

**AGREEMENT FOR HVAC SERVICES & REPAIR BETWEEN CITY
OF APACHE JUNCTION AND INNOVATIVE MECHANICAL
SYSTEMS**

PROJECT PW # 2015-16

THIS AGREEMENT made and entered into by and between the CITY OF APACHE JUNCTION ("City"), an Arizona municipal corporation, and Innovative Mechanical Systems, an Arizona corporation ("Contractor"), both referred to as the "Parties" collectively or as a "Party" individually.

RECITALS

- A. In response to City's request for bid via PW 2015-16, in which Contractor asserts its willingness, ability and qualifications to provide ventilation and air conditioning related service/installation/repair (the "Work").
- B. City and Contractor desire to set forth herein their respective responsibilities and the manner and terms upon which Contractor shall render the Work.
- C. City has complied with the public bidding requirements under Arizona Revised Statute Title 34 and Apache Junction City Code Article 3-7.

AGREEMENT

NOW, THEREFORE, City retains Contractor to perform, and Contractor agrees to render the Work in accordance with the terms and conditions set forth as follows:

1. **PROJECT DESCRIPTION:** Contractor shall do and perform or cause to be done and performed in a good workmanlike manner, the Work in accordance with the contract documents:

- A. Contractor to provide preventative maintenance, repair, emergency repair, installation, and retrofit for heating, ventilation, and air conditioning ("HVAC") equipment throughout the City of Apache Junction for its City owned buildings.

B. Perform monthly, semi-annual (twice a year) and annual preventative maintenance for the Police Department Cooling Towers.

C. Perform semi-annual (twice a year) preventative maintenance and inspection on all equipment for remaining City owned buildings per specification.

D. Contractor shall supply all labor, supervision, materials, tools, equipment, and effort necessary to maintain, repair, retrofit, or replacement of HVAC systems and products used in residential, commercial, and industrial environments.

2. **PRICE:** The contract shall be the amount payable by the City to the Contractor in the amount of: \$14,200 for the preventative maintenance on all City owned HVAC units under the contract documents.

The unit pricing for one time services to be performed as requested and authorized by the City Representative or his/her designee is as follows:

ITEM	DESCRIPTION	QUANTITY	UNIT PRICE
1	Labor, REGULAR business hours	Per Hour	\$70.00
2	Labor, AFTER regular business hours	Per Hour	\$105.00
3	Labor, WEEKEND and HOLIDAY	Per Hour	\$105.00
4	Labor, EMERGENCY REGULAR business hours	Per Hour	\$70.00
5	Labor, EMERGENCY AFTER regular business hours	Per Hour	\$105.00
6	Labor, EMERGENCY WEEKEND and HOLIDAY	Per Hour	\$105.00
7	PARTS, Components, Units, etc.	Cost Plus %	30%

3. **CONTRACT TERM:** The terms of this Contract shall be from the date of written notice of the acceptance of the proposal by the City Council to April 4, 2017. The City of Apache Junction has the option to renew the Contract for four (4) additional

one-year periods if mutually agreeable. If the contract is renewed, the total length of the contract shall not exceed five (5) years from April 4, 2017. The City reserves the right to unilaterally extend any of the one-year (1) periods by thirty-one (31) days. This provision does not limit the liability of the Contractor for actual damages sustained by the City as a result of any breach of contract or warranty by the Contractor.

4. LABOR AND MATERIALS: Unless otherwise provided in the contract documents, Contractor shall provide, pay and insure under the requisite laws and regulations for all labor, materials, equipment, tools and machinery, water, heat, utilities, transportation, other facilities and services necessary for the proper execution and completion of the Work whether temporary or permanent, and whether or not incorporated or to be incorporated in the Work.

5. TAXES: Contractor shall pay all license, sales, consumer, use and other similar taxes for the Work or portions thereof provided by Contractor which are legally enacted at the time bids are received whether or not yet effective or subsequently applicable due to acts of jurisdictions or bodies other than City.

6. PERMITS & FEES: Unless otherwise provided in the contract documents, Contractor shall secure and pay for all permits, governmental fees, licenses and inspections necessary for the proper execution and completion of Work which are customarily secured after execution of the contract and which are legally required. Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the Work. Contractor represents and warrants that any license necessary to perform the Work under this Agreement is current and valid. Contractor understands that the activity described herein constitutes "doing business in the City of Apache Junction" and Contractor agrees to obtain a business license pursuant to Article 8-2 of the Apache Junction City Code, Vol. I, and keep such license current during the term of this Agreement. Contractor also acknowledges that the tax provision of the Apache Junction Tax Code, Chapter 8A, may also apply and if so, shall obtain a privilege license. Any activity by subcontractors within the corporate city limits will invoke the same business and privilege license regulations on any subcontractors, and Contractor ensures its subcontractors will obtain any required licenses. If there are taxable activities,

a business license shall be converted to a privilege license by the Contractor and any subcontractors through the City Clerk's Office or the Arizona Department of Revenue, whichever has jurisdiction at such time of conversion.

7. **INDEPENDENT CONTRACTOR:** Contractor shall at all times during Contractor's performance of the services retain Contractor's status as an independent Contractor. Contractor's employees shall under no circumstances be considered or held to be employees or agents of City, and City shall have no obligation to pay or withhold state or federal taxes, or provide workers compensation or unemployment insurance for or on behalf of them or Contractor. Contractor shall supervise and direct the delivery of the materials using its best skill and attention. Except as provided in this Agreement, Contractor shall be solely responsible for all construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work required by the contract documents. Contractor shall be responsible to City for the acts and omissions of its employees, sub-contractors and their agents and employees and other persons providing any of the materials under any contract document.

8. **INDEMNIFICATIONS:** To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless City, its elected and appointed officers, officials, agents, and employees from and against any and all liability including but not limited to demands, claims, actions, fees, costs and expenses, including attorney and expert witness fees, arising from or connected with or alleged to have arisen from or connected with, relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, Work or services of Contractor, its agents, employees, or any tier of Contractor's subcontractors in the performance of this Agreement. Contractor's duty to defend, hold harmless and indemnify City, its Special Districts, elected and appointed officers, officials, agents, and employees shall arise in connection with any tortious claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by an Contractor's acts, errors, mistakes, omissions, Work or services in the performance of this Agreement including any employee of Contractor, any tier of Contractor's subcontractor or any other person for whose acts, errors, mistakes, omissions, Work or services Contractor may be legally liable.

9. **ENFORCED DELAYS (FORCE MAJEURE)**: Neither City nor Contractor, as the case may be, shall be considered not to have performed its obligations under this Agreement in the event of enforced delay (an "Enforced Delay") due to causes beyond its control and without its fault or negligence or failure to comply with applicable laws, including, but not restricted to, acts of God, fires, floods, epidemics, pandemics, quarantine, restrictions, embargoes, labor disputes, and unusually severe weather or the delays of subcontractors or material men due to such causes, acts of a public enemy, war, terrorism or act of terror (including but not limited to bio-terrorism or eco-terrorism), nuclear radiation, blockade, insurrection, riot, labor strike or interruption, extortion, sabotage, or similar occurrence or any exercise of the power of eminent domain of any governmental body on behalf of any public entity, or a declaration of moratorium or similar hiatus (whether permanent or temporary) by any public entity directly affecting the Project. In no event will Enforced Delay include any delay resulting from unavailability for any reason of labor shortages, or the unavailability for any reason of particular consultants, subcontractors, vendors or investors desired by Contractor in connection with the Project. Contractor agrees that Contractor alone will bear all risks of delay which are not Enforced Delay. In the event of the occurrence of any such Enforced Delay, the time or times for performance of the obligations of the Party claiming delay shall be extended for a period of the Enforced Delay; provided, however, that the Party seeking the benefit of the provisions of this Section shall, within thirty (30) calendar days after such Party knows or should know of any such Enforced Delay, first notify the other Party of the specific delay in writing and claim the right to an extension for the period of the Enforced Delay; and provided further that in no event shall a period of Enforced Delay exceed ninety (90) calendar days.

10. **SUBCONTRACTORS**: All subcontractors chosen by Contractor will be subject to City's approval. All subcontractors shall be identified by Contractor prior to award of contract. Contractor shall make no substitutions for any subcontractor, person or entity previously selected without the approval of City.

11. **GOVERNING LAW AND VENUE**: The terms and conditions of this Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona. Any action at law or in equity brought by either party for the purpose of enforcing a

right or rights provided for in this Agreement, shall be tried in a court of competent jurisdiction in Pinal County, State of Arizona. The Parties hereby waive all provisions of law providing for a change of venue in such proceeding to any other county. In the event either Party shall bring suit to enforce any terms of this Agreement or to recover any damages for and on account of the breach of any term or condition in this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs including reasonable attorney fees to be determined by the court in such action.

12. INSURANCE: Contractor, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed in the State of Arizona, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed in the State of Arizona with policies and forms satisfactory to City.

All insurance required herein shall be maintained in full force and effect until all Work required to be performed under the terms of the Agreement is satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the City constitute a material breach of this Agreement.

Contractor's insurance shall be primary insurance as respect to City, and any insurance or self-insurance maintained by City shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect City.

The insurance policies, except Workers Compensation, shall contain waiver of transfer rights of recovery (subrogation) against City, its agents, officers, officials and employees for any claims arising out of Contractor's acts, errors, mistakes, omissions or Work.

The insurance policies may provide coverage which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to City under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and City, at its option, may require Contractor to secure payment of such deductibles or self-insured

retentions by a Surety Bond or an irrevocable and unconditional letter of credit.

City reserves the right to request and to receive within ten (10) working days, certified copies of any or all of the herein required insurance policies and/or endorsements. City shall not be obligated, however, to review same or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of City's right to insist on strict fulfillment of Contractor's obligations under this Agreement.

The insurance policies, except Workers Compensation and Professional Liability, required by this Agreement, shall name City, its Mayor, Council, officers, officials and employees as additional insured parties.

REQUIRED COVERAGE

Commercial General Liability

Contractor shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011-93 or any replacement thereof.

Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, nor any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office Inc.'s Additional Insured, Form CG 20101185, and shall include coverage for Contractor's operations and products and completed operations.

If required by this Agreement, if Contractor sublets any part of the work, services or operations, Contractor shall purchase and maintain, at all times during prosecution of the work, services

or operations under this Agreement, City and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of the Contractor's work, service or operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than \$1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues Contractor's General Liability insurance.

Workers Compensation

Contractor shall carry Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

In case any Work is subcontracted, Contractor will require subcontractor to provide Workers Compensation and Employer's Liability to at least the same extent as required of Contractor.

Certificate of Insurance

Prior to commencing Work or services under this Agreement, Contractor shall furnish City with Certificates of Insurance, or formal endorsements as required by the Agreement, issued by Contractor's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect. The form of the certificates of insurance and endorsements shall be subject to the approval of the Apache Junction City Attorney's Office, shall comply with the terms of this Agreement, and shall be issued and delivered to City Attorney, City of Apache Junction, 300 East Superstition Boulevard, Apache Junction, AZ, 85119.

In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Contractor's Work and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Agreement, a renewal certificate must be sent to City thirty (30) calendar days prior to the expiration date.

All Certificates of Insurance shall be identified with bid serial number and title. Policies or certificates and completed forms of

City's Additional Insured Endorsement (or a substantially equivalent insurance company form acceptable to the City Attorney) evidencing the coverage required by this section shall be filed with the City and shall include the City as an additional insured. The policy or policies shall be in the usual form of a public liability insurance, but shall also include the following provision:

"Solely as respects Work done by or on behalf of the named insured for the City of Apache Junction, it is agreed that the City of Apache Junction and its Mayor and Council and employees are added as additional insureds under this policy."

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) calendar days' prior written notice to City.

13. SUCCESSORS & ASSIGNS: City and Contractor each bind themselves, their partners, successors, assigns and legal representatives to the other party hereto and to the partners, successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained in the contract documents. Neither party to the contract shall assign the contract or sublet it as a whole without the written consent of the other, nor shall the Contractor assign any monies due or to become due to or to become due to it without the previous written consent of City.

14. WRITTEN NOTICE: Written notice shall be deemed to have been duly served if delivered in person to the individual or member of the firm or entity, or to an office of the corporation for whom it was intended or if delivered at or sent registered or certified mail, return receipt requested, and first class postage prepaid to the last business address known to them who gives the notice.

15. LABOR & MATERIAL PAYMENT BOND: City shall have the right to require Contractor to furnish bonds covering the faithful performance of the contract and the payment of all obligations arising hereunder. Attached are standard bond forms which must be completed by Contractor, and Contractor agrees to conform to all provisions set forth in such forms.

16. SAFETY: Contractor and/or its subcontractors shall be solely responsible for job safety at all times.

17. **RIGHTS & REMEDIES:** The duties and obligations imposed by the contract documents and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

No action or failure to act by City or Contractor shall constitute a waiver of any right or duty afforded any of them under the contract, nor shall any action or failure to act constitute an approval of or an acquiescence to any breaches hereunder except as may be specifically agreed to in writing.

18. **TERMINATION BY CONTRACTOR:** Early termination of contract is permitted at the discretion of Contractor, however, where such discretion is exercised, liquidated damages will be due to the City in the sum of 5% of the contract amount for the five (5) year period had the contract been performed for the full five (5) year term. The Parties stipulate that this amount is a reasonable amount that accurately reflects the monetary impact the City will experience due to early termination. Further, this amount shall be secured by a letter of credit at a local Apache Junction branch bank upon execution of this Agreement, with the content of the letter of credit first being approved by the city attorney. Contractor shall serve Notice of Early Termination of Contract to City by first class certified U.S. mail ninety (90) calendar days before such termination takes effect.

19. **TERMINATION BY CITY:** If Contractor is adjudged bankrupt or if it makes a general assignment for the benefit of its creditors or if a receiver is appointed on account of its insolvency, or if it persistently or repeatedly refuses or fails except in case for which extension of time is provided to supply enough properly skilled works or proper materials or labor or persistently disregards laws, ordinance, rules, regulations or orders of any public authority having jurisdiction or otherwise is guilty of a substantial violation of a provision of the contract documents, City upon certification by the Director of Public Works that sufficient cause exists to justify such action may without prejudice to any right or remedy and after giving the Contractor and its surety if any, ten (10) calendar days written notice, terminate this contract and take possession of the site and of all materials, equipment, tools, construction equipment and machinery thereon owned by the Contractor and may finish the work by whatever method it may deem expedient. In such case, Contractor shall not be entitled to receive any further payment until the work is finished. If the unpaid

balance of the contract sum exceeds the cost of finishing the work such excess shall be paid to the Contractor. If such costs exceed the unpaid balance, Contractor shall pay the difference to City. The amount to be paid to Contractor or to City as the case may be, shall be certified by the City's Director of Public Works and this obligation for payment shall survive the termination of this contract.

20. **APPEALS**: All contractual grievances shall be submitted in writing to the City Manager within five (5) calendar days after the difference of opinion or grievance occurs relating to any of the provisions of the terms of this Agreement. Within five (5) calendar days of receiving a written grievance, the City Manager shall respond in writing to the company. The City Manager's decision shall be final and binding, subject only to a further appeal in the Pinal County Superior Court pursuant to A.R.S. § 12-901, *et seq.*

21. **RECORDS**: Records of Contractor's labor, payroll and other costs pertaining to this Agreement shall be kept on a generally recognized accounting basis and made available to City for inspection on request. Contractor shall maintain records for a period of at least two (2) years after termination of this Agreement, and shall make such records available during that retention period for examination or audit by City personnel during regular business hours.

22. **AMENDMENT**: It is mutually understood and agreed that no alteration or variation of the terms and conditions of this Agreement shall be valid unless made in writing and signed by the Parties hereto, and that oral understandings or agreements not incorporated herein shall not be binding on the parties.

23. **SEVERABILITY**: City and Contractor each believe that the execution, delivery and performance of this Agreement are in compliance with all applicable laws. However, in the unlikely event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring City to do any act in violation of any applicable laws, including any constitutional provision, law, regulation, or City Code), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same

rights and benefits (economic and otherwise) to the Parties as if such severance and reformation were not required. Unless prohibited by applicable laws, the Parties further shall perform all acts and execute, acknowledge and/or deliver all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.

24. CONFLICT OF INTEREST: This Agreement is subject to, and may be terminated by City in accordance with, the provisions of A.R.S. § 38-511.

25. COMPLIANCE WITH FEDERAL AND STATE LAWS: The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The following is only applicable to construction contracts: The contractor must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees".

Under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that the Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the

Contractor to penalties up to and including termination of this Contract at the sole discretion of the City.

The City retains the legal right to inspect the papers of any Contractor or Subcontractor's employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any such inspections.

The City may, at its sole discretion, conduct random verification of the employment records of the Contractor and any of Subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the City in regard to any random verifications performed.

Neither the Contractor nor any of Subcontractors shall be deemed to have materially breached the Contractor Immigration Warranty

28. COOPERATIVE USE OF CONTRACT: The City has entered into various cooperative purchasing agreements with other Arizona government agencies, including the Strategic Alliance for Volume Expenditures "SAVE" cooperative. This contract may be extended for use by other municipalities, school districts and government agencies in the State of Arizona with the approval of the Contractor. Any such usage by other entities must be in accordance with the statutes, codes, ordinances, charter and/or procurement rules and regulations of the respective government agency. Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City shall not be responsible for any disputes arising out of transactions made by others.

if the Contractor or Subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.

The provisions of this Article must be included in any contract the Contractor enters into with any and all of its Subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

26. INSPECTIONS AND QUALITY OF WORK: Contractor understands and agrees that inspection of the Work being performed hereunder will occur by City. Contractor agrees that City will have the exclusive right to determine, in its sole discretion, whether the Work has been performed in accordance with the Contract Documents. Contractor further agrees to make such corrections to the Work as may be directed by City to conform to said Contract Documents without any additional charge or cost to City whatsoever.

27. SUPERVISOR: Contractor shall employ a competent service manager or supervisor who shall be in attendance at the service site during the progress of the work. The supervisor shall represent and be the community agent of the Contractor and communications given to the supervisor shall be as binding as if given to Contractor. Important communications shall be confirmed in writing. The designated supervisor will be:

Name: Jason Sullivan
Phone: 623-824-1352
Cell Phone: Same
Emergency Phone: 480-209-9817
Email Address: Jason@ims-Az.com
Address: 4620 E Elwood St. #7
Phoenix, Az 85040

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be signed by their duly authorized representative as of this 24 day of February, 2016.

INNOVATIVE MECHANICAL SYSTEMS,
an Arizona corporation


By: _____

Nick McGowan

Its: _____

President

CITY OF APACHE JUNCTION
an Arizona municipal corporation

By: John S. Insalaco

Title: City Mayor

ATTEST:

Kathleen Connelly
City Clerk

APPROVED AS TO FORM:

Richard J. Stern
City Attorney

STATE OF Arizona)
County of Maricopa) SS.

The foregoing was subscribed and sworn to before
me this 24 day of February, 2016, by
Nick McLean as President of Innovative
Mechanical Systems, an Arizona corporation.

Lorna Pasquinelli
Notary Public

My Commission Expires:

August 26, 2017

(seal)



STATE OF ARIZONA)
) SS.
COUNTY OF _____)

The foregoing was subscribed and sworn to before
me this _____ day of _____, 20____, by John S.
Insalaco, as Mayor of the City of Apache Junction, Arizona,
an Arizona municipal corporation.

Notary Public

My Commission Expires:

(seal)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/19/2016

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 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 AAA Arizona, Inc. 2375 E Camelback Rd Suite 500 Phoenix AZ 85016	CONTACT NAME: Amy Copeland PHONE (A/C No, Ext): 602-393-6000 E-MAIL ADDRESS: acopeland@arizona.aaa.com FAX (A/C No): 602-513-7428														
INSURED Innovative Mechanical Systems 4620 E Elwood St Ste 7 Phoenix AZ 85040	<table border="1"><thead><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A: Ohio Security Insurance Co</td><td>24082</td></tr><tr><td>INSURER B: Ohio Casualty Group of Ins</td><td>24074</td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></tbody></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Ohio Security Insurance Co	24082	INSURER B: Ohio Casualty Group of Ins	24074	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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COVERAGES

CERTIFICATE NUMBER: All Lines 15-16

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			BKS56393044	10/28/2015	10/28/2016	<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$ 1,000,000</td></tr><tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td>\$ 300,000</td></tr><tr><td>MED EXP (Any one person)</td><td>\$ 15,000</td></tr><tr><td>PERSONAL & ADV INJURY</td><td>\$ 1,000,000</td></tr><tr><td>GENERAL AGGREGATE</td><td>\$ 2,000,000</td></tr><tr><td>PRODUCTS - COMP/OP AGG</td><td>\$ 2,000,000</td></tr><tr><td>Schedule Mod Factor 1</td><td>\$</td></tr></table>	EACH OCCURRENCE	\$ 1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000	MED EXP (Any one person)	\$ 15,000	PERSONAL & ADV INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 2,000,000	PRODUCTS - COMP/OP AGG	\$ 2,000,000	Schedule Mod Factor 1	\$
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PRODUCTS - COMP/OP AGG	\$ 2,000,000																				
Schedule Mod Factor 1	\$																				
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			BAS56393044	11/24/2015	11/24/2016	<table border="1"><tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td>\$ 1,000,000</td></tr><tr><td>BODILY INJURY (Per person)</td><td>\$</td></tr><tr><td>BODILY INJURY (Per accident)</td><td>\$</td></tr><tr><td>PROPERTY DAMAGE (Per accident)</td><td>\$</td></tr><tr><td>Medical payments</td><td>\$ 5,000</td></tr></table>	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$	Medical payments	\$ 5,000				
COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000																				
BODILY INJURY (Per person)	\$																				
BODILY INJURY (Per accident)	\$																				
PROPERTY DAMAGE (Per accident)	\$																				
Medical payments	\$ 5,000																				
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			USO56393044	10/28/2015	10/28/2016	<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$ 2,000,000</td></tr><tr><td>AGGREGATE</td><td>\$ 2,000,000</td></tr></table>	EACH OCCURRENCE	\$ 2,000,000	AGGREGATE	\$ 2,000,000										
EACH OCCURRENCE	\$ 2,000,000																				
AGGREGATE	\$ 2,000,000																				
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	XWS56393044	10/28/2015	10/28/2016	<table border="1"><tr><td><input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER</td><td></td></tr><tr><td>E.L. EACH ACCIDENT</td><td>\$ 1,000,000</td></tr><tr><td>E.L. DISEASE - EA EMPLOYEE</td><td>\$ 1,000,000</td></tr><tr><td>E.L. DISEASE - POLICY LIMIT</td><td>\$ 1,000,000</td></tr></table>	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> 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						
<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> 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																				
A	Leased/Rented Equipment			BKS56393044	10/28/2015	10/28/2016	Limit \$100,000														

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Apache Junction and its Mayor and Council and employees are added as additional insureds under this policy.

CERTIFICATE HOLDER

City of Apache Junction
300 E Superstition Blvd
Apache Junction, AZ 85119

CANCELLATION

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

Amy Copeland/CSRACO

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STATUTORY PERFORMANCE BOND PURSUANT TO TITLE 34,
CHAPTER 2, ARTICLE 2, OF THE ARIZONA REVISED STATUTES
(Penalty of this Bond MUST be 100% of the Contract Amount)

KNOW ALL MEN BY THESE PRESENTS:

That, Innovative Mechanical Systems, Inc. (hereinafter called the Principal), as Principal, and The Cincinnati Insurance Company, a company /corporation holding a Certificate of Authority to transact surety business in the State of Arizona as issued by the Director of the Department of Insurance pursuant to (hereinafter called the Surety) are held and firmly bound unto the City of Apache Junction (hereinafter called the Obligee), in the amount of Fourteen Thousand Two Hundred and 00/100 Dollars (\$14,200.00), for the payment whereof, the said Principal and Surety bind themselves, their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated 29 day of February, 2016 to HVAC Services & Repair which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION IS SUCH, that if the Principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of the contract during the original term of the contract and any extension of the contract, with or without notice to the surety, and during the life of any guaranty required under the contract, and also performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, of the Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the extend as if they were copies at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgement reasonable attorney fees as may be fixed by the judge of the court.

Witness our hand this 29th day of February, 2016.

Innovative Mechanical Systems, Inc.

PRINCIPAL

SEAL

Holmes Murphy & Associates, LLC

BY: 

AGENCY OF RECORD
7600 E. Orchard Rd., Suite 330S,
Greenwood Village, CO 80111
AGENCY ADDRESS

The Cincinnati Insurance Company

SURETY

BY: 

ATTORNEY IN FACT
Sarah C. Brown

THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby constitute and appoint

Donald E. Appleby; Sarah C. Brown; Todd Bengford; Mark Sweigart;
Susan J. Lattarulo and/or Florietta Acosta

of Greenwood Village, Colorado its true and lawful Attorney(s)-in-Fact to sign, execute, seal and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows:
Any such obligations in the United States, up to

Twenty Five Million and No/100 Dollars (\$25,000,000.00).

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6th day of December, 1958, which resolution is still in effect:

"RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7th day of December, 1973.

"RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Vice President this 1st day of October, 2015.



STATE OF OHIO) ss:
COUNTY OF BUTLER)

THE CINCINNATI INSURANCE COMPANY

Stephen A. Jentz
Vice President

On this 1st day of October, 2015, before me came the above-named Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



Mark J. Huller
MARK J. HULLER, Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date. Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio.
this day of 2016



Scott R. Bolen
Secretary

SURETY BID BOND
PROJECT NO. PW 2015-16

KNOW ALL MEN BY THESE PRESENT:

That we, Innovative Mechanical Systems, Inc., as Principal, (hereinafter called the Principal), and the The Cincinnati Insurance Company, a company/corporation holding a certificate of authority to transact surety business in the State of Arizona as issued by the Director of the Department of Insurance pursuant to Title 20, Chapter 2, Article 1 as Surety, (hereafter ~~called the Surety~~), ~~are held and firmly bound unto the City of Apache Junction~~ as Obligees, in the sum of ten percent (10%) of the total amount of the bid of Principal, submitted by him to the City of Apache Junction for the work described below, for the payment of which sum, will and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents, and in conformance with A.R.S.

WHEREAS, the said Principal is herewith submitting its proposal for: PW 2015-16 HVAC Services and Repair.

NOW, THEREFORE, if the Obligees shall accept the proposal of the Principal and the Principal shall enter into a contract with the Obligees in accordance with the terms of the proposal and give the bonds and certificates of insurance as specified in the standard specifications with good and sufficient surety for the faithful performance of the contract and for the prompt payment of labor and materials furnished in the prosecution of the contract or in the event of the failure of the Principal to enter into the contract and give the bonds and certificates of insurance, if the Principal pays to the Obligees the difference not to exceed the penalty of the bond between the amount specified in the proposal and such larger amount for which the Obligees may in good faith contract with another party to perform the work covered by the proposal then this obligation is void. Otherwise it remains in full force and effect provided however, that this bond is executed pursuant to the provisions of Section 34-201, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions of the section to the extent as if it were copied at length herein.

Signed and sealed this 21st day of January A.D., 2016.

Innovative Mechanical Systems, Inc.
Principal

President
Title

Witness

Sarah C. Brown
Title Sarah C. Brown, Attorney-In-Fact

Lee Anne Meaux
Witness Lee Anne Meaux

The Cincinnati Insurance Company
Surety

EXHIBIT F

THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby constitute and appoint

Donald E. Appleby; Sarah C. Brown; Todd Bengford; Mark Sweigart;
Susan J. Lattarulo and/or Florietta Acosta

of Greenwood Village, Colorado

its true and lawful Attorney(s)-in-Fact to sign, execute, seal and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows:

Any such obligations in the United States, up to

Twenty Five Million and No/100 Dollars (\$25,000,000.00).

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6th day of December, 1958, which resolution is still in effect:

"RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7th day of December, 1973.

"RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Vice President this 1st day of October, 2015.



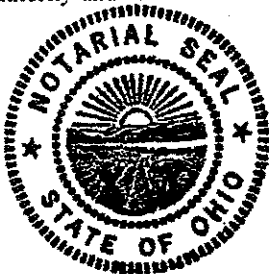
STATE OF OHIO) ss:
COUNTY OF BUTLER)

THE CINCINNATI INSURANCE COMPANY

Stephen A. Lattarulo

Vice President

On this 1st day of October, 2015, before me came the above-named Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



Mark J. Huller

MARK J. HULLER, Attorney at Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration
date. Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio.

this 21st day of January 2016.



Scott R. Bolen

Secretary