21,064	2,688	(100,668)
Total tax expense (benefit):			
Federal	13,736	342	(89,229)
State	3,001	2,696	10,054
Income tax expense (benefit)	\$ 16,737	\$ 3,038	\$ (79,175)

Notes to Consolidated Financial Statements – Continued

A reconciliation of the provision for income taxes at the federal statutory rate of 21% (35% in 2017) compared to the effective tax rate is as follows (in thousands):

	Successor	Predecessor	
	Period from March 14 to December 31, 2018	Period from January 1 to March 13, 2018	Year Ended December 31, 2017
Income tax expense (benefit) at the statutory rate	\$ 12,817	\$ (610)	\$ (53,925)
Increase (decrease) in income taxes resulting from:			
State taxes, net of federal	2,760	2,092	(4,356)
Impairment of goodwill	—	—	93,672
U.S. tax reform	—	—	(118,580)
Political expenses	7,013	425	340
Valuation allowance	3,041	279	1,031
Unrecognized tax benefits	(8,770)	166	548
Other	(124)	686	2,095
Income tax expense (benefit)	\$ 16,737	\$ 3,038	\$ (79,175)

Deferred income taxes reflect the impact of temporary differences between the reported amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the “Tax Act”) was signed into law. The Tax Act includes a number of changes to existing U.S. tax laws that impact the Company, most notably a reduction of the U.S. corporate tax rate from 35% to 21%, for tax years beginning after December 31, 2017. The Tax Act also provides for acceleration of depreciation for certain assets placed into service after September 27, 2017. As of December 31, 2018, the Company has completed its analysis of the Tax Act and no adjustments to provisional amounts were recorded.

Significant components of the Company’s deferred taxes were as follows at December 31, 2018 and 2017 (in thousands):

	December 31, 2018	December 31, 2017
Deferred tax assets:		
Accounts receivable	\$ 4,622	\$ 5,980
Accrued liabilities	12,226	12,445
Operating loss and credit carryforwards	45,113	37,096
Insurance and other long-term liabilities	7,071	36,844
Deferred tax assets	69,032	92,365
Valuation allowances	(4,765)	(15,102)
Total deferred tax assets	64,267	77,263
Deferred tax liabilities:		
Intangible assets	(15,057)	(223,710)
Property and equipment	(62,136)	(48,532)
Attribute reduction	(32,928)	(33,306)
Total deferred tax liabilities	(110,121)	(305,548)
Net deferred income taxes	\$ (45,854)	\$ (228,285)

Notes to Consolidated Financial Statements – Continued

The reduction in the deferred tax assets and liabilities was primarily a result of purchase accounting for the Acquisition. For tax purposes, the Company elected to treat a majority of the Acquisition as a purchase of the Company's assets.

As of December 31, 2018, the Company has federal net operating loss carryforwards of \$187.8 million, of which \$56.7 million may expire in the years 2030-2034. A valuation allowance is established when it is "more likely than not" that all, or a portion, of net deferred tax assets will not be realized. Based on review of available evidence, the Company has determined that it is more likely than not that certain deferred tax assets may not be realized. The decrease in valuation allowance of \$10.3 million is primarily attributable to the Acquisition, which eliminated certain net operating losses.

The Company operates in multiple taxing jurisdictions and in the normal course of business is examined by federal and state tax authorities. The Company considers many factors and uses judgment in estimating and assessing the impact of uncertain tax positions. Final audit results may vary from the Company's estimates. In nearly all jurisdictions, the tax years prior to 2014 are no longer subject to examination.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance at beginning of period	\$ 13,167	\$ 12,620
Additions for tax positions of prior years	475	771
Reductions for settlements	(2,913)	—
Reductions for tax positions due to lapse of statute of limitations	(6,872)	(224)
Balance at end of period	\$ 3,857	\$ 13,167

The Company recognized \$0.3 million, \$0.1 million and \$0.8 million within income tax expense in the consolidated statements of operations related to interest and penalties for the period from March 14, 2018 to December 31, 2018 (Successor), the period from January 1, 2018 to March 13, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor), respectively. The Company reversed \$2.0 million and \$0.2 million of the interest and penalties previously recognized for the period from March 14, 2018 to December 31, 2018 (Successor) and the year ended December 31, 2017 (Predecessor), respectively. No reversals of interest and penalties were recorded for the period from January 1, 2018 to March 13, 2018 (Predecessor). The total amount of interest and penalty obligations recognized within other long-term liabilities in the consolidated balance sheets is \$0.5 million and \$2.1 million as of December 31, 2018 and 2017, respectively. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next twelve months.

10. Insurance

Insurance reserves are established for automobile, workers compensation, general liability and professional liability claims utilizing policies with both fully insured and self-insured components. This includes the use of a wholly-owned off-shore captive insurance program, AMR Insurance Services, Ltd. ("AMRIS"). In those instances where the Company has obtained third party insurance coverage, the Company normally retains liability for the first \$1 to \$3 million of the loss. Insurance reserves cover known claims and incidents within the level of Company retention that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from activities through December 31, 2018.

During the Predecessor periods, the Company utilized an off-shore captive insurance program through a wholly-owned subsidiary of the Prior Parent. The \$83.9 million insurance receivable recorded at December 31, 2017 represented premiums paid to that captive insurance program, less payments made for claims.

Notes to Consolidated Financial Statements – Continued

The Company establishes reserves for claims based upon an assessment of claims reported and claims incurred but not reported. The reserves are established based on consultation with third party independent actuaries using actuarial principles and assumptions that consider a number of factors, including historical claim payment patterns (including legal costs) and changes in case reserves and the assumed rate of inflation in health care costs and property damage repairs. Provisions for insurance expense included in the statement of operations include annual provisions determined in consultation with third-party actuaries and premiums paid to third party insurers.

The table below summarizes the non-health and welfare insurance reserves included in the accompanying balance sheets (in thousands):

	December 31, 2018			December 31, 2017		
	Accrued Liabilities	Insurance Reserves	Total Liabilities	Accrued Liabilities	Insurance Reserves	Total Liabilities
Automobile	\$ 16,845	\$ 39,158	\$ 56,003	\$ 19,595	\$ 37,033	\$ 56,628
Workers' compensation	23,507	56,922	80,429	26,359	55,410	81,769
General/ Professional liability	8,453	18,084	26,537	6,739	16,430	23,169
	<u>\$ 48,805</u>	<u>\$ 114,164</u>	<u>\$ 162,969</u>	<u>\$ 52,693</u>	<u>\$ 108,873</u>	<u>\$ 161,566</u>

11. Other Comprehensive Income (Loss)

The following table presents the tax effect on each component of "Other comprehensive income (loss)" for the period from March 14, 2018 to December 31, 2018 (Successor) and the year ended December 31, 2017 (Predecessor) (in thousands):

	Period from March 14 to December 31, 2018			For the year ended December 31, 2017		
	Before Tax Amount	Tax (Benefit) Expense	Net of Tax Amount	Before Tax Amount	Tax (Benefit) Expense	Net of Tax Amount
Unrealized holding gains (losses) on investments	\$ (1,117)	\$ 247	\$ (870)	\$ —	\$ —	\$ —
Defined benefit pension plan net gains (loss)	6,532	(1,578)	4,954	(4,449)	—	(4,449)
Other comprehensive income (loss)	<u>\$ 5,415</u>	<u>\$ (1,331)</u>	<u>\$ 4,084</u>	<u>\$ (4,449)</u>	<u>\$ —</u>	<u>\$ (4,449)</u>

There was no activity for the period from January 1, 2018 to March 13, 2018 (Predecessor).

The "Accumulated other comprehensive income (loss)" is detailed in the following table, net of tax (in thousands):

Accumulated Other Comprehensive Income (Loss)	Unrealized holding gains (losses) on investments	Defined benefit pension plan net gains (loss)	Total
Balance at December 31, 2016 (Predecessor)	\$ —	\$ 2	\$ 2
Other comprehensive income (loss) before reclassification	—	(4,449)	(4,449)
Amounts reclassified from accumulated other comprehensive income (loss)	—	—	—
Balance at December 31, 2017 (Predecessor)	\$ —	\$ (4,447)	\$ (4,447)
Elimination of Predecessor accumulated other comprehensive income	—	4,447	4,447
Other comprehensive income (loss) before reclassification	(893)	4,954	4,061
Amounts reclassified from accumulated other comprehensive income (loss)	23	—	23
Balance at December 31, 2018 (Successor)	<u>\$ (870)</u>	<u>\$ 4,954</u>	<u>\$ 4,084</u>

Notes to Consolidated Financial Statements – Continued

12. Retirement Plans and Employee Benefits

Rural/ Metro Pension Plan

As part of the Company's acquisition of Rural/ Metro on October 28, 2015, the Company acquired a defined benefit pension plan (the "Pension Plan") that covers eligible employees of one of Rural/ Metro's subsidiaries, primarily those covered by collective bargaining arrangements. Eligibility is achieved upon the completion of one year of service. Participants become fully vested in their accrued benefit after the completion of five years of service.

The Pension Plan was amended on April 8, 2016 (the "curtailment date"), whereby the Pension Plan became frozen for all participants as of June 30, 2016. As part of the freezing of the Pension Plan, no new benefits accrue, no hours of service earned after the freeze date will count in determining a participant's credited service, and no earnings earned after the freeze date are counted in determining a participant's average annual earnings. Benefits expense under this plan was approximately \$0.4 million for the period from March 14, 2018 to December 31, 2018 (Successor) and approximately \$0.1 million and \$0.5 million for the period from January 1, 2018 to March 13, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor), respectively. The net accrued benefits liability under this plan totaled \$7.2 million and \$13.3 million at December 31, 2018 and 2017, respectively, presented within the "Other long-term liabilities" caption on the consolidated balance sheets.

The Company's general funding policy is to make annual contributions to the Pension Plan as required by the Employee Retirement Income Security Act. The Company made a \$15.0 million contribution during the year ended December 31, 2017. No contributions were made during 2018.

Other Postemployment Benefits

The Company participates in a 401(k) plan maintained by the Parent, for its employees and employees of certain subsidiaries who meet the eligibility requirements set forth in the Plans. Employees may contribute a maximum of 40% of their compensation each year up to the annual limit established by the Internal Revenue Service (\$18,500 in 2018). The 401(k) Plans provide a 50% match on up to 6% of eligible compensation.

The Company's contributions to the Plans were \$16.4 million for the period from March 14, 2018 to December 31, 2018 (Successor), \$3.9 million for the period from January 1, 2018 to March 13, 2018 (Predecessor), and \$18.2 million for the year ended December 31, 2017. Contributions are included in salaries and benefits in the accompanying consolidated statement of operations.

Collective Bargaining Agreements

Approximately 42% of AMR employees are represented by 65 active collective bargaining agreements. There are 23 operational locations representing approximately 3,500 employees currently in the process of negotiations or that will be subject to negotiation in 2019. We have one operational location representing approximately 2,100 employees with a contract in the employee ratification stage. In 2020, 12 collective bargaining agreements, representing approximately 1,700 employees will be subject to negotiations. While the Company believes it maintains a good working relationship with its employees, the Company has experienced some union work actions. The Company does not expect these actions to have a material adverse effect on its ability to provide service to its patients and communities.

Notes to Consolidated Financial Statements – Continued

13. Commitments and Contingencies

Lease Commitments

The Company leases various facilities and equipment under operating lease agreements. The Company also records certain leasehold improvements and vehicles under capital leases. Assets under capital leases are capitalized using implicit interest rates at the inception of each lease. Capital leases are collateralized by the underlying assets.

Rental expense under operating leases was \$46.3 million for the period from March 14, 2018 to December 31, 2018 (Successor) and \$11.8 million and \$52.4 million for the period from January 1, 2018 to March 13, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor), respectively.

Future commitments under non-cancellable capital and operating leases for premises, equipment and other recurring commitments are as follows (in thousands):

	<u>Capital Leases</u>	<u>Operating Leases & Other</u>
Year Ended December 31,		
2019	\$ 233	\$ 108,273
2020	230	61,210
2021	227	44,151
2022	224	26,395
2023	74	19,647
Thereafter	—	44,902
Total capital lease obligations	988	\$ 304,578
Less: Amount representing interest	(197)	
Long-term capital lease obligations	<u>\$ 791</u>	

Guarantee of Parent Company Debt and Letters of Credit

Parent company debt of \$4.5 billion is partially guaranteed by the assets and working capital, respectively, of AMR on a full and unconditional and joint and several basis, with limited exceptions considered customary for such guarantees, including the release of the guarantee upon the sale of AMR's assets.

Parent company secured letters of credit outstanding on behalf of AMR as of December 31, 2018 were \$97.3 million. Customary letter of credit fees comprise the majority of interest expense reported in the Consolidated Statement of Operations.

Other Legal Matters

On April 16, 2008, L. Bartoni commenced a putative class action lawsuit in the Superior Court of California, Alameda County against certain subsidiaries of the Company's medical transportation business in California alleging violations of wage and hour laws. In the Bartoni case, the trial court subsequently certified a class on the rest period claim. The plaintiffs in Bartoni have also asserted representative claims on behalf of similarly situated employees under the California Private Attorney General Act. During the year ended December 31, 2018, the Company agreed to settle the Bartoni case and recorded a \$17.0 million settlement reserve. The reserve is classified in the "Other accrued liabilities" caption of the Company's consolidated balance sheets.

On March 23, 2017, Rural Metro of Florida received a Civil Investigative Demand (CID) from the U.S. Attorney's Office for the Middle District of Florida requesting documentary materials and responses to written interrogatories related to Rural Metro of Florida's provision of services to a number of Medicare beneficiaries from September 1, 2010

Notes to Consolidated Financial Statements – Continued

to present. On March 1, 2019, Rural Metro of Florida met with government representatives to discuss the matter. There is a tolling agreement in effect until July 1, 2019. At this time, the Company can make no assurances as to the outcome of the matter.

The Company is involved in other litigation arising in the ordinary course of business. Management believes the outcome of these legal proceedings will not have a material adverse impact on its financial condition, results of operations or liquidity.

14. Subsequent Events

The Company has evaluated new information and events through April 26, 2019, which is the date these consolidated financial statements were available to be issued, to determine the need to either update these consolidated financial statements or to provide additional disclosures about those events. No additional disclosures were deemed necessary by the Company.



City of Avondale | RFP# FD20-014
Proposal for Emergency Medical Transportation Services

Attachment 4 - Guaranty Letter of Credit



October 22, 2019

City of Avondale City Hall
ATTN: Kevin Custer | RFP Administrator
11465 W. Civic Center Drive | Avondale, AZ 85323

RE: FD20-014 Emergency Medical Transportation Request for Proposals

Dear Mr. Custer:

A significant component of reviewing any potential contract partner is the ability of the partner to demonstrate that they possess sufficient operating acumen and financial resources to successfully perform. As the parent company of AMR HoldCo., Inc. and its operating subsidiary and proposed bidder for the City of Avondale, American Medical Response of Maricopa, LLC ("AMR"), Global Medical Response, Inc. ("GMR") is submitting this letter as its commitment that its full faith and credit, operational expertise, personnel and resources will be provided to AMR under any future agreement with the City of Avondale.

As background, GMR is a global medical transportation company that in March 2018 brought together industry leaders. With more than 38,000 employees, we deliver compassionate, quality medical care, primarily in the areas of emergency and patient relocation services, in the United States, the District of Columbia and around the world. Together, we completed 13 million patient contacts last year utilizing 7,000 ground vehicles, 111 fire vehicles, 306 rotor-wing aircraft and 106 fixed-wing aircraft. We are the largest medical transport company in the world, focusing on intimate and high-service solutions at the local level. We are proud to be submitting our solutions to the City of Avondale and the Avondale Fire and Medical Department, and we note that we have access to a credit facility in the mid-nine figures with Bank of America. Additionally, GMR has cash on hand of approximately \$188 million as of June 2019.

GMR is prepared to undertake necessary actions to ensure the financial and long-term success of AMR's continuation of services within the City of Avondale, if awarded a contract. This strength and experience directly benefits AMR as it can call upon a variety of financial and personnel resources whenever necessary.

On behalf of GMR, we appreciate the opportunity for AMR to participate in the RFP process. Please do not hesitate to contact us for any further assurances, guarantees, or information that the City of Avondale may need. GMR and AMR are committed to the continuation of excellent services to the citizens of the City of Avondale and Avondale Fire and Medical Department.

Respectfully submitted,

GLOBAL MEDICAL RESPONSE, INC.

A handwritten signature in blue ink, appearing to read "R. Owen", written over a blue wavy line.

Randel G. Owen | Chief Executive Officer

cc: Edward B. Van Horne | CEO of AMR

EXHIBIT B

TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
AMERICAN MEDICAL RESPONSE OF MARICOPA, LLC

[Scope of Work]

See following pages.

SCOPE OF WORK

I. DEFINITIONS

The definitions set forth apply to RFP FD20-014 and are provided to assist Proposers. Generally, throughout the RFP, defined terms are identified by beginning such defined terms with a capital letter. Terms may also be defined in the text of the RFP, as applicable and where indicated.

“Administrative Medical Director” shall mean the individual appointed by the City to act as administrative medical director for the AFMD and who has the qualifications set forth in Arizona Administrative Regulation R9-25-204.

“AFMD” shall mean the Avondale Fire and Medical Department.

“Affiliate” of a specified Person means a Person who (a) Controls, is directly or indirectly Controlled by, or is under common Control with, the specified Person; (b) owns, directly or indirectly ten percent (10%) or more of the equity interest of the specified Person; or (c) is a general partner (if the specified Person is a partnership), managing member or manager (if the specified Person is a limited liability company), officer, director, non-financial institution trustee or fiduciary of the specified Person or of any Person described in clause (a) or (b); or (d) is a member of the Immediate Family of the specified Person or the Person described in clauses (a) through (c) above. A Person shall be deemed to Control another Person for the purposes of this definition if the first Person possesses, directly or indirectly the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

“ALS” shall mean advanced life support.

“Ambulance” shall have the meaning set forth in and meeting the requirements of A.R.S. § 36-2201 and which meets the additional requirements set forth in the Scope of Work part of this RFP and, where indicated in the text of the RFP, also meets the requirements set forth in Appendices A and B of this RFP.

“Ambulance Fleet” shall mean all Dedicated Ambulances, and any additional Ambulances (Substitute Ambulances) the City requires Contractor to provide pursuant to this RFP and to the Contract contemplated by this RFP.

“Ambulance Response” shall mean the response of an Ambulance pursuant to a dispatch issued by the Phoenix Fire Department Regional Dispatch Center (PFDRDC or the Dispatch Center), and/or any dispatch entity or process utilized by the City of Avondale, in connection with a services request that is a Code 3 Call and/or Code 2 Call.

“Arizona Department of Health Services (ADHS)” shall mean the department of the State of Arizona responsible for regulating health services.

“AVL” shall mean automatic vehicle locator.

“BLS” shall mean basic life support.

“CAD” shall mean computer assisted dispatch.

“Certificate of Necessity (CON)” shall have the meaning set forth in A.R.S. § 36-2201.

“Code 3 Call” shall mean a call for which the use of red lights and sirens are requested by PFDRDC for Ambulance Response to the scene of an incident.

“Code 2 Call” shall mean:

- a. A call for which the use of red lights and sirens is not requested by PFDRDC for Ambulance Response to the scene of an incident.
- b. A call in which the initial request by PFDRDC was for a Code 3 Call, but was downgraded by PFDRDC to a Code 2 Call prior to arrival on the scene of an incident.
- c. A call in which the initial request by PFDRDC was for a Code 2 Call, but was upgraded by PFDRDC to a Code 3 Call prior to arrival on the scene of an incident.

“Contract Administrator” shall mean the EMS Chief and his/her designee.

“Control” shall mean the power directly or indirectly to direct the management or policies of an entity whether through the ownership of voting securities, other equity interests, by contract or otherwise. Without limiting the generality of the preceding, Control includes actual working or effective Control of an entity however exercised; and an agreement among the holders of voting stock or rights of an entity which effectively assigns voting Control and/or decision making to any person or entity other than the entity in question.

“Control of Scene” shall mean the Avondale Fire and Medical Department current protocol for control of the scene (including incident scene command structure and patient transfer process) to which an Ambulance has been dispatched and is known as the current Volume II of the Phoenix Fire Department Regional Operations Manual.

“Dedicated Ambulance” shall have the meaning set forth in the definitions and Scope of Work part of this RFP. Dedicated Ambulances shall be stationed within the corporate limits of the City of Avondale.

“EMCT” shall mean emergency medical technician-basic.

“EMCT-Paramedic” shall mean emergency medical technician-paramedic.

“EMS” shall mean emergency medical services as described in A.R.S. § 36-2201.

“EMS Chief” shall mean the Chief of the Avondale Fire and Medical Department responsible for EMS.

“EMS System” shall mean the system, in which the City participates, describing certain emergency medical services and ambulance transportation services for the City and other participating cities, agencies, etc. in the Greater Metropolitan Phoenix Area or Areas.

“EPCR” shall mean Electronic Patient Care Reporting.

“Firefighter” shall mean a member of the Avondale Fire and Medical Department with the firefighter employment designation.

“Firefighter Paramedic” shall mean a Firefighter with the employment designation of Firefighter Paramedic.

“First Responder” means a law enforcement officer, a firefighter or an ambulance attendant as defined in A.R.S. § 36-2201, qualified personnel of the Avondale Fire and Medical Department and the Contractor.

“Immediate Family” shall mean any spouse, son, daughter or parent of any individual (by blood or by marriage), or any trust, estate, partnership, joint venture, limited liability company, corporation, operation or any other legal entity or business or investment enterprise directly or indirectly controlled by such spouse, son, daughter or parent.

“Inter-facility Transfers” shall mean non-911 Emergency Medical Services based ambulance transports between medical facilities.

“Key Personnel” shall mean the key personnel of Contractor identified by job position and personal information in the Scope of Work part of this RFP.

“Mobile Computer Terminal (MCT)” shall mean the mobile computer located in response vehicles that are part of the PFDRDC dispatch system.

“Payor” shall mean those billed for services by Contractor.

“Peak Times” shall mean times of anticipated increased caller volume in the Primary Service Area or Areas as established by the Avondale Fire and Medical Department.

“Person” means an individual, general or limited partnership, corporation, joint stock company, trust (including a business trust), unincorporated association, joint venture, limited liability company, governmental authority or other entity.

“Phoenix Fire Department Regional Dispatch Center (PFDRDC or the Dispatch Center)” shall mean the Dispatch Center at the City of Phoenix Fire Department.

“Response Time” means the calculation of time beginning when a 911 call is entered into CAD by the PFDPRC Dispatch Center and ends when the Contractor physically arrives on the scene of the incident and reports via radio or via MCT to the PFDRDC that Contractor is on scene and ready to deliver Services.

“Special Events” shall mean any event that the Avondale Fire and Medical Department has been contracted with to provide Emergency Medical Services, regardless of location within the corporate limits of the City.

“Specifications” shall mean those requirements for Ambulance equipment and Ambulance materials and supplies as to quality (including brand names) and features as set forth in Appendices A and B.

“Station” shall have the meaning set forth in the Scope of Work part of this RFP.

“Subcontractor” shall have the meaning set forth in the City Procurement Code.

“Substitute Ambulance” shall have the meaning of any Ambulance used in place of Dedicated Ambulance that is temporarily unavailable due to maintenance or repair.

II. GENERAL OVERVIEW

Contractor will be required to provide all emergency medical transportation services (Services) to meet the needs of the City of Avondale Fire and Medical Department (“AFMD”) with Dedicated Ambulances to meet the Response Times identified in this solicitation. All ambulances will be certified at the ALS level of service. The Contractor will also provide, ambulances for medical stand-by and transportation at Special Events and provide BLS and ALS staffing in conjunction with a stand-by ambulance and fire/medical department staffing for Special Events if requested by AFMD. Additionally, the Contractor will be required to provide communications and dispatch Services in accordance with the EMS System.

The City of Avondale (the “City”) intends to apply for a CON to provide ground ambulance transport services in a Service Area that aligns with the City’s jurisdictional boundaries. At that time, if the CON is approved, the City will introduce ground ambulance transport assets and personnel gradually as its transport system ramps-up over a period of 3-5 years. Contractor agrees not to interfere in any way with the City’s CON application process and approval. In the event Contractor interferes or protest the City’s CON process or approval, such interference or protest shall be deemed a breach of contract and this Agreement may be terminated by the City.

The parties acknowledge and agree that this Agreement shall only cover services within the City as described in this Scope of Work, Any Automatic Aid Services, long distance transfers, and interfacility transfers will either be within the City of Avondale and covered by this Agreement or, if beyond the City of Avondale boundaries, will be covered by Contractor’s CON. Mutual aid calls to a neighboring city or on county land shall be permitted if an emergent (Code 3) response is required.

Contractor may not furnish standby coverage for Special Events or conduct inter-facility transfers with Dedicated Ambulances. Contractor may not use any Dedicated Ambulance, equipment or personnel of the City required EMS System to provide Services for any such purposes not permitted by this Agreement without written permission from the AFMD.

III. SPECIFICATIONS

A. EMS SYSTEM

The City EMS System is administered by the Chief of AFMD to improve EMS services within Avondale. AFMD will provide basic, advanced, and non-emergent response and may provide ground ambulance transport services to all levels of service delivery, including, but not limited to, non-emergent transport and inter-facility transportation after obtaining a CON from the ADHS. Under this EMS System design, the City contracts for some emergency ambulance services with a single exclusive third-party provider of ambulance services for Avondale. Those contract rights are granted through an exclusive high-performance contract. At some future date the City may choose to obtain a CON and would introduce ground ambulance transport assets and personnel consistent with the schedule(s) adopted at that time. The City and the AFMD participate with other cities and their fire departments in the greater metropolitan Phoenix area in the Phoenix EMS System. Through their participation, the City and the AFMD have agreed to the roles assigned to the City and the AFMD within the Phoenix EMS System and the City has thus adopted

the EMS System as its system for the Services to meet certain assigned responsibilities. In accordance with the Phoenix EMS System, the City contracts for Services pursuant to an exclusive contract with a single emergency medical ground transport provider. The Phoenix EMS System permits the interests of the City and such exclusive provider or providers to be aligned to provide emergency ground transportation ambulance Services as called for within the Phoenix EMS System and as otherwise necessary.

The City EMS System is designed to align the interests of the City and the Contractor with those of the community and healthcare providers they serve. Throughout this procurement, the City offers a contract in return for high performance, clinically excellent, professional, EMS services. The City provides no financial subsidy to the Contractor. The Contractor derives its operating revenue from user/transport fees. The Department of Health Services for the State of Arizona approves the amount of these fees for all providers. The division of functional responsibilities in this EMS System is designed to achieve the best possible combination of public interest and industry expertise, when viewed from the patient's point of view.

B. FUTURE EMS SYSTEM ENHANCEMENTS

Contractor agrees to cooperate with City and its neighboring West Valley emergency medical service partners in the development and establishment of EMS system enhancements. Specifically, as Arizona statutes and ADHS regulations and protocols are revised to encompass the implementation of alternative treatment and transportation modalities, additional field medical service options, and point of delivery options for service originated within the public safety dispatch system, Contractor will work cooperatively with the City to provide equipment, personnel, joint guidelines and performance criteria. It is both the City's and Contractor's desire to explore innovative ways to improve on the system and at the same time balance economic issues surrounding the provisions of emergency medical services. Any system enhancements shall be mutually agreed upon by the City and the Contractor.

From time to time, the Contractor may propose EMS program enhancements that may improve the provision of emergency medical care to the City. The Contractor shall, as it gains experience in operating the 911 ambulance system during the term of the contract, detail any additional offers to enhance the Avondale EMS program.

C. PAYMENT FOR AVONDALE FIRE AND MEDICAL DEPARTMENT SERVICES

ALS Service Compensation. For each instance where Contractor provides transportation of a patient to whom the Cities Paramedics accompanies to the hospital, Contractor agrees to pay the City 100% of the difference between BLS base billing rate and the ALS base billing rate. For each instance where Contractor provides a BLS transportation unit for a patient to whom requires the Cities Paramedics to render ALS Services during transportation, Contractor agrees to pay the City 100% of the difference between the BLS base billing rate and ALS base billing rate, regardless of call type. For clarity, mileage reimbursement is excluded from the calculations above and remains a reimbursement solely to Contractor. Upon request from the contractor the Cities Paramedic will provide a copy of the EPCR or paper copy of the run and all attachments. The City's ALS paramedics are at all times required to maintain ALL certification as required by DHS at the Paramedic level. If at any time it is found that a City's ALS paramedics are not certified or lose his/her certification, AMR will be notified as soon as possible. Any damages or

reimbursements to any patients, commercial, State and Federal payors will be the sole responsibility of the City.

Payment to City. Contractor shall provide payment to City within 30 days of receipt of City's invoice. Upon termination or expiration of this Agreement, Contractor shall not be liable for any ALS charges by City for services performed after the termination or expiration date of this Agreement. Contractor's liability for ALS Services performed prior to the termination or expiration date shall not be affected by such termination or expiration and Contractor shall pay for all such services within 30 days of receipt of City's invoice. This provision shall survive the expiration or termination of this Agreement.

D. PRIMARY SERVICE AREA OR AREAS

The primary service area for the City is as defined herein. The population within the current legal boundaries of Avondale is currently over 83,500 residents within an area of 54 square miles. Demographic and geographic data may be found at the following website provided by the City: <https://www.avondaleaz.gov>.

E. ISM RACEWAY

For NASCAR designated events at ISM Raceway, City and Contractor will coordinate in the formulation and implementation of an ambulance deployment plan, including ambulance posting and back-fill provisions, that will ensure adequate ambulance service coverage in the public areas surrounding the raceway, as defined by the City throughout the duration of the event for a twenty-four (24) hour period on each event day. Ambulance service coverage for additional days and/or hours shall be added as deemed necessary by City. For other major events within the City, upon City's request, Contractor shall provide ambulance standby coverage, at levels requested by City, in accordance with the unit rates as set forth in the Fee Proposal attached to the Agreement as Exhibit C, which may include, without limitation, trade in kind such as advertising, listing in promotional materials, banner placement, or other in kind consideration, to be determined and agreed upon by City and Contractor on a case-by-case basis.

F. SERVICE VOLUME

EMS response data is available upon request. The City makes no representation of the completeness or accuracy of this data. Contractor is advised to use industry expertise and knowledge to estimate the volume of business represented by this Agreement.

G. CITY'S RESPONSIBILITIES/EMS SYSTEM

Contractor acknowledges that they are fully aware of the responsibilities of the City and the AFMD within the EMS System.

H. ADMINISTRATIVE MEDICAL DIRECTOR

The function of the Medical Director is established by the City. The Contractor will be required to use the same base station used by the City for medical control. The City currently uses Banner Estrella as its base hospital. The Medical Director shall be a physician associated with the base hospital. The City's Medical Director, in conjunction with Contractor's Administrative Medical Director, if any, will rule on unresolved incidents based upon West Valley EMS protocols.

I. CONTRACTOR CONTACT PERSON

It is the City's desire to have continual involvement in a Contractor's operations in the Primary Service Area or Areas. Therefore, the Contractor is required to provide the title, reporting relationship and limits of authority for a senior executive who will serve as the Contractor's Contact Person with the AFMD and receive all written correspondence and notices from the City.

J. CONTRACTOR'S RESPONSIBILITIES

In accordance with the EMS System, Contractor will furnish the Services in response to appropriate dispatch and field operation directives including, but not limited to the following:

1. Employment of all Contractor ambulance field personnel through recruitment methods that attempt to provide personnel diversity that better reflects the demographic makeup of the Avondale community.
2. Undertake reasonable background checking of Contractor personnel and provide evidence upon reasonable request to the City of such background checking.
3. Administrative supervision, training and management of Contractor's employees, agents and Subcontractor(s) (if any).
4. Provision and maintenance of the Contractor Dedicated Ambulance or Special Events ambulances and the equipment, materials and supplies required and necessary to provide the Services.
5. In-service training of Contractor's employees to include reasonable proficiency in non-English languages as well as other pertinent job-related topics.
6. Accurate completion and timely submission of all required data and reports of every kind, including notices.
7. Meeting Response Times and other performance requirements in compliance with applicable law and parameters as set forth in this Agreement (including, but not limited to, Arizona Department of Health Services laws and regulations) and the EMS System.
8. Participate and cooperate with the Administrative Medical Director and City representatives in audits, inspections and investigations, with timely responses and completion of requirements.
9. State laws and regulations.
10. Response criteria provided in this Scope of Work during the periods set forth in this Scope of Work.
11. Current approved West Valley EMS protocols.
12. Report compliance on a monthly basis while providing a verifiable audit trail to document that performance;
13. Provide patient billing and collections service for Contractor transports; and
14. Provide indemnification, insurance performance guarantees and other security as required by the City.
15. Cooperate with other Emergency Medical Transport providers which may be hired by National Sporting Entities such as NASCAR for events held at the ISM Raceway.

K. RESPONSE TIME PERFORMANCE

In this high performance-based Agreement, the City does not limit the Contractor's flexibility in providing and improving EMS services. Performance that meets or exceeds the monthly response time requirements of this Agreement is the result of the Contractor's expertise and methods, and therefore is solely the Contractor's responsibility. An error or failure in one portion of the Contractor's operation does not excuse performance in other areas of Contractor's operations.

Since the Contractor is the only contracted third party provider of emergency ground ambulance transport services, the City, patients, and healthcare facilities rely on the Contractor to provide timely ambulance services. The clinical impact of poor emergency performance is enormous. Therefore, the Contractor will be required to meet or exceed criteria for emergency ground ambulance transport services at all times.

Superior response time performance over any period of time does not permit inferior response time performance over any other period of time. Contractor shall use agreed upon metric data to identify strategies to minimize variations or fluctuations in response time performance.

Response times will be evaluated monthly on an individual basis and will not be averaged.

L. RESPONSE TIME REQUIREMENTS

The Contractor shall provide the Services within the Primary Service Area or Areas and within the EMS System so as to achieve compliance with the requirements of this Agreement.

Minimum compliance is achieved when 90% or more of responses for Code 3 Calls and Code 2 Calls meet the specified response time requirements for the applicable month within the City including calls responded to within the Avondale Municipal Planning Area. To be in compliance for Code 3 Calls, Contractor must have an ambulance on scene for each presumptively life-threatening emergency within ten (10) minutes and zero seconds for not less than 90% of all Code 3 Calls for the applicable month. To be in compliance for Code 2 Calls, Contractor must have an ambulance on scene for each non-life-threatening emergency within twenty (20) minutes and zero seconds for not less than 90% of all Code 2 Calls for the applicable month.

The Contractor must meet the following Response Time requirements.

Priority	Maximum Response Time	Definition
Code 3 Calls (Priority 1)	10 minutes, zero seconds (10:00) for a 90% of Calls in Single Month	Life Threatening Emergencies
Code 2 Calls (Priority 2)	20 minutes, zero seconds (20:00) for a 90% of Calls in Single Month	Non-Life-Threatening Emergencies

Response priorities are defined according to a priority dispatch protocol approved by the Chief of Department, including response times as defined by Arizona Statutes, Rules and the ADHS and response times as defined by AAC R9-25-901.47 and as identified by Phoenix Fire Department Regional Dispatch Center's (PFDRDC's) protocols.

Currently, all dispatches of ambulances are Code 3 Calls and considered Priority 1. The City may adopt additional priorities and associated response times as circumstances require. The City anticipates that during the term of this Agreement, the City and the Contractor will implement a system of priority dispatch that may categorize certain calls, based on telephone triage, into the categories detailed above.

In every instance with respect to the specified Response Time criteria, Contractor shall submit a written report, at least monthly, in a format approved by the Chief of Department, to the EMS Chief documenting the cause of each late response and efforts to eliminate recurrence.

M. RESPONSE TIME MEASUREMENT

The Response Time measurement methodology employed will influence operational requirements of the EMS System and this Agreement. It is anticipated that PFDRDC will directly dispatch the ambulances in conformance with its protocols.

For all dispatches for Services, arrival of the Ambulance (staffed as required) shall be signaled by a Contractor's transmission to the Dispatch Center. Such transmission shall not be made until the Ambulance actually arrives and is stopped at the specific location to which it has been dispatched. In the case of apartment or business complexes, such transmission shall not be made until the Ambulance actually arrives at the point closest to the apartment or business to which it has been dispatched and to which its Ambulance can be driven. Only arrival at a location by a Contractor's Ambulance is a measurement of Response Time.

Arrival on scene means the moment an Ambulance crew member notifies the PFDRDC either via radio or MCT that the Ambulance is fully stopped at the location where it is required to be stopped while Ambulance personnel exit to attend those in need of service. In situations where the Ambulance has been requested to respond to a location other than the scene (e.g. staging areas for hazardous scenes), arrival on scene shall be the time the Ambulance arrives at the designated location.

In instances when an Ambulance crew fails to timely report arrival on scene, the time of the next communication by the Ambulance crew with PFDRDC will be used as the on-scene time. However, a Contractor may appeal such instances when it can document the actual arrival time through other means, such as AFMD personnel or PFDRDC CAD system Automated Vehicle Locator (AVL) position reporting.

- If a dispatch is upgraded, prior to the arrival on scene of the first Ambulance (e.g. a Code 2 Call is upgraded to a Code 3 Call), Contractor's compliance with the standards and responsibility for penalties will be calculated based on the shorter of: (i) time elapsed from call receipt to time of upgrade plus the higher priority Response Time standard; or (ii) the lower priority Response Time standard.
 - o For example, an Ambulance is dispatched on a Code 2 Call (required Response Time of 20:00) and is upgraded to a Code 3 Call (required Response Time of 10:00) after two (2) minutes have elapsed from dispatch. Because $10:00 + 2:00 = 12:00$ is shorter than 20:00, the response is subject to the Response Time requirement set forth in (i) above, and is considered a Code 3 Call response.

- By way of further example, an Ambulance is dispatched by Code 2 Call and is upgraded to Code 3 Call after eleven (11) minutes have elapsed. Because 20:00 is shorter than $10:00 + 11:00 = 21:00$, the response is subject to the Response Time requirement set forth in (ii) above and is considered a Code 2 Call response.
- Downgrades may be initiated by medically trained AFMD personnel as authorized by the Medical Director and by PFDRDC. If a dispatch is downgraded, prior to the arrival on scene of the Ambulance, Contractor's compliance will be calculated based on (i) the lower priority Response Time requirement, if the Ambulance response is downgraded before it would have been judged late under the higher priority Response Time requirement; or (ii) the higher priority Response Time requirement, if the Ambulance response when downgraded would have been judged late under the higher priority Response Time requirement.
- If an Ambulance is reassigned enroute prior to arrival at the scene (e.g. to respond to a higher priority request), Contractor's compliance will be calculated based on the Response Time requirement applicable to the assigned priority of the initial dispatch. The Response Time will be measured to the arrival of another of Contractor's Ambulance on the scene from which the enroute Ambulance was diverted.
- If an Ambulance is cancelled by an authorized agency, after an assignment has been made but prior to the arrival of the Ambulance at the scene (and no ambulance is required at the scene), the Response Time will be measured to the moment of cancellation. If the elapsed Response Time at the moment of cancellation exceeds the Response Time requirement for the assigned priority of the call, the unit will be determined to be late.
- Contractor will not be held accountable for emergency or non-emergency Response Time compliance for any response dispatched to a location outside the Primary Service Area or Areas. Responses to requests for service outside of the Primary Service Area or Areas will not be counted in the total number of responses used to determine compliance with the Contract.
- Each incident requiring response will be counted as a single response regardless of the number of Ambulances that respond.

Should the City obtain a CON and introduce ground ambulances into the Service Area, Contractor shall accept and respond within response time requirements to those requests for ambulance transportation dispatched by the Phoenix Alarm Room for incidents arising within the Primary Service Area. When the City requests multiple ambulances at a single time for a single incident, the Contractor will be responsible for meeting the response time requirements for the first arriving ambulance.

Should the City obtain a CON from ADHS and place a ground ambulance at one of its Fire Stations, PFDRDC shall be notified and revised dispatch protocols may be developed by the City and Contractor. Specifically, for those EMS incidents occurring in the Service Area near the Fire Station where the City has deployed its own ground ambulance, PFDRDC shall dispatch the closest available ground ambulance to the EMS incident. If that ground ambulance is not available, PFDRDC will continue to dispatch available ground ambulances pursuant to developed dispatch protocols.

Contractor shall be required to provide for reserve service capacity in order to increase service should temporary EMS System or dispatch overload occur. However, it is understood that from time to time unusual factors beyond Contractor's reasonable control may affect the achievement of the specified Response Time requirement. Unusual factors are limited to unusually severe weather conditions, declared disasters or periods of unusually high demand for emergency Services. Unusually high demand for emergency Services will be determined by the AFMD. Equipment failures, traffic congestion, Ambulance failures, dispatch errors, inability to staff Ambulances and other similar causes will not be grounds for granting an exception to compliance with the Response Time requirements. Contractor shall describe the process that will be utilized for compliance with reserve service capacity.

When the Contractor has a patient on board and is transporting to a receiving facility, the Contractor will, when appropriate, transport without lights or sirens except when patient acuity requires a Priority 1 response. Transport to hospital shall in all instances be governed by current West Valley Emergency Medical Services Consortium (WEMSCON) protocol. The Contractor will be solely responsible for returning any field personnel to their respective fire stations.

N. APPEAL PROCESS FOR RESPONSE TIME REQUIREMENTS

If Contractor thinks that any response or group of responses should be excluded from the compliance calculations due to unusual factors beyond Contractor's reasonable control; Contractor may provide detailed supporting information in writing to the EMS Chief. Contractor may request that the City exclude a response or group of responses from Response Time calculations and late penalties. Any such request must be made in writing and be received by the EMS Chief within five (5) business days after the end of each month. The EMS Chief will review the request and issue a written determination. Should Contractor dispute the determination, Contractor may appeal in writing to the Chief of Department for a definitive written ruling within five (5) business days. The Chief of Department's ruling will be final and binding.

O. RESPONSE TO HOSPITAL

When the Contractor has a patient on board and is transporting to a receiving facility, the Contractor will, when appropriate, transport without lights or sirens except when patient acuity requires a Priority 1 response. Transport to hospital shall in all instances be governed by current West Valley Emergency Medical Services Consortium (WEMSCON) protocol. The Contractor will be solely responsible for returning any field personnel to their respective fire stations.

P. RESPONSE TIME AUDIT TRAIL

Contractor shall assure a complete audit trail for all response times and assure that the City has access to the response time data at any time to assure compliance. The EMS Chief shall have prompt access to all relevant data in order to assure compliance and to calculate penalties. Access to and security of data is required by the City.

Q. DEVIATIONS FROM RESPONSE TIME, PERFORMANCE, OR OTHER STANDARDS

The Contractor understands and agrees that the failure to comply with any monthly response time requirements in this Scope of Work will result in damages to the City and that it is and will be impracticable to determine the actual amount of such damage whether in the event of delay, nonperformance, failure to meet standards, or any other deviation; therefore, the Contractor and City agree to the liquidated damages as specified in this Scope of Work. It is expressly

understood and agreed that the liquidated damages amounts are not to be considered a penalty, but shall be deemed, taken and treated as reasonable liquidated damages. All liquidated damage amounts will be paid by Contractor within thirty (30) days of written demand by the City. The City may also address such liquidated damages to the performance bond or security account maintained by Contractor if not paid by the Contractor as provided herein. Such liquidated damages shall be reported separately on Contractor's Ambulance Revenue and Cost Report, pursuant to A.A.C.R. 9-25-1106(A)(16).

R. QUARTERLY MEETINGS, ADDITIONAL AMBULANCE RESOURCES, LIQUIDATED DAMAGES

Each quarter, no later than by the 20th day of the last month of the quarter, the Parties shall meet and review performance and response times for the previous quarter. When response times or call volume from the previous quarter demonstrate the need for additional ambulance units or other improvements in the system, as indicated by increased lengths of response times or decrease in availability of ambulances, the parties will meet in good faith to agree upon necessary changes. Such changes shall be documented by an amendment, in accordance with section 14.4 of the agreement.

1. The following liquidated damages will be assessed when system wide response time compliance for Code 3 and Code 2 transports COMBINED, and adjusted for granted exemption requests, falls below 90% for any given month according to the individual range referenced in the chart below:

89.0% – 89.9%	\$7,000
88.0% – 88.9%	\$9,000
87.0% - 87.9%	\$10,000
86.0% - 86.9%	\$11,000
0% - 85.9%	\$12,000

2. Response Time Exceptions and Exemption Requests for each Code 3 and Code 2 responses that exceed the maximum timeframes defined above will be treated in accordance with RESPONSE TIME PERFORMANCE.
3. Failure to meet Code 3 and Code 2 response time requirements for at least 90% of responses each month for 3 consecutive months or for 4 months in any contract year will be additionally defined as a major breach and may result in removal of the Contractor.
4. The City will submit monthly invoices to the Contractor, who will be required to submit payment to the City within thirty (30) calendar days.
5. Liquidated damage payments shall be directed to the improvement of EMS programs, including training or equipment for both fire department and ambulance personnel, and directed by mutual consent of the parties. Liquidated damages, if any, shall be reported

on the Contractor's Ambulance Revenue and Cost Report submitted to ADHS, but shall not be used in as justification for future rate increases, if any.

S. PERSONNEL REPORTING REQUIREMENTS

Contractor will provide, at no cost to the City, by the seventh day of each calendar month, reports detailing its performance during the preceding month as it relates to every performance requirement stipulated herein, in a format acceptable to City's Fire and Medical Department. The reports shall be consistent with, and supported by, the monthly CAD reports that are provided to the City by the PFDRDC. For each day that the Contractor fails to provide the reports, the City shall assess liquidated damages of \$200.00 per day to the Contractor.

Contractor will provide, at no cost to the City, on a quarterly (every three months) basis, information and analysis necessary for the City to evaluate the performance of Contractor's Ambulance personnel (including direct supervision, medical direction, and support personnel) in order for the City to assess compliance with this Agreement. This Agreement will set forth Contractor obligations to notify the City of the terminated employment of its Dedicated Ambulance personnel (both voluntary and involuntary); and the immediate notification of the employment of new personnel (to include direct supervisory and support personnel).

The following are standard CAD reports that will be provided by the PFDRDC. Reports must be able to document daily unit activities, by area and time of day on a monthly basis. Additional custom reports will be created to meet any additional contractual requirements or request by the City. Within fifteen (15) working days following the last day of each month, the PFDRDC will provide to the City of Avondale ambulance response time reports in computer-readable format approved by the Contract manager and suitable for statistical analysis for all ambulance responses originating from requests to the Phoenix Fire Regional Dispatch Center. The record will include, at a minimum all of the following data elements:

1. Unit identifier
2. Location of call-street address
3. Location of call- city or unincorporated community
4. Location of call- map coordinates
5. Location of call- latitude and longitude
6. Nature of call (EMD code)
7. Code to scene
8. Call priority (one, two, three)
9. Time call received
10. Time call dispatched
11. Time unit en route.
12. Time unit on-scene
13. Time unit en route to the hospital
14. Time unit on arrival at the hospital
15. Time unit transferred care to hospital staff
16. Time unit was clear and available
17. Receiving hospital
18. Code to hospital
19. Number of patients transported
20. EMS incident number

T. DISPATCH CENTER / COMMUNICATION CENTER RESPONSE

Required equipment will include MCTs at the Contractor's sole expense and include expenses to be paid to the City of Phoenix or City as a pass thru expense reimbursement at the discretion of the City.

Contractor shall detail its abilities to meet these requirements prior to commencement of Services.

Contractor shall maintain dispatch and communications capability with the City's Communications Center. Unless modified at some later date, references to the City's Communications Center or Dispatch System refer to the Phoenix Fire Department Regional Dispatch Center (PFDRDC). Contractor is responsible for the purchase and maintenance of all communication equipment and infrastructure that is necessary for Contractor's units to function within the Dispatch System. The Contractor will only pay the costs for the dispatching of Contractor's ambulances based in the City, and not the direct dispatch cost for the City's first response service or the City's ground ambulances should it obtain a CON.

For services rendered to the community, the City will provide access to its traffic signal pre-emption system. The Contractor will be responsible for the purchase of all equipment necessary to activate the system. All equipment specifications must be approved by the City. Street Eagle Driver Behavior System or substantial equivalent will also be required of the Contractor at the Contractor's expense and the data made available to the City upon request.

U. RADIO SYSTEMS

During the term of this Agreement, the Dispatch Center may change the radio system and Contractor will be required to change to such a radio system at no cost to the City.

V. CONTRACTOR PROVIDED EQUIPMENT, MATERIALS AND SUPPLIES

The City will not provide equipment, materials and supplies for the use of Contractor other than equipment identified in the DISPATCH CENTER / COMMUNICATION CENTER / EMERGENCY RESPONSE section of this Scope of Work.

Additionally, the City reserves the right to require Contractor at Contractor's expense to carry additional equipment other than those listed in Appendices A and B during the term of this Agreement if reasonably necessary and will give Contractor ninety (90) days' notice of intent to require such additional equipment.

W. SUPPLIES, MATERIALS AND PHARMACEUTICALS TO BE PROVIDED AND REIMBURSED TO THE CITY

Contractor will be responsible for providing supplies, materials and pharmaceuticals to the AFMD in replacement of supplies, materials and pharmaceuticals utilized by the AFMD in providing Services to patients (including supplies, materials and pharmaceuticals utilized by the City's EMCT-Paramedic personnel involved in transport). A list of supplies and materials are identified in Appendix B of this RFP.

X. ALTERNATIVE SERVICE

Until such time as the City may obtain a CON for ground ambulance transport services, Phoenix Alarm Room shall dispatch to Contractor all requests for ambulance services in the EMS service area. In the event that the Contractor is unable to respond within the time requirements of its CON to a request for service within the terms of this Scope of Work, PFDRDC, or the

equivalent, shall, at the request of the City, dispatch another certificated ambulance service provider or City may initiate transport if all requirements of A.R.S. § 36-2208(B) and A.A.C. R9-25-907 are met.

Should the City obtain a CON from ADHS and place a ground ambulance at one of its Fire Stations, PFDRDC shall be notified and revised dispatch protocols will be developed by the City and Contractor. Specifically, for those EMS incidents occurring in the Service Area near the Fire Station where the City has deployed its own ground ambulance, PFDRDC shall dispatch the closest available ground ambulance to the EMS incident. If that ground ambulance is not available, PFDRDC will continue to dispatch the closest available ground ambulance (regardless of ambulance ownership or CON operation number) pursuant to developed dispatch protocols.

Y. CONTRACTOR PROVIDED AMBULANCES

Each Contractor must provide Dedicated Ambulances for ALS Service in the City to meet required Response Times and as stand-by EMS and transportation for Special Events. Each Dedicated Ambulance must meet or exceed ADHS requirements for Ambulances providing ALS Services. Additionally, each Dedicated Ambulance must, at all times, meet the requirements listed in Appendices A and B attached hereto.

Each Dedicated Ambulance will have a dedicated cell phone pre-programmed with all phone numbers needed for medical communications. Programming shall be updated from time to time to reflect the needs of the City and Contractor, at Contractor's expense.

Ambulances must meet all applicable Federal, State and local requirements and it shall be the responsibility of the Contractor to assure appropriate certifications from ambulance manufacturers and to assure that all Ambulances are operated within Federal (U.S. Department of Transportation), State (Arizona Department of Health Services and other State of Arizona agencies imposing requirements) and local guidelines (City, AFMD and all other applicable local guidelines and requirements). Guidelines include all applicable limitations on gross vehicle weight.

Substitute Ambulances in the place of Dedicated Ambulances shall be similarly equipped as the Dedicated Ambulances. Use of Substitute Ambulances for periods greater than twelve (12) hours shall require notification by Contractor to the AFMD EMS Chief via phone call and email.

Contractor shall monitor and be responsible for, through their established maintenance program, the condition, safety and reliability of all Dedicated and Special Events Ambulances. Contractor shall be responsible for maintaining current maintenance records and such records shall be available to the City upon request. Dedicated Ambulances that accumulate one hundred seventy-five thousand (175,000) miles or reach sixty (60) months in total service time shall be replaced by new ambulances at Contractor's expense. Contractor has sixty (60) days from the date of either mileage or age occurrence to replace the identified ambulance with a new ambulance.

Z. SCHEDULING AND STAFFING

Contractor will provide continuity of personnel by scheduling required Ambulance staff. Contractor will schedule and staff Ambulance staff for Dedicated Ambulances, Special Events Ambulances and any additional staff utilized for Special Events.

All Ambulance crew personnel assigned to or available to drive Contractor's Ambulances must complete a comprehensive emergency driver-training program and possess a valid Arizona driver's license in accordance with the Arizona Department of Transportation, Motor Vehicle Division requirements and all certification/licensing required by the Arizona Department of Health

Services and the City; and Contractor shall prohibit required Contractor's staff from working more than sixty (60) consecutive hours without a ten (10) hour off duty rest interval.

AA. CONTRACTOR'S AMBULANCE CREWS

The Contractor shall staff the Dedicated Ambulances and Special Events Ambulances with one EMCT Qualified Driver and EMCT-Paramedic. The Contractor shall staff with one EMCT Qualified Driver and EMCT-Paramedic.

BB. CONTRACTOR BILLING AND COLLECTION FOR AFMD EMCT-PARAMEDIC SERVICES

Contractor will charge fees for its Services and the Services of Firefighter EMCT-Paramedic as appropriate and permitted. All billing and collection Services will also be the responsibility of Contractor. Fees may only be charged as established by the Arizona Department of Health Services and in accordance with arrangements applicable to each Payer (including federal, state and local government Payers). Without considering any amounts collected, Contractor shall be entirely responsible for paying the AFMD for the Services of AFMD's employees providing Services in accordance with the provisions set forth in the Arizona Ground Ambulance Service Rate Schedule.

CC. CONTRACTOR TRAINING OF AMBULANCE PERSONNEL

Contractor shall be responsible for the permits, licenses and certifications of its Ambulance personnel required by all agencies having authority in such matters. Contractor shall provide the City with its training plan for assuring the training of its EMCT, other personnel and its drivers of Ambulances as required by all agencies having authority in such matters, including the City, and assure continued compliance with all permits, licenses and certification requirements.

Contractor shall, hire, train and supervise all medical attendants in accordance with the laws of the State of Arizona and regulations of ADHS. Attendants shall be properly certified Emergency Medical Technician- Basic (EMCT) and Emergency Medical Technician- Paramedic (EMCT-Paramedic). The Contractor shall submit an updated certification personnel list every year, no later than December 31 of that year. Contractor shall supply the City with a copy of all policies that deal with fatigue for their personnel. Contractor agrees to provide continuity of personnel stationed in the City promote a cooperative work atmosphere for optimum patient care.

DD. USE OF CITY FIRE STATIONS

The City reserves the right to negotiate the terms of a housing agreement between the parties for the purpose of stationing Contractor's ambulances at City fire stations for commercially reasonable rates, such separate contract shall be subject to Arizona Department of Health Services approval. Any sub-operation station established under this Contract shall meet the requirements of A.R.S. § 36-2232(c).

EE. STATIONS

Contractors will provide Stations for all Dedicated Ambulances as described in the CONTRACTOR PROVIDED AMBULANCES section of this RFP. Such Stations shall be staffed and located within the legal boundaries of the City of Avondale, to permit Contractor to comply with Response Time Requirements as set forth in this Agreement. All Stations shall be subject to inspection by the City. Contractor shall submit to the City the proposed locations for the required stations. Contractor's Stations must accommodate ambulance shore lines for powering roof

mounted HVAC units for the purpose of keeping the Ambulances cool. Contractor shall also provide accommodations for crew and other necessary Ambulance personnel as required and as necessary to provide the Services. Contractor must obtain advance written approval of changes with regard to the location of its Stations within the service area or areas throughout the term(s) of this Agreement from the Chief of Department. The Chief of Department will only approve changes if the Contractor establishes that the changes will not impair the Contractor's ability to meet Response Time requirements as set forth in this Agreement.

FF. MOVE-UP POLICY.

Contractor agrees to comply with all applicable provisions of the EMS System, the AFMD and PFDRDC regarding move-up policies. Changes to Contractor's approved plan during the term of the Contract will require written approval in advance from the Chief of Department.

GG. SOLICITATION OF INFORMATION/PATIENTS.

Contractor is prohibited from attempting to solicit such information or to collect Services or fees from a patient, patient's representatives or any other Payor until the patient has been accepted at a receiving medical facility or upon refusal of emergency transportation for disposable items used during treatment. Nothing herein shall be construed to prohibit Contractor from soliciting authorization for transport, but only as long as the solicitation of such authorization does not compromise or detrimentally affect patient care.

HH. SURVEY OF PATIENTS

The Contractor and the City may survey patients transported pursuant to this Agreement. All such survey information shall be shared by the parties, to the extent allowed by law.

II. ALTERNATIVE TRANSPORTATION

As Arizona Revised Statutes and ADHS regulations are revised to encompass the implementation of alternative transportation option and destinations for service originated within public safety dispatch, Contractor will work cooperatively with the City to provide equipment, personnel, joint guidelines, and performance criteria in order to provide such alternative transportation. This process may include, but is not limited to stretcher vans, BLS assessment and transportation units, community paramedicine, treat and refer, nurse navigator, triage nurse or other vehicles or personnel as necessary to meet future needs.

JJ. ELECTRONIC PATIENT CARE REPORTING

The Contractor agrees to incur all costs associated with the EPCR system for use by their personnel.

KK. INFORMAL PROBLEM AND ISSUES RESOLUTION

Contractor agrees to provide service during any Problems and Issues disputes.

Problems and issues will include but not be limited to the following categories:

- Conflicts in the field (medical or other)
- Non-compliance with medical care
- Destination concerns
- Mode of transport
- Dispatch of resources

All such problems and issues will be resolved in the following manner provided in Exhibit D to this Agreement:

1. Should be resolved on one on one basis privately with all parties involved.
2. If not resolved in step 1, Contractor's Designated EMS Manager and City Chief/EMS Program Manager shall follow procedures outlined in problem resolution procedure.
3. If still not resolved, Chief will elevate to Chief of Department and Contractor's senior management for review and possible resolution.
4. Notwithstanding this informal problem resolution, the City and Contractor reserve their rights to formal alternative dispute resolution as set forth in Section 14.22 of the Contract.

LL. EMERGENCY STANDBY

Contractor agrees to locate one of its ambulances at emergency scene standby, at no charge to the City, when a fire or police incident commander has reason to believe a life-threatening emergency situation warrants an ambulance standby, provided, however, that such provision of standby service shall be taken in account if there are response time exceptions on other calls during that time period.

MM. EMERGENCY DISASTER OPERATIONAL PLAN

The Contractor shall have a plan for the immediate recall of personnel to staff units during multi-casualty situations or declared disaster situations. This plan shall include the ability of the Contractor to immediately alert off-duty personnel. The Contractor shall participate in training programs and exercises designed to upgrade, evaluate, and maintain readiness of the system's disaster and multi-casualty response system.

1. In the event the Governor on behalf of the State of Arizona declares an emergency affecting the City or a neighboring city, normal operations shall be suspended, and the Contractor shall respond in accordance with the City Disaster Plan. The Contractor shall use best efforts to maintain primary emergency services and may suspend non-emergency service as required. During the period of a declared disaster, the City will not impose performance requirements and penalties for response times.
2. The direct marginal cost resulting from the performance of disaster services that are non-recoverable from third parties shall be submitted to the appropriate agencies for cost recovery. Such marginal costs shall not include cost for maintaining normal levels of service during the disaster but shall be limited to the reasonable and verifiable direct marginal cost of these additional services. The City will provide all reasonable assistance to the Contractor in recovering these costs; however, the City shall not be responsible for payments to the Contractor.

NN. TRANSFER POLICY

The City shall advise Contractor of the status of any injured person at the emergency incident. To provide for the transfer of responsibility for the care of such person or persons, City and provider hereby establish and agree upon the transfer policy attached as Exhibit E to this Agreement and specifically detailing such procedures. All transfer procedures may from time to time be amended by mutual written agreement of the City and Contractor, with approval by the medical directors of both parties. Any such amendments must be approved by ADHS. In such

situations that require Fire Department personnel to accompany a patient in the Contractor's vehicle, Contractor agrees to return those personnel to their respective fire stations or units upon the transfer of patient care subject to emergency system demands.

OO. SCENE CONTROL

The AFMD has the responsibility for overall scene control and management for all responders and patients. Where the City emergency personnel are present, the City is the authority at the scene. Control of the patients is under the paramedic delivering treatment. The Contractor is included in standard operating procedures within the command system. The City reserves the right, in the sole discretion of the medical authority at the scene and or in conjunction with the City base station physician, to provide ALS services to the patient utilizing the AFMD Paramedics.

PP. INCIDENT COMMAND STRUCTURE

The Contractor will require its employees, including EMTs, Paramedics, Supervisors and Management personnel to adhere to and participate in the AFMD's Incident Command procedures. Ambulance crews and other personnel will participate in and fully comply with accountability procedures when involved in any incident in which the Incident Commander requires them to use the accountability system.

EXHIBIT C

TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
AMERICAN MEDICAL RESPONSE OF MARICOPA, LLC

[Fee Proposal]

See following page.

SAMPLE PRICE SHEET

Item #	Description	UOM	Estimated Percent of Annual Usage	Rate Per Hour
1	EMT	HR	5%	
2	Paramedic	HR	5%	
3	ALS/BLS Walking Team	HR	5%	
4	ALS/BLS Ambulance (Standby)	HR	85%	

EXHIBIT D

TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
AMERICAN MEDICAL RESPONSE OF MARICOPA, LLC

[Problem Resolution Procedure]

See following pages.

PROBLEM RESOLUTION PROCEDURE

Objective

- To provide the City and Contractor with a means to identify and resolve issues under this Contract as they arise.
- To institute a workable procedure for resolving issues which are not resolved on an individual basis.

Introduction

Many issues arising from disagreements in patient management with the Contractor can and should be dealt with on an individual basis with those individuals directly involved in the issue addressing the disagreement through open dialogue. A philosophy of fairness to all parties and thoroughness of investigation of all facts must be applied to all cases.

Some issues may not lend themselves to a resolution between the involved individuals and may require a progressive process involving management for ultimate resolution. The following paragraphs outline the escalating steps for problem resolution.

Step 1:

Upon identification of a situation requiring application of this problem clearance procedure, those individuals directly involved should attempt to resolve the issue immediately on a private one-on-one basis. If a resolution is mutually agreed upon, this procedure need not be carried further. Should the party involved in the issue prefer not to attempt resolution, if repeated cases occur, or if at any time the discussion on the matter becomes unproductive, attempts for initial resolution should be halted and Step 2 of this procedure immediately applied.

Step 2:

If initial resolution via a one-on-one, individual basis for whatever reason is not possible, the parties involved in the issue should present their concerns in writing with available and relevant facts to their agency's designated representative who can work to resolve the issue. Those representatives shall include, at a minimum, an EMS manager from the Contractor and Contract Administrator from the City. These representatives from each agency should then interview the individuals from their respective agencies that are directly involved in the issue to determine all facts. This should be done separately within 14 calendar days following written notification of the incident at issue. After the facts are gathered from the person being interviewed, the representatives from each agency should meet in a timely manner and discuss the issue(s). If the facts confirm that the situation requiring correction did occur, justifying the assembly of all parties to resolve the matter, then such a meeting shall be scheduled. If, however, the matter can be resolved between agency representatives, then the additional step of assembling the parties involved is not necessary.

If a need to assemble the parties involved persists, this should be done as soon as possible following the actual incident. The meeting shall involve only those parties directly involved in the incident and shall be held in private.

The objective of the meeting should be to resolve the issue so that it does not recur. Resolution may address related areas of training, policy revision and or policy development, etc.as necessary to resolve the underlying issue and avoid a recurrence of same.

Step 3:

Those issues not resolved through Steps 1 or 2 of this procedure shall be submitted in writing to each agency representative. Issues of this magnitude may include, but are not limited to, problems with contracted service, failure to comply with contract, or timely corrective action of situations discussed in Steps 1 and 2. Situations of this significance will be forwarded to Senior Management from the Contractor and Chief of Department for the City.

The designated representative from each party may be permitted access to documentation and other investigative materials from previous attempt for resolution. Once adequate information and or evidence on the matter are prepared, a meeting with those parties directly involved must be held in private. Following a thorough investigation and at the conclusion of the meeting, the Parties shall attempt a mutually agreed upon resolution. The Chief of Department or his/her designee shall have the final authority in determining such resolution and may require any corrective action, up to and including termination of the Contract. Such resolution by the Chief of Department shall be delivered to Contractor in writing and shall include the timelines under which any corrective action shall occur.

EXHIBIT E

TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE CITY OF AVONDALE
AND
AMERICAN MEDICAL RESPONSE OF MARICOPA, LLC

[Patient Transfer Procedures]

See following page(s).

PATIENT TRANSFER PROCEDURES

It is the policy of AFMD to provide quality and efficient medical services to all injured or ill patients. The objective of this procedure is to guide to the fire officer, ALS provider and/or Firefighter to act with the patient's well-being in mind.

In order to facilitate the most efficient transfer of patient care from AFMD to Contractor for patient transportation and or treatment, the following transfer procedures have been adopted.

Upon Ambulance arrival at the scene of a medical and/or trauma emergency where patient care is being provided by AFMD personnel and transfer will occur to the Contractor, the ambulance crew shall report to the Command Officer on the scene for possible assignments to assist in any additional care. These subsequent arriving personnel must avoid duplicating any patient assessment or treatment already completed and shall work under the direction of the Officer in Command of the incident. The parties shall use Zoll ePCR-for coordinating and patient care data exchange.

AFMD Paramedic personnel shall remain in charge of the patient care until it is specifically relinquished to Contractor's ambulance personnel.

The patient's condition will determine the need for the AFMD Paramedic to accompany the patient in the ambulance and to the hospital or other medical facility. Contractor's and the AFMD's physician medical director shall establish a policy on paramedic assist to guide this determination. When Contractor will transport the patient, it shall make the final determination as to who may accompany the patient in the ambulance.

The base station hospital, or centralized medical control, will maintain medical control of the patient and will be the final authority regarding patient care once contact with the base station physician or centralized medical control has been made.

When verbal and or written orders are required, the following information will be conveyed on the patient condition:

1. Verbal report on patient condition including:
 - a. Patient's chief complaint;
 - b. All pertinent negative/ positive physical findings and patient's current condition;
 - c. All patient treatment done up to the time of transfer;
 - d. Name and location of base station physician consulted, and orders received (if applicable); and
 - e. Patient destination.
2. Complete written Fire Department EMS incident report signed by the Fire Department and Contractor's personnel.

When Contractor is transporting the patient, all loading of patients into the ambulance will be the responsibility of Contractor's personnel. When the City is transporting patients (subsequent to the issuance of a CON by ADHS), the City will be responsible for loading patients into the City's ambulance(s).

When the ambulance has arrived on the scene of an EMS incident, prior to the arrival of the AFMD unit, the officer in charge of the subsequently arriving fire department unit will seek out the highest trained medical professional from the ambulance crews for a report on the patient and all care that has been provided. Following this report, the AFMD officer may assume command of the incident/patient.

It shall be the responsibility of all agencies providing patient care to cooperate and assist in treatment and transportation requirements.

Any modification to this Exhibit E must be reviewed and approved by the medical directors of both Parties and by ADHS prior to implementation.

APPENDIX A

[Vehicle Requirements]

All ambulances shall be equipped, maintained and operated in accordance with the laws of the State of Arizona and the rules and regulations of ADHS. Each unit shall be equipped with the materials and supplies set forth in Appendix B, EMS Disposable Goods Replacement List. Avondale based ambulances shall be of the modular design Type III (E-450 chassis) and subject to the agreed upon specifications by and between the City and Contractor. Each Avondale based ambulance shall be identified as to its call sign, which shall be consistent with the City call signs (e.g., ambulance 171 will have the designation 171 in no less than 6” letters on three sides and no less than 22” letters on the roof of the vehicle.) All Ambulances shall be equipped with Automatic Vehicle Locators (AVL) and dual band radios that are capable of communicating on assigned channels in both VHF and 800 MHz bandwidths.

APPENDIX B**[EMS Disposable Goods Replacement List]**

Contractor shall be solely responsible for providing all of the emergency medical equipment and supplies necessary for the Contractor to perform under this Scope of Work. The equipment and supplies shall be current in nature and maintained in accordance with standard medical practices, the laws of the State of Arizona and regulations of ADHS. Without limiting the generality of the foregoing, Contract shall install and maintain in each Avondale based ambulance the following equipment:

1. Operational current medical channel radio capability with a noise canceling microphone and speaker, located in the patient compartment of the ambulance.
2. A Lucas 3 Chest Compression System and associated equipment on all units staffed by the Contractor on a 24-hour basis.
3. All equipment listed in this Scope of Work, which is incorporated herein by this reference.
4. Any computer software or tablet applications that assist emergency personnel in communication with non-English speaking patients. Such applications might include MediBabble or similar language translation program.

In addition to the Arizona Department of Health Services Equipment list for Ambulances (ALS/BLS), the City also requires the following replacement supplies. This additional equipment requirement may be revised as specified under the Supplies section of Ambulance Transportation Services Agreement.

IV SUPPLIES			
SKU	ITEM DESCRIPTION	UNIT	QTY
TELEFLEX	45mm EZIO NEEDLE	EACH	2
TELEFLEX	25mm EZIO NEEDLE	EACH	2
TELEFLEX	15mm EZIO NEEDLE	EACH	2
TELEFLEX	EZ-STABILIZER	EACH	2
TELEFLEX	EZ-CONNECT	EACH	2
1031817	1mm Syringes	EACH	2
1031804	3ml Syringes	EACH	2
1031805	5ml Syringes	EACH	2
1031801	10 ml Syringes	EACH	2
1031802	20ml Syringes	EACH	2
869662	60ml Syringes	EACH	2
459509	Filtered Needles	EACH	2
1114988	Blunt Fill Needle 18ga X 1.5 in	EACH	3
721354	Safety Needle 18G	EACH	2
721358	Safety Needle 21 G	EACH	1
721361	Safety Needle 23G	EACH	1

721363	Safety Needle 25G	EACH	1
231562	ClearSafe IV Cath 14G	BOX/50	1
231563	ClearSafe IV Cath 16G	BOX/50	1
231560	ClearSafe IV Cath 18G	BOX/50	1
231561	ClearSafe IV Cath 20G	BOX/50	1
231558	ClearSafe IV Cath 22G	BOX/50	1
231559	ClearSafe IV Cath 24G	BOX/50	1
472080	IV Flush 10ml Syringe	EACH	4
1117205	IV Start Kit	BOX/50	1
52010	IV Arm board 3x12	EACH	4
974418	Sodium Chloride IV Solution 1000ml	EACH	4
186661	Sodium Chloride IV Solution 500ml	EACH	2
190541	Sodium Chloride IV Solution 250ml	EACH	2
161938	Sodium Chloride IV Solution 100ml	EACH	1
161940	Sodium Chloride IV Solution 50ml	EACH	1
186662	Lactated Ringers IV Solution 1000ml	EACH	4
1059338	Select-3 IV Tubing	EACH	6
307608	Blood Tubing (IV)	EACH	2
192965	Pressure Infuser Bag 1000ml	EACH	2

AIRWAY

SKU	ITEM DESCRIPTION	UNIT	QTY
883872	Oxygen Tubing	EACH	6
911722	Adult Nasal Cannula	EACH	4
1052548	Adult Non-Rebreather	EACH	4
1041979	Infant Non-Rebreather	EACH	1
1018188	Pediatric Nasal Cannula	EACH	2
1053284	Pediatric Non-Rebreather	EACH	2
400577	Pediatric Dragon Mask	EACH	1
1030014	SMART BAG Adult Disposable BVM	EACH	4
1030015	SMART BAG CHILD Disposable BVM	EACH	2
555742	SPUR II, infant w/neo BVM	EACH	2
313-4603NEA	CPAP Pulmonaryne GO-PAP w/NEB adult/Large	EACH	2
313-4602NEA	CPAP Pulmonaryne GO-PAP w/NEB adult/Medium	EACH	2
347240	NPA French SIZE 18	EACH	1
190278	NPA French SIZE 20	EACH	1
190279	NPA French SIZE 22	EACH	1
190280	NPA French Size 24	EACH	1
190281	NPA French SIZE 26	EACH	1
190282	NPA French SIZE 28	EACH	1
190283	NPA French SIZE 30	EACH	1
190284	NPA French SIZE 32	EACH	1

190285	NPA French SIZE 34	EACH	1
190286	NPA French SIZE 36	EACH	1
850118	OPA 40mm	EACH	1
485073	OPA 50mm	EACH	1
485074	OPA 60mm	EACH	1
485075	OPA 70mm	EACH	1
485076	OPA 80mm	EACH	1
485077	OPA 90mm	EACH	1
485078	OPA 100mm	EACH	1
485079	OPA 110mm	EACH	1
698588	Laryngoscope Blade, MAC1	EACH	1
698589	Laryngoscope Blade, MAC2	EACH	1
698590	Laryngoscope Blade, MAC3	EACH	1
698591	Laryngoscope Blade, MAC4	EACH	1
698593	Laryngoscope Blade, Miller 0	EACH	1
698594	Laryngoscope Blade, Miller 1	EACH	1
698595	Laryngoscope Blade, Miller 2	EACH	1
698596	Laryngoscope Blade, Miller 3	EACH	1
698597	Laryngoscope Blade, Miller 4	EACH	1
1113482	B.A.A.M.	EACH	0
1009240	Laryngoscope Handle PEDIATRIC	EACH	1
843671	Laryngoscope Handle Standard	EACH	1
349769	ET TUBE 2.5	EACH	1
349770	ET TUBE 3	EACH	1
349771	ET TUBE 3.5	EACH	1
349772	ET TUBE 4	EACH	1
349773	ET TUBE 4.5	EACH	1
349775	ET TUBE 5	EACH	1
349776	ET TUBE 5.5	EACH	1
349777	ET TUBE 6	EACH	1
349778	ET TUBE 6.5	EACH	1
349779	ET TUBE 7	EACH	1
349780	ET TUBE 7.5	EACH	1
349781	ET TUBE 8	EACH	1
349782	ET TUBE 8.5	EACH	1
349783	ET TUBE 9	EACH	1
1011156	ET TUBE holder Adult	EACH	1
1107045	ET TUBE holder PED	EACH	1
1050596	Cricothyrotomy Kit	EACH	1
855139	Decompression Needle, 14Gx3	EACH	2
544553	Bougie Adult	EACH	1
634850	Bougie Peds	EACH	1
1015726	I-GEL Supraglottic Airway, Size 1	EACH	1

1048435	I-GEL Supraglottic Airway, Size 1.5	EACH	1
1048433	I-GEL Supraglottic Airway, Size 2	EACH	1
1015732	I-GEL Supraglottic Airway, Size 2.5	EACH	1
961009	I-GEL RESUS KIT, Size 3	EACH	2
961010	I-GEL RESES KIT, Size 4	EACH	2
961011	I-GEL RESUS KIT, Size 5	EACH	2
512332	In-Line Nebulizer (w/adapters)	EACH	4
911725	SVN Nebulizer	EACH	4
1118876	7.0 Nasal ET Kit	EACH	1
1118875	6.0 Nasal ET Kit	EACH	1
371583	Adult Colormetric	EACH	1
333417	PED Colormetric	EACH	1

MONITOR

SKU	ITEM DESCRIPTION	UNIT	QTY
513518	Blue DOT multi-use Electrodes	PACK/10	2
888686	PHILIPS EKG paper, 75mm	EACH	4
916437	PHILIPS Multifunction Defib Pads, Adult/Child	EACH	3
M3717A	PHILIPS Multifunction Defib Pads, INFANT	EACH	2
	CPR puck sticker for MRx	EACH	2
M4575B	PHILIPS Disposable B/P Cuff Adult (Gentle Care)	EACH	4
M4578B	PHILIPS Disposable B/P Cuff Adult Large (Gentle Care)	EACH	1
M4573B	PHILIPS Disposable B/P Cuff PEDS (Gentle Care)	EACH	1
999497	Microstream ETCO2 filter line set	EACH	2
894397	Microstream ETCO2 Oral/Nasal sampling	EACH	2
2712-02020	Masimo LNCS set SpO2 sensor PED	EACH	2
	Masimo LNCS set SpO2 sensor ADULT	EACH	2

TRAUMA

SKU	ITEM DESCRIPTION	UNIT	QTY
622	4" ACE	BOX/10	1
440343	4x4 Sponge non-sterile	BAG/200	1
762703	4x4 sterile sponge	BOX	1
446057	Abdominal Pad	EACH	2
476731	Cold Pack, crush type single	EACH	4
853507	Combat Application Tourniquet	EACH	1
1107053	Extrication collar Adult	EACH	4
1107056	Extrication collar PEDS	EACH	2
446908	AMBU head wedge	EACH	4
1051792	Hyfin Chest Seal	EACH	2
993034	Rolled Gauze, Non-sterile 4"	EACH	8
812748	QuickClot Z fold	EACH	1

874693	QuickClot Rolled Gauze	EACH	2
927345	QuickClot 4x4	EACH	2
995582	QuickClot Trauma Pad	EACH	1
1089510	SAM Splint	EACH	4
870249	Sterile Burn Sheet	EACH	4
677593	Sterile Multi-Trauma Dressing	EACH	4
540284	Triangular Bandage	EACH	2
338281	Splint, Cardboard, 12"	EACH	3
338283	Splint, Cardboard, 18	EACH	3
338284	Splint, Cardboard, 24	EACH	3
1115587	Trauma H Bandage	EACH	1
1112395	Backboard Straps	EACH	4

PPE

SKU	ITEM DESCRIPTION	UNIT	QTY
BOUNTREE	Apexpro nitrile Gloves MED	BOX/100	1
BOUNTREE	Apexpro nitrile Gloves Large	BOX/100	2
BOUNTREE	Apexpro nitrile Gloves XL	BOX/100	2
BOUNTREE	Apexpro nitrile Gloves XXL	BOX/100	1
576475	Isolation Kit, Disposable	EACH	2
860930	N95 surgical fold flat mask	BOX	2
491152	Safety Glasses	EACH	2
847110	Spit Hood	EACH	2
880563	Germicide Wipes	TUB	4
262765	Vionexx Wipes	BOX	4
185447	Large Biohazard bags	ROLL	1

MISC

SKU	ITEM DESCRIPTION	UNIT	QTY
225940	Alcohol Prep Pad	BOX/100	2
370224	Ammonia Inhalant	BOX	1
115847	Band-Aid Adhesive Bandage	BOX	2
486854	Biohoop emesis bag	EACH	4
668037	Blanket	EACH	4
464156	Coban Self-Adherent Wrap	EACH	4
580125	Oral Glucose, 3 pack	EACH	1
844475	Intranasal Mucosal Atomization	EACH	4
1066698	Lubricating Jelly	BOX	1
884656	Meconium Aspirator	EACH	1
1057159	MegaMover	EACH	4
1091611	Nose Clips	EACH	4
1078271	Paramedic Shears	EACH	4
193987	Penlight	EACH	4

513189	Precision Extra Glucose strips	BOX/50	2
179837	Precision Xtra Glucometer	EACH	1
980652	Sharps Solo	EACH	8
488227	Sterile OB kit	EACH	1
520118	Sterile Saline 250ml	EACH	4
840310	Lancet	BOX/100	1
455531	Tape 1"Cloth	EACH	2
5762	Tape 1" Trans	EACH	2
944369	Tape 2" cloth	EACH	2
466891	Tape 3" Cloth	EACH	2
314817	Sharps container 4.8 qt	EACH	1
487497	Magills Forceps 7"	EACH	1
483665	Suction Canister w/tubing	EACH	2
649118	Rigid tip suction catheter	EACH	2
649127	Wide Bore suction tubing	EACH	2
358596	CATHETER, SCTN GRAD 8FR	EACH	1
358597	CATHETER, SCTN GRAD 10FR	EACH	1
358598	CATHETER, SCTN GRAD 12FR	EACH	1
358599	CATHETER, SCTN GRAD 14FR	EACH	1
358600	CATHETER, SCTN GRAD 16FR	EACH	1
160733	TUBE, SALEM SUMP STR 10FR	EACH	1
160734	TUBE, SALEM SUMP STR 12FR	EACH	1
160736	TUBE, SALEM SUMP STR 16FR	EACH	1
161239	TUBE, SALEM SUMP STR 18FR	EACH	1



CITY COUNCIL REPORT

SUBJECT: Public Hearing - Ordinance 2005-0220- Zoning Ordinance Text Amendment - Application PL-19-0306

MEETING DATE: 2/3/2020

TO: Mayor and Council

FROM: Kevin Murphy, Development & Engineering Services Department Director

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:

City Council will hold a public hearing and consider a staff-initiated request to adopt Ordinance 2005-0220 approving text amendments to the Zoning Ordinance and authorize the Mayor, or City Manager and City Clerk to execute the necessary documents. The amendments to Avondale Zoning Ordinance Section 6 (Planned Area Development District) will allow for continued refinement of the Zoning Ordinance to reflect changes in development trends and necessary timelines for orderly site development. The Council will take appropriate action.

BACKGROUND:

The Avondale Zoning Ordinance was first adopted in 1951 and has been updated numerous times. The last update occurred on September 9, 2019.

SUMMARY OF REQUEST:

This City-initiated amendment seeks to extend the expiration of Planned Area Development (PAD) zoning from two (2) to four (4) years and allow for administrative approval of the one-time extension (Exhibit A). Text with a strike-through is proposed to be removed, and text that is underlined and bold is new proposed text, as follows:

Section 603.D:

D. Expiration

The PAD zoning shall be conditioned on commencement of horizontal construction for the project beginning within ~~two (2)~~**four (4)** years from the date of City Council approval. Prior to the expiration of the ~~two (2)~~**four (4)** year time condition, the property owner or authorized representative may submit an application for a one (1) time, one (1) year extension to the City, which the Zoning Administrator **may approve**. ~~shall submit to the City Council for consideration.~~ In the event the project's Site Plan or Preliminary Plat has not been approved within ~~the applicable two (2) years time period~~ and no request for a time extension has been received, the Zoning Administrator may submit the PAD to the City Council for consideration of reversion to the property's prior zoning classification at a public hearing according to Section 1.110.

PUBLIC PARTICIPATION:

All required notifications for this meeting have been completed. Staff has not received any feedback on the

proposal by phone or email. No persons have viewed the information about the text amendment nor have comments from the public related to the proposal been posted on the City's aVOICE digital forum.

ANALYSIS:

The text amendment is not anticipated to result in any adverse impacts on the community.

DISCUSSION:

STRATEGIC PLAN:

INITIATIVE: Encourage & Support Creative Innovation in Development & Service Delivery

•STRATEGIC GOAL: Encourage a flexible environment responsive to market trends.

BUDGET IMPACT:

No budget impacts.

RECOMMENDATION:

Staff recommends that City Council **APPROVE** application PL-19-0306.

PROPOSED MOTION:

I move that City Council accept the findings and **ADOPT** the Ordinance approving Application PL-19-0306, a request for text amendments to the City of Avondale Zoning Ordinance.

City of Avondale Zoning Ordinance – Section 6, Planned Area Development District

Section 6.603.D

The PAD zoning shall be conditioned on commencement of horizontal construction for the project beginning within ~~two (2)~~**four (4)** years from the date of City Council approval. Prior to the expiration of the ~~two (2)~~**four (4)** year time condition, the property owner or authorized representative may submit an application for a one (1) time, one (1) year extension to the City, which the Zoning Administrator **may approve.** ~~shall submit to the City Council for consideration.~~ In the event the project's Site Plan or Preliminary Plat has not been approved within ~~the applicable two (2) years time period~~ and no request for a time extension has been received, the Zoning Administrator may submit the PAD to the City Council for consideration of reversion to the property's prior zoning classification at a public hearing according to Section 1.110.

ORDINANCE NO. 2005-0220

AN ORDINANCE OF THE COUNCIL OF THE CITY OF AVONDALE, ARIZONA, AMENDING THE CITY OF AVONDALE ZONING ORDINANCE SECTION 6, PLANNED AREA DEVELOPMENT DISTRICT, SUBSECTION 603, ESTABLISHMENT OF A PAD DISTRICT, RELATING TO EXPIRATION OF PAD ZONING.

WHEREAS, all due and proper notices of public hearings on this Ordinance held before the City of Avondale Planning Commission (the “Commission”) and the Council of the City of Avondale (the “City Council”) were given in the time, form and substance provided by ARIZ. REV. STAT. § 9-462.04; and

WHEREAS, the Commission held a public hearing regarding the subject matter of this Ordinance on January 15, 2020, after which the Commission recommended to the City Council that the amendments to the City of Avondale Zoning Ordinance (the “Zoning Ordinance”) contemplated by this Ordinance be approved; and

WHEREAS, the City Council held an additional public hearing on this Ordinance on February 3, 2020.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AVONDALE as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The Zoning Ordinance, Section 6 (Planned Area Development District), Subsection 603 (Establishment of a PAD District), Subparagraph D is hereby amended as follows:

D. Expiration

The PAD zoning shall be conditioned on commencement of horizontal construction for the project beginning within ~~two~~ FOUR (2 4) years from the date of City Council approval. Prior to the expiration of the ~~two~~ FOUR (2 4) year time condition, the property owner or authorized representative may submit an application for a one (1) time, one (1) year extension to the City, which the Zoning Administrator MAY APPROVE. ~~shall submit to the City Council for consideration.~~ In the event the project’s Site Plan or Preliminary Plat has not been approved within ~~the applicable two (2) yearS time period~~ and no request for a

time extension has been received, the Zoning Administrator may submit the PAD to the City Council for consideration of reversion to the property's prior zoning classification at a public hearing according to Section 1.110.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the Zoning Ordinance adopted herein by reference is for any reason to be held invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 4. The Mayor, the City Manager, the City Clerk and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Ordinance.

PASSED AND ADOPTED by the Council of the City of Avondale, Arizona,
February 3, 2020.

Kenneth N. Weise, Mayor

ATTEST:

Marcella Carrillo, City Clerk

APPROVED AS TO FORM:

Michael Wawro, City Attorney

CITY COUNCIL REPORT

SUBJECT: FY2021 Revenue Overview and Forecast

MEETING DATE: 2/3/2020

TO: Mayor and Council

FROM: Lindsey Duncan, Finance and Budget Director, (623) 333-2011

THROUGH: Charles A. Montoya, City Manager, (623) 333-1016

PURPOSE:

Staff will present an overview of the City's major revenue sources and the forecast for those revenue sources for FY2021.

BACKGROUND:

This is the second in a series of presentations regarding the development of the fiscal year (FY) 2021 budget. This presentation will give an overview of the City's major revenue sources and the forecast for those revenue sources for FY2021. Emphasis will be placed on General Fund revenues, such as sales tax and stated shared revenues.

DISCUSSION:

The information presented will lead future discussions around the FY2021 budget. These discussions will assist the Mayor and Council in making informed decisions about the City's operations and capital construction by showing the resources available to fund these expenses.

BUDGET IMPACT:

The information presented is intended to encourage discussion which will lead the development of the FY2021 budget.

RECOMMENDATION:

This item is for information and discussion only.