

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this ___ day of _____, 2024, by and between the CITY OF DOUGLAS, ARIZONA, an Arizona municipal corporation (“City”), and J2 Engineering & Environmental Design, LLC (“Consultant”).

WHEREAS, City desires to retain a consultant to provide professional services for the development of the final Downtown Streetscape Design Project (“Project”) and to make payment for the same in accordance with the terms and conditions set forth in this Agreement.

WHEREAS, in procuring these services, City has complied with the procedures set forth in the City of Douglas City Code and City of Douglas Charter.

NOW, THEREFORE, City agrees to retain and does hereby retain Consultant and Consultant agrees to provide the services required according to the terms and conditions and for the consideration hereinafter set forth:

1. CONSULTANT’S DUTIES: J2 Engineering & Environmental Design, LLC

A. As outlined in the scope of work provided and dated June 21, 2024. See Attachment #.

2. COMPENSATION: In accordance with the terms and conditions of this Agreement, City shall compensate Consultant for its professional services as follows:

In no event, shall the total compensation under this contract exceed two hundred sixty-one thousand five hundred and 00/100 Dollars (\$261,500.00). Exhausting the total amount payable for activities described in Section 1 above shall not relieve Consultant of its obligations to perform such services. Should City request additional services beyond those specified in Section 1, Consultant shall charge, and City shall pay, a rate as mutually agreed upon in writing prior to Consultant performing the additional services.

3. TERM; COMPLETION DATE. The term of this Agreement shall commence upon execution by both Parties and shall continue until the completion of the Project. The Project shall be completed 225 days after the execution of this Agreement, unless extended in writing by the parties.

4. CONSULTANT BILLING: Consultant shall bill City monthly on a time and expenses basis in a total amount not to exceed Section 2 above. City shall pay such billings within thirty (30) days of the date of receipt of the Consultant’s invoice, unless a good faith dispute exists as to any obligation to pay all or a portion of the invoice.

5. ACCEPTANCE OF WORK: The City or its designee shall have the right to reject all or any work product submitted under this Agreement which does not meet the required

specifications. In the event of any such rejection, the Consultant agrees to promptly remedy any and all deficiencies. No compensation shall be due for any rejected work until such deficiencies have been corrected.

6. CITY'S STANDARD OF PERFORMANCE: City shall furnish the Consultant with all data, information and other supporting services specified.

7. CONSULTANT'S STANDARD OF PERFORMANCE: While performing the services, Consultant shall exercise the reasonable professional care and skill customarily exercised by reputable members of Consultant's profession practicing in the State of Arizona, and shall use reasonable diligence and best judgment while exercising its professional skill and expertise. Consultant shall be responsible for all errors and omissions Consultant commits in the performance of this Agreement that are a breach of this standard.

8. CONFIDENTIALITY: Consultant, and any subcontractors or individuals hired by Consultant to perform the services under this Agreement, shall keep any information concerning City matters confidential and agree that they will not make any statement, give an interview or provide any information to any person, corporation or other entity, including without limitation any media source, in relation to the project or the services to be provided under this Agreement without the prior written consent of City. Consultant, and any subcontractors or individuals hired by Consultant, agree not to disclose to any other person or entity (unless required by law) any confidential information concerning City matters during and after this Agreement.

9. NOTICES: All notices to the other party required under this Agreement shall be in writing and sent by first class certified mail, postage prepaid, return receipt requested, addressed to the following personnel:

If to City:

City of Douglas
Attn: Ana Urquijo, City
Manager
425 10th Street
Douglas, AZ 85607

If to Consultant:

J2 Engineering & Environmental Design, LLC
Attn: Jeffrey Velasquez, PLA, ASLA
4649 E. Cotton Gin Loop, Suite B2
Phoenix, AZ 85040

10. TERMINATION: The City may terminate this Agreement if the Consultant (i) fails to fulfill in a timely and proper manner its obligations under this Agreement; or (ii) is otherwise guilty of substantial breach of a provision of the Agreement. In the event of such termination, Consultant shall deliver to City all work in any state of completion at the date of effective termination. When

any of the above reasons exist, the City may without prejudice to any other rights or remedies and after giving the Consultant ten (10) days written notice, terminate this Agreement with the Consultant. When the City terminates the Agreement for one of the reasons stated above, the Consultant shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement by Consultant and the City may withhold any payments to the Consultant for the purpose of set-off until such time as the exact amount of damages due the City from the Consultant is determined. Upon the receipt of a notice of termination from the City, Consultant shall (i) promptly discontinue all services affected (unless the notice directs otherwise), and (ii) deliver or otherwise make available to the City copies of data, design calculations, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by Consultant in the performance of this Agreement.

11. SUBCONTRACTORS: Consultant shall, within ten (10) days after the execution of this Agreement and before awarding any subcontract, furnish City with a list of proposed subcontractors, if any, and shall not employ any that City may object to for any reason. Consultant agrees that it is as fully responsible to City for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by them as it is for the acts and omissions of persons directly employed by Consultant. Nothing contained in the Agreement shall create any contractual relations between any subcontractor and City.

12. RECORDS: Records of Consultant'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. Consultant 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.

13. INSURANCE:

13.1 General.

a. Insurer Qualifications. Without limiting any obligations or liabilities of the Consultant, the Consultant shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly authorized to do business in the State of Arizona 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 the Consultant. The City reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but have 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 the Consultant 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 and self-insured retention or deductible portions, except Workers' Compensation/Employer's Liability 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 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. The Consultant's insurance, except Workers' Compensation/Employer's Liability insurance and Professional Liability insurance, if applicable, 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 (3) years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance 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 the Consultant. The Consultant shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto on a blanket basis.

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. The Consultant 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, the Consultant shall execute written agreement with the Subcontractor containing the indemnification provisions and insurance requirements (unless waived by City in City's sole discretion) set forth herein protecting the City and the Consultant. The Consultant shall be responsible for executing the agreement with the Subcontractor and obtaining certificates of insurance verifying the insurance requirements.

j. Evidence of Insurance. Prior to commencing any work or services under this Agreement, the Consultant shall furnish the City with certificate(s) of insurance, or formal endorsements as required by this Agreement, issued by Consultant's 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. If a certificate of insurance is submitted as verification of coverage, the City shall reasonably rely upon the certificate of insurance 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 above-cited policies expire during the life of this Agreement, it shall be the Consultant's responsibility to forward renewal certificates within ten (10) days after the renewal date containing all the aforementioned insurance provisions. Certificates of insurance 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 or equivalent.
- (b) Auto Liability - Under ISO Form CA 2048 or equivalent.
- (c) Excess Liability - Follow Form to underlying insurance.

(2) The Consultant 's insurance shall be primary and non-contributory insurance as respects performance of the Agreement, except Workers' Compensation/Employer's Liability insurance and Professional Liability insurance, if applicable.

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

(4) A 30-day advance notice cancellation provision. If ACORD certificate of insurance form 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.

13.2 Required Insurance Coverage.

a. Commercial General Liability. The Consultant shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$1,000,000 Products and Completed Operations Annual

Aggregate and a \$2,000,000 General Aggregate Limit. Such limits may be met in combination of primary and excess policies. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, bodily injury or death, personal injury, advertising injury and property damage. Coverage under the policy will be at least as broad as ISO policy forms CG 00 010 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, volunteers and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10, 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."

b. Professional Liability (Errors and Omissions Liability). Consultant shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Consultant, or anyone employed by the Consultant, or anyone for whose negligent acts, mistakes, errors and omissions the Consultant is legally liable, with an unimpaired liability insurance limit of \$1,000,000 each claim and \$1,000,000 all claims. In the event the Professional Liability insurance policy is written on a "claims made" basis, Consultant warrants that any retroactive date under the policy shall precede the effective date of this Agreement; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this Agreement is completed.

c. Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Consultant'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.

13.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, except for non-payment of premium, without thirty (30) days prior written notice to City.

14. RIGHT OF CITY TO CONTRACT WITH OTHERS: Nothing in this Agreement shall imply City is obligated to obtain the services described herein with only this particular consultant.

15. UNCONTROLLABLE FORCES: City and Consultant shall exert all efforts to perform their respective responsibilities under this Agreement. However, neither party shall hold the other party responsible for inability to render timely performance if such inability is a direct result of a force beyond its control, including but not limited to the following: strikes, lockouts, embargoes, failure of carriers, inability to obtain transportation facilities, acts of God or the public enemy, or other events beyond the control of the other or the other's employees and agents.

16. INDEMNIFICATION: To the fullest extent allowed by law, Consultant shall defend, indemnify, and hold City, its officers and employees harmless from any and all loss, damage, claim for damage, liability, expense, or cost, including reasonable attorneys' fees, which arise out of, or is in any way connected with the performance of work under this Agreement by Consultant, or any of Consultant's employees, agents or subconsultants, and from all claims by Consultant's employees, subconsultants and agents for compensation for services rendered to Consultant in the performance of this Agreement, notwithstanding that City may have benefited from their services. This indemnification provision shall only apply to any and all negligent acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of Consultant or Consultant's employees, subconsultants or agents. This section shall survive the expiration or early termination of the Agreement.

17. WAIVER OF TERMS AND CONDITIONS: The failure of City or Consultant to insist in any one or more instances on performance of any of the terms or conditions of this Agreement or to exercise any right or privilege contained herein shall not be considered as thereafter waiving such terms, conditions, rights or privileges, and they shall remain in full force and effect.

18. INDEPENDENT CONTRACTOR: Consultant shall at all times during Consultant's performance of the services retain Consultant's status as independent contractor. Consultant'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 Consultant.

19. DISPUTE RESOLUTION. Neither party shall commence any litigation in any court concerning a dispute arising out of or related to this Agreement unless such party shall first give a written notice to the other party setting forth the nature of the dispute. If the parties cannot resolve the dispute between themselves, the parties agree that there shall be a sixty (60) day moratorium on litigation during which time the parties will agree to attempt to settle the dispute by binding arbitration for all claims for compensation, costs and expenses or damages equal to or less than \$50,000 and non-binding arbitration for claims greater than \$50,000. The matter in dispute shall be submitted to an arbitrator mutually selected by the City and Consultant. In the event that the parties cannot agree upon the selection of an arbitrator within ten (10) days, the parties shall request that the presiding judge for the Superior Court in and for the County of Cochise, State of Arizona, assign an arbitrator from a list of arbitrators maintained by the American Arbitration Association or similar association. The decision of the arbitrator shall be binding and unappealable for claims of \$50,000 or less. If the dispute for claims greater than \$50,000 has not been resolved by arbitration as provided above within sixty (60) days after delivery of the dispute notice, then either party may proceed to litigation. The cost of such arbitration shall be divided equally between City and Consultant. Notwithstanding the above, the duty to arbitrate disputes hereunder shall not prevent a party from seeking preliminary judicial relief if such action is necessary to avoid irreparable damage during the pendency of the arbitration.

20. 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 Cochise 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 term 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: all litigation and appeal expenses, collection expenses, reasonable attorneys' fees, necessary witness fees and court costs to be determined by the court in such action.

21. OWNERSHIP OF RECORDS AND REPORTS: All of the files, reports, documents, information and data prepared or assembled by Consultant under this Agreement shall be and remain the property of City and shall be forwarded to City at any time City requires such papers.

22. NONASSIGNMENT: This Agreement has been entered into based upon the personal reputation, expertise and qualifications of Consultant. Consultant shall not assign its interest in the Agreement, either in whole or in part. Consultant shall not assign any monies due or to become due to it hereunder without the prior written consent of City.

23. THIRD PARTY BENEFICIARIES: There are no third party beneficiaries of this Agreement.

24. ENTIRE AGREEMENT: This Agreement, including Exhibit A and Exhibit B represent the entire agreement between City and Consultant and supersede all prior negotiations, representations or agreements, either express or implied, written or oral. 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. Written and signed amendments shall automatically become part of the Agreement, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.

25. SEVERABILITY: If any part, term or provision of this Agreement shall be held illegal, unenforceable or in conflict with any law, the validity of the remaining portions and provisions hereof shall not be affected.

26. CONFLICTS OF INTEREST: The provisions of A.R.S. §38-511 relating to cancellation of contracts due to conflicts of interest shall apply to this contract.

27. AMERICANS WITH DISABILITIES ACT: This agreement is subject to all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFF Parts 35 and 36. (Non-Discrimination: The Consultant shall comply with Executive Order 99-4, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation shall have equal access to employment opportunities, and all other applicable state and federal employment laws, rules and regulations, including the Americans With Disabilities Act. The Consultant shall

take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, age, national origin or political affiliation or disability.)

28. FEDERAL REGULATIONS: Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Consultant acknowledges, by signature to this agreement, that: Consultant is not currently suspended or debarred from contracting with the federal government or any of its agencies or the State of Arizona or any of its political subdivisions; Consultant's principals are not currently suspended or debarred from contracting with the federal government or any of its agencies or the State of Arizona or any of its political subdivisions.

29. UNDOCUMENTED WORKERS: Consultant understands and acknowledges the applicability to it of the Immigration Reform and Control Act of 1986. Under the provisions of A.R.S. §41-4401, Consultant hereby warrants to the City that the Consultant and each of its subcontractors ("Subcontractor") 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 "Immigration Warranty"). A breach of the Immigration Warranty shall constitute a material breach of this Agreement and shall subject the Consultant to penalties up to and including termination of this Agreement at the sole discretion of the City. The City retains the legal right to inspect the papers of any Consultant or Subcontractor employee who works on this Agreement to ensure that the Consultant or Subcontractor is complying with the Immigration Warranty. Consultant 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 Consultant and any of subcontractors to ensure compliance with Immigration Warranty. Consultant agrees to assist the City in regard to any random verification(s) performed.

Neither the Consultant nor any Subcontractor shall be deemed to have materially breached the Immigration Warranty if they establish 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 paragraph must be included in any contract the Consultant enters into with any and all of its subcontractors who provide services under this Agreement or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor.

30. NO KICK-BACK CERTIFICATION: Consultant warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no member of the City Council or any employee of the City has an interest, financially or otherwise, in the Consultant's firm. For breach or violation of this warranty, the City shall have the right to annul this Agreement without liability, or at its discretion to deduct from the compensation to be paid Consultant hereunder, the full amount of such commission, percentage, brokerage or contingent fee.

31. ISRAEL BOYCOTT: Consultant certifies that it currently does not participate in and agrees not to participate in during the term of this Agreement, a boycott of Israel in accordance with A.R.S. §35-393.01.

32. FORCED LABOR OF ETHNIC UYGHURS PROHIBITED. Pursuant to A.R.S. §35-394, Consultant hereby certified to City as follows: that it is not currently using, and agrees for the duration of this Agreement to not use: (1) the forced labor of ethnic Uyghurs in the People’s Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China; and (3) any contractors, subcontractors or suppliers that use the forced labor of ethnic Uyghurs in the People’s Republic of China. Consultant further acknowledges and agrees that: (1) if the Consultant becomes aware during the term of this Agreement that it is not in compliance with this certification that Consultant will notify the City within five (5) business days after becoming aware of the noncompliance; and (2) if Consultant does not provide the City with a written certification that Consultant has remedied the noncompliance within one hundred eight (180) days after giving notice thereof, the same shall constitute a material breach of this Agreement, which shall then terminate automatically, except that if the Agreement termination date occurs before the end of the remedy period, this Agreement terminates on the Agreement’s termination date. The City retains the legal right to inspect the records of Consultant to ensure compliance with this certification for the duration of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as of the day and year first above written.

CONSULTANT:

**J2 Engineering & Environmental Design,
LLC**

By: _____

Its: _____

CITY OF DOUGLAS
An Arizona municipal corporation

City Manager

