

## **AGREEMENT FOR METER READING SERVICES**

This Meter Reading Services Agreement ("Agreement") is hereby entered into this 7th day of July, 2015, by and between the City of Kingman, an Arizona municipality ("City") and Southwest Energy Solutions, Inc., an Arizona corporation ("SES"), collectively referred to herein as "the Parties."

WHEREAS, City, through its Public Works Department, is a municipal utility supplying water to the consuming public in Kingman and the surrounding area; and

WHEREAS, SES employs personnel trained to read water meters and will transport its employees to City's water meters in Kingman and the surrounding area.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, it is agreed as follows:

1. City agrees to pay SES for each meter read in accordance with Schedule A attached hereto. SES shall invoice City monthly and the amount due shall be paid within fifteen (15) business days of City's receipt of SES's invoice.
2. The term of this Agreement shall be from August 1, 2015 to July 31, 2016. The City shall have the right to renew this Agreement for two additional one-year periods or portions thereof, with written agreement by the Parties.
3. SES will transport its employees to and from the water meters at its own cost and expense and will provide uniforms, scopes and vehicles to its employees. Vehicles will be well-marked so that the public may reasonably observe that the SES employees are engaged in meter-reading work.
4. City shall provide SES with all information necessary to perform the work hereunder at no cost to SES, including the locations of the water meters and City will ensure SES has access to said meters. City will provide SES with recorders to record the meter reads and the schedule of meter-read dates.
5. SES will ensure that its employees are properly trained to read meters and that the results of all meter readings are supplied to City the same day on which the reading occurs.
6. Performance Standards:
  - a. Timeliness: SES will read meters within one (1) day of the cycle schedule date. Reread orders will be assigned to SES by 10:00 a.m. daily and re-read/investigated within two (2) working days.
  - b. Accuracy: Meter reading errors will be measured per individual reader per month. The allowable error rate per month is 2% of the total number of meter reads for each of City's operating districts. SES's meter readers are expected to report all suspected incidents of water diversion and/or meter tampering. City

will pay an additional \$25.00 to SES for each case reported and verified by City as water diversion or meter tampering.

7. SES meter readers shall, at the time a meter is read:

- a. check the meter's general condition to establish whether any meter tampering has occurred; and,
- b. wear appropriate uniforms including shirt, and jacket (if necessary).

8. SES shall be responsible for any damage negligently or willfully caused by its employees to customer or City property.

9. City reserves the right to disapprove the continued use of any of SES employees if it comes to the attention of City that any employees have acted contrary to the best interest of City. SES may hire and train meter readers as SES deems necessary. SES and City are aware that new meter readers often have problems locating and reading meters. SES will continue to train new employees with experienced meter readers, until the new meter readers can locate and read all meters. SES employees are expected to learn their respective routes, however, within ninety (90) days of beginning training. Back-up meter readers shall replace existing meter readers during times of illness, vacation, and for other absences. Training meter readers will not change the rate paid per read. All expenses incurred by SES, including training, are the sole responsibility of SES.

10. SES agrees to maintain a full-time supervisor that will be the direct contact between City and SES. This supervisor will also serve as backup for meter readers who are absent due to vacation or sick leave.

11. At all times during the performance of this Agreement, SES shall, at its expense, maintain insurance of the types described below.

- a. **COMMERCIAL GENERAL LIABILITY INSURANCE** or equivalent form with a limit of not less than \$1,000,000 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement. **BUSINESS AUTOMOBILE LIABILITY INSURANCE** or equivalent form with a limit of not less than \$1,000,000 per accident. Such insurance shall include coverage for owned, hired, and non-owned automobiles.

Coverages shall be endorsed to:

- (i) Include City, its directors, officers and employees as insureds with respect to performance of work under this Agreement.
- (ii) Be primary and non-contributory with respect to any insurance or self-insurance programs covering the City, its directors, officers, or employees.
- (iii) Provide for a waiver of subrogation rights in favor of City.

- b. **WORKER'S COMPENSATION** in the applicable states covering all employees engaged in the work under the Agreement, complying with statutory limits.

**EMPLOYER'S LIABILITY** with limits of at least \$1,000,000 per accident and/or disease per employee, and aggregate. SES will comply with the Worker's Compensation Law of the State of Arizona and, if required under the law, will obtain Worker's Compensation Insurance and provide City proof of coverage.

c. **PROFESSIONAL LIABILITY INSURANCE**

Professional Liability Insurance, **in** a standard industry form (commonly referred to as Errors and Omissions Coverage), against claims for injury, death, property or other damage arising out of any act, error or omission occurring in the performance of work by SES or its subcontractors in connection with the Agreement, said insurance to afford single limit protection of not less than \$1,000,000.

d. **OTHER INSURANCE REQUIREMENTS**

SES shall:

- (i) Prior to commencement of any work, furnish City with properly executed certificates of insurance and endorsements which shall clearly evidence all insurance required in these provisions that such insurance shall not be cancelled, except on 30 days' prior written notice to City.
- (ii) Provide certificates of insurance evidencing renewal or replacement policies for any policies which expire during the term of the Agreement.

12. SES's employees will be included in a pre-employment and quarterly random compliant drug testing program.

13. City shall provide a parking area for SES's vehicles during off-hours. City shall not be responsible for the condition of or damage to these vehicles while parked in City's parking area lot, unless such damage is caused by City's negligence or willful misconduct.

14. City shall determine the hours which meters can be read, but these hours will generally be during normal business hours or after sunup and before sundown.

15. City and SES shall cooperate to achieve mutually beneficial solutions to meter access problems.

16. Both Parties acknowledge and agree that (i) SES is an independent contractor; (ii) nothing in this Agreement shall be considered to create an employer-employee relationship between City and SES employees; (iii) City will not control the methods or procedures SES utilizes to accomplish the work contracted for; and (iv) SES's employees shall not be deemed to be employees of City for any purpose whatsoever, including, but not limited to, eligibility for (1) inclusion in any retirement benefit or compensation plan for the employees of City, (2) sick pay, (3) paid non-working holidays, (4) paid vacations or leave days, (5) participation in any plan or



program offering life, accident, and/or health insurance for the employees of City, or (6) participation in any medical reimbursement plan or other fringe benefit plan for the employees of City.

17. City and SES agree to indemnify, defend and hold harmless the other, its directors, officers, employees, agents and entities affiliated with or under common control for, from and against any and all claims, suits, damages, costs, losses and expenses in any manner resulting from or in respect to its own acts, or the acts of employees, agents and representatives.

18. Immigration: Under the provisions of A.R.S. §41-4401, SES hereby warrants to City that SES 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 Agreement and shall subject the SES to penalties up to and including termination of this Agreement at the sole discretion of City.

City retains the legal right to inspect the papers of any SES or Subcontractor's employee who works under this Agreement to ensure that SES or Subcontractor is complying with the Contractor Immigration Warranty. City may, at its sole discretion, conduct random verification of the employment records of SES and any of Subcontractors to ensure compliance with SES's Immigration Warranty. SES agrees to assist City in regard to any such inspections. SES and its Subcontractors warrant to keep the papers and records open for random inspection during normal business hours by City. SES and its Subcontractors shall cooperate with City's random inspections including granting City entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

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

19. In the performance of work provided herein, SES agrees that its conduct shall be in full compliance with any and all applicable laws, rules and regulations adopted or promulgated by any governmental agency or regulatory body. SES assumes and agrees to pay any and all gross receipts, compensation, use, transaction, sales, or other taxes or assessments of whatever nature or kind levied or assessed as a consequence of the work to be performed or on the compensation to be paid hereunder.

20. Force Majeure. SES shall not be held responsible for failure to perform any obligation or delay in performance resulting from any event not within its control, including, without limitation, any act of God, act of civil or military authority, act of war whether declared or undeclared, act of any governmental authority, civil disturbance, insurrection or riot, sabotage, fire, inclement weather conditions, unsuitable ground conditions, earthquake, flood, strike, or other natural disaster.

21. In the event either Party institutes suit or action to procure any remedy for any breach thereof, the prevailing Party shall recover from the other such sums for attorney's fees in such suit or action. This Agreement shall be subject to the laws of the State of Arizona.

22. This Agreement is the final integration of the agreement between the Parties with respect to the subject matter covered by it and supersedes any prior understanding or agreements, oral or written, with respect thereto.

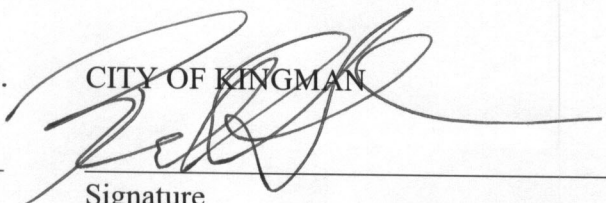
SOUTHWEST ENERGY SOLUTIONS, INC.

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Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

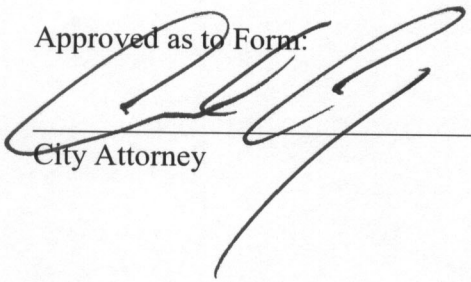
CITY OF KINGMAN

  
\_\_\_\_\_  
Signature

Richard E Anderson  
Name

Mayor  
Title

Approved as to Form:

  
\_\_\_\_\_  
City Attorney

### **SCHEDULE A**

- AUGUST 1, 2015 – JULY 31, 2016 \$0.87 per read
- AUGUST 1, 2016 – JULY 31, 2017 \$0.89 per read
- AUGUST 1, 2017 – JULY 31, 2018 \$0.91 per read