



**BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS**

Award Contract Grant

Requested Board Meeting Date: February 20, 2018

* = Mandatory, information must be provided

or Procurement Director Award

***Contractor/Vendor Name/Grantor (DBA):**

City of Tucson

***Project Title/Description:**

Intergovernmental Agreement between Pima County and the City of Tucson for Wastewater Billing Services

***Purpose:**

To exchange water use data to support Pima County's sewerage user fee system and to compensate the City of Tucson for providing the data and billing County customers for sewerage system user fees.

***Procurement Method:**

This IGA is a non-Procurement contract and not subject to Procurement rules.

***Program Goals/Predicted Outcomes:**

The City of Tucson will collect water data information for its constituents in order to facilitate accurate sewer billing and collection services on behalf of Pima County.

***Public Benefit:**

To ensure accurate sewer billing and collection services in accordance with Pima County Code.

***Metrics Available to Measure Performance:**

Invoices to be issued on a monthly basis for billing and collection services rendered. Monthly reporting as defined under Scope of Services.

***Retroactive:**

Negotiations extended beyond the termination date of prior contract no. CT-WW-14-485, with multiple requests for modifications from both the City of Tucson and Pima County. Negotiations resulted in cost savings for Pima County.

*To: COB 2-7-2018
Vers.: 1
PSS.: 10*

Procurement 02/06/18 PM 03:04

Contract / Award Information

Document Type: CT Department Code: WW Contract Number (i.e., 15-123): 18*196

Effective Date: 01/01/2018 Termination Date: 12/31/2022 Prior Contract Number (Synergen/CMS): _____

Expense Amount: \$* 23,250,000.00 Revenue Amount: \$ 670,000,000.00

*Funding Source(s) required: RWRD Enterprise Fund

Funding from General Fund? Yes No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? Yes No

*Is the Contract to a vendor or subrecipient? _____

Were insurance or indemnity clauses modified? Yes No

If Yes, attach Risk's approval

Vendor is using a Social Security Number? Yes No

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment / Revised Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Amendment No.: _____ AMS Version No.: _____

Effective Date: _____ New Termination Date: _____

Prior Contract No. (Synergen/CMS): _____

Expense or Revenue Increase Decrease Amount This Amendment: \$ _____

Is there revenue included? Yes No If Yes \$ _____

*Funding Source(s) required: _____

Funding from General Fund? Yes No If Yes \$ _____ % _____

Grant/Amendment Information (for grants acceptance and awards) Award Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Amendment Number: _____

Match Amount: \$ _____ Revenue Amount: \$ _____

*All Funding Source(s) required: _____

*Match funding from General Fund? Yes No If Yes \$ _____ % _____

*Match funding from other sources? Yes No If Yes \$ _____ % _____

*Funding Source: _____

*If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)? _____

Contact: Veronica Lopez

Department: Regional Wastewater Reclamation Department Telephone: 724-6561

Department Director Signature/Date: [Signature] 1/22/18

Deputy County Administrator Signature/Date: [Signature] 1/22/18

County Administrator Signature/Date: [Signature] 1/29/18
(Required for Board Agenda/Addendum Items)

This number must appear on all correspondence and documents pertaining to this contract

**Intergovernmental Agreement
between
Pima County and the City of Tucson
for
Wastewater Billing Services**

This Intergovernmental Agreement (IGA) is entered into by and between Pima County, a body politic and corporate of the State of Arizona ("County") and the City of Tucson, a municipal corporation ("City"), pursuant to A.R.S. § 11-952.

Recitals

- A. County and City may contract for services and enter into agreements with one another for joint or cooperative action pursuant to A.R.S. § 11-951, et seq.
- B. County is authorized by A.R.S. § 11-264 to own and operate a sewage collection and treatment system and to bill for its services.
- C. City is authorized by the Tucson City Charter and A.R.S. § 9-511 to own and operate a water distribution system and to bill for its services.
- D. County bases its sewer user fees on water usage by County wastewater customers.
- E. Water usage within the City service area is tracked and billed by the City.
- F. County and City have, since 1979, used the City billing system to track and bill sewer user fees by City customers as well as County wastewater customers using well water and water from the small water companies within the County's sewer service area.
- G. City and County desire to continue this relationship.

NOW, THEREFORE, County and City, pursuant to the above, and in consideration of the matters and things hereinafter set forth, do mutually agree as follows:

Agreement

- A. **Purpose.** The purpose of this IGA is to provide a framework whereby the City, on behalf of the County, will bill and collect sewer user fees from water and wastewater customers with the City's service area. City will bill three types of wastewater customer:
 - 1. City Service Only Accounts - customer receives either water service or refuse collection services, or both, from the City, but has provided information to show that wastewater at the billing address is not being discharged to the County wastewater conveyance system.
 - 2. City Service and County Wastewater Accounts - customer receives either water service or refuse collection services, or both, from the City and discharges wastewater to the County wastewater conveyance system.

3. County Wastewater Only Accounts - customer discharges wastewater to the County wastewater conveyance system but does not receive a service from the City.

B. Scope.

1. The City will provide the following wastewater billing and collection services for the County during each year of this Agreement:
 - a. Provide County with as needed training and documentation on the operation and use of the City's automated billing system; to include training on any future changes, upgrades, or modifications to the automated system;
 - b. Provide water consumption data for each water and wastewater account via monthly meter readings, which are automatically uploaded to the billing system;
 - c. Provide billings and collection for water and wastewater accounts; this process includes implementing the procedures and establishing the files necessary to direct the billing system to bill accounts, clearing accounts from daily billing exception reports, and mailing billings;
 - d. Provide billings and collection for wastewater-only accounts from data on water consumption obtained, inputted into the billing system, and maintained by the County; this process of providing billings and collection includes implementing the procedures and establishing the files necessary to direct the billing system to bill accounts, clearing accounts from daily billing exception reports, and mailing billings;
 - e. Perform billing system turn-on's and turn-off's of wastewater service for customers who also receive a City service, such as water, up to the point of completing the wastewater turn-on or turn-off work order;
 - f. Provide an automated billing system which allows the County to adjust wastewater accounts and to change wastewater user fees in accordance with policies authorized by the County;
 - g. Provide an automated billing system which calculates wastewater user charges according to County specifications, including the system calculation and retention of winter water usage by City water customers required for billing wastewater user charges;
 - h. Inform the County of billing system downtime, develop and communicate to the County any recovery plan for the correction of billing errors impacting wastewater accounts, and provide personnel to assist in any billing system error correction;
 - i. Inform the County of any downtime on the City/County communication links, which could interfere with the maintenance of or data flow related to wastewater accounts; inform the County of any changes or upgrades to the City/County communication links, including any change to communication procedures or protocols;

- j. Bill and pursue collection of delinquent wastewater accounts, which also receive a City service, such as water, provide County with semi-annual reports on pursuit activities and results thereof;
- k. Bill and pursue collection of delinquent wastewater-only accounts through the First Notice step of the delinquency processing provided by the automated billing system;
- l. Pursue collection of wastewater accounts which also receive a City service, after such accounts have been written-off;
- m. Provide County with access to customer account records on the automated billing system, as well as account update and data retrieval (report) capabilities, to include assistance from the City in creating queries and reports necessary for maintenance or correction of wastewater accounts;
- n. Provide a monthly, secured, electronic transfer of joined water meter and billing information in GIS format (e.g., meter size, location ID, customer ID, meter number, service type, account status, meter install date, full address, account start date) to assist with wastewater connection permit evaluations;
- o. Assist the County with a customer service contact who can provide water meter data and use history for individual parcels as requested, with a goal of a four (4) business hour average response time, for County evaluation of new or modified wastewater connection permit applications;
- p. Assist the County with developing County self-generating queries related to wastewater customer account information and to water meters (e.g., new, upsized, and downsized) of a format suitable for electronic sorting and electronic mapping (GIS) for wastewater connection and user evaluation. If requested reports/queries require software vendor support, provide a cost estimate to the County for such assistance, and proceed with the custom work only upon authorization by the County;
- q. Allow the County to do supplemental inserts on Pima County-related information, with the bill being mailed to the customer. A forty-five (45) day advance notification to the City before the bill is to be mailed is necessary for coordination. When such inserts cause extra postage costs, the County will pay the extra postage costs.
- r. Upon receipt of wastewater user fee payments, credit a refundable deposit account to record receipt of money, and deposit all receipts;
- s. Cooperate with the County in effecting procedures necessary, on a day-to-day basis, to provide for the billing, collection, data processing, and other daily operational aspects of administering County wastewater user fees;
- t. Provide the County with the maximum opportunity to provide input to proposed billing system changes prior to implementation;
- u. Cooperate with the County to satisfy deficiencies identified in yearly audits, as described in Section B1;
- v. Provide an Administrator for this Agreement, who shall serve as liaison with the County on all issues relating to this Agreement;
- w. Provide County authorized users with read-only access to the City's wastewater billing database;

- x. Cooperate with County to provide County with as much real-time report writing capability for the information contained in the City's wastewater billing database as can be reasonably produced without compromising the overall performance of the City's billing databases; and
 - y. Provide County with timely access to a City Billing System expert who can assist County personnel with database and report writing issues.
2. The County will provide the following during each year of this Agreement:
- a. Maintain County network(s) and computer equipment used by the County to access the City's automated billing system;
 - b. Coordinate maintenance of City/County communication links with the City's Information Technology Department;
 - c. Establish all new wastewater accounts (or the wastewater service of any new account) in the billing system;
 - d. Perform turn-on's and turn-off's for wastewater-only type accounts in the billing system and complete the turn-on or turn-off billing system work order for wastewater accounts which also include a City service, such as water;
 - e. Adjust wastewater accounts in the billing system as required and change wastewater user fees in the billing system in accordance with policies authorized by the County;
 - f. Obtain, input, update, and maintain all wastewater account information in the billing system, except for the information the City specifically agrees to provide, input, update, or maintain in Section B1 of this Agreement;
 - g. Retrieve wastewater data from the billing system, including the creation of reports not produced by the billing system needed to maintain or correct wastewater accounts, with assistance from the City;
 - h. Request, if desired, City assistance in creating custom queries or reports not related to the maintenance, addition, or correction of wastewater accounts; following receipt of a cost estimate from the City for the work, inform the City whether to proceed; County agrees to pay for authorized custom work in addition to the fee stipulated in Section C;
 - i. Provide user specifications for any wastewater-related modifications to the billing system; following receipt of a cost estimate for such a modification from the City, inform the City whether or not to proceed with the modification; test any such modifications and certify when such modifications should be placed in production; and pay for the cost of such modifications in full upon completion of the modification and presentation of an invoice by the City;
 - j. Answer all wastewater user inquiries;
 - k. Pursue collection of delinquent wastewater-only accounts following the customer's failure to pay after receiving the billing system-generated First Notice;
 - l. Pursue collection of written-off wastewater-only accounts;

- m. Input and maintain data necessary for the billing of wastewater only accounts in the City's billing system;
- n. Inspect for and notify the City of billing system calculation or processing errors in wastewater accounts;
- o. Provide personnel to assist in correcting any billing system error related to wastewater accounts;
- p. Cooperate with the City in effecting procedures necessary, on a day-to-day basis, to provide for the billing, collection, data processing, and other daily operational aspects of administering County wastewater user fees; and
- q. Provide an Administrator for this Agreement, who will serve as liaison with the City on all issues relating to this Agreement.

C. Financing. For the services described in Section B1 above, the County agrees to pay an annual fee calculated on the basis of \$1.30 per wastewater account (types as defined in Section A) per month, to be calculated based on an Agreed Number of wastewater accounts. The fee will increase 2.5% at the end of each calendar year, starting in January 2019.

In August of each year, the Tucson Water Director and the Pima County Regional Wastewater Reclamation Department Director may agree, in writing, to modify the Agreed Number of wastewater accounts to form the basis of the then-current fiscal year's annual fee.

If the parties cannot agree to a modification of the Agreed Number prior to September 1st, the Agreed Number for the prior fiscal year shall remain in effect for the subsequent fiscal year.

In September of each remaining year, upon being invoiced by the City, the County shall pay the first three (3) months of the annual fee. In subsequent months, the City shall invoice monthly and the County shall pay monthly, until the full annual fee has been remitted to the City on or before June 30.

In August of each year, the Tucson Mayor and Council and the Pima County Board of Supervisors may agree to transfer a mutually acceptable amount of long-term storage credits accrued by the County to the City of Tucson to reduce the amount of any annual fee calculated above, to be credited at a rate to be negotiated at the time of transfer. Each party agrees to bear its respective costs to effect and permit any credit transfer, including the costs of pertinent Arizona Department of Water Resources fees or assessments.

In lieu of using credits to offset the annual fee established above, the Tucson Mayor and Council and the Pima County Board of Supervisors may agree to sell a mutually acceptable amount of long-term storage credits accrued by the County to the City of Tucson at a rate to be negotiated at the time of sale. Each party agrees to bear its respective costs to effect and permit any credit transfer, including the costs of pertinent Arizona Department of Water Resources fees or assessments.

- D. Term.** This IGA shall be effective on January 1, 2018 and shall continue for a period of five (5) years, unless it is, prior to the expiration of such period, extended or terminated by agreement of the parties. Either party may terminate this agreement with not less than six (6) months written notice.
- E. Indemnification.** Each party (as Indemnitor) agrees to indemnify, defend and hold harmless the other party (as Indemnitee) from and against any and all claims, losses, liability, costs or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.
- F. Insurance.** Insurance requirements are met through self-insurance pursuant to A.R.S. §§ 11-261 and 11-981 or participation in an insurance risk pool under A.R.S. § 11.952.01 Parties to this agreement shall provide thirty (30) days written notice to all other parties of cancellation, non-renewal or material change of coverage.
- G. Compliance with Laws.** The parties shall comply with all federal, state and local laws, rules, regulations, standards and Executive Orders, without limitation to those designated within this IGA. The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this IGA and any disputes hereunder. Any action relating to this IGA shall be brought in an Arizona court in Pima County.
- H. Non-Discrimination.** The parties shall not discriminate against any County employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin in the course of carrying out their duties pursuant to this IGA. The parties shall comply with the provisions of Executive Order 75-5, as amended by Executive Order 2009-09, which is incorporated into this IGA by reference, as if set forth in full herein.
- I. ADA.** The parties shall comply with 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 CFR Parts 35 and 36.
- J. Severability.** If any provision of this IGA, or any application thereof to the parties or any person or circumstances, is held invalid, such invalidity shall not affect other provisions or applications of this IGA which can be given effect, without the invalid provision or application and to this end the provisions of this IGA are declared to be severable.
- K. Conflict of Interest.** This contract is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated herein by reference.

L. Non-Appropriation.

1. Notwithstanding any other provision in this IGA, this IGA may be terminated if for any reason the Pima County Board of Supervisors does not appropriate sufficient monies for the purpose of maintaining this IGA. In the event of such cancellation, County shall have no further obligation to City other than for payment for services rendered prior to cancellation.
2. Notwithstanding any other provision in this IGA, this IGA may be terminated if for any reason the City of Tucson Mayor and Council does not appropriate sufficient monies for the purpose of maintaining this IGA. In the event of such cancellation, City shall have no further obligation to County, other than for payment for services rendered prior to cancellation.

M. Legal Authority. Neither party warrants to the other its legal authority to enter into this IGA. If a court, at the request of a third person, should declare that either party lacks authority to enter into this IGA, or any part of it, then the IGA, or parts of it affected by such order, shall be null and void, and no recovery may be had by either party against the other for lack of performance or otherwise.

N. Workers' Compensation. Each party shall comply with the notice of A.R.S. § 23-1022 (E). For purposes of A.R.S. § 23-1022, irrespective of the operations protocol in place, each party is solely responsible for the payment of Worker's Compensation benefits for its employees.

O. No Joint Venture. It is not intended by this IGA to, and nothing contained in this IGA shall be construed to, create any partnership, joint venture or employment relationship between the parties or create any employer-employee relationship between County and any City of Tucson employees, or between the City of Tucson and any County employees. Neither party shall be liable for any debts, accounts, obligations or other liabilities whatsoever of the other, including (without limitation) the other party's obligation to withhold Social Security and income taxes for itself or any of its employees.

P. No Third Party Beneficiaries. Nothing in the provisions of this IGA is intended to create duties or obligations to or rights in third parties not parties to this IGA or affect the legal liability of either party to the IGA by imposing any standard of care with respect to the maintenance of public facilities different from the standard of care imposed by law.

Q. Notice. Any notice required or permitted to be given under this IGA shall be in writing and shall be served by delivery or by certified mail upon the other party as follows (or at such other address as may be identified by a party in writing to the other party):

Pima County:
Director of Regional Wastewater
Reclamation Department
201 N. Stone, 8th Floor
Tucson, AZ 85701

City of Tucson
Director, Tucson Water
310 W Alameda
Tucson, AZ 85701

and

Director
Pima County Finance Department
130 W. Congress, 6th Floor
Tucson, AZ 85701

With Copies to:

County Administrator
130 West Congress, 10th Floor
Tucson, AZ 85701

With Copies to:

City Manager
255 W. Alameda, 10th Floor
Tucson, AZ 85701

- R. Entire Agreement.** This document constitutes the entire Agreement between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. With exception of modification of the Agreed Number as noted in Section C, above, this IGA shall not be modified, amended, altered or extended except through a written amendment signed by the parties and recorded with the Pima County Recorder, or Arizona Secretary of State, whichever is appropriate.

*[Remainder of page left intentionally blank.
Signatures on following pages]*

In Witness Whereof, County has caused this Intergovernmental Agreement to be executed by the Chairman of its Board of Supervisors, upon resolution of the Board and attested to by the Clerk of the Board, and City has caused this Intergovernmental Agreement to be executed by the Mayor upon resolution of the Mayor and Council and attested to by the City Clerk.

PIMA COUNTY:

CITY OF TUCSON:

Chairman
Board of Supervisors

Mayor, Jonathan Rothschild
City of Tucson

ATTEST:

ATTEST:

Clerk of the Board

City Clerk, Roger W. Randolph

Date: _____

Date: January 23, 2018

Approval:

The foregoing Intergovernmental Agreement between Pima County and the City of Tucson has been reviewed by the undersigned, and is hereby approved as to content.

PIMA COUNTY:

CITY OF TUCSON:

Director, Regional Wastewater
Reclamation Department

Director, Tucson Water

Director, County Finance Department

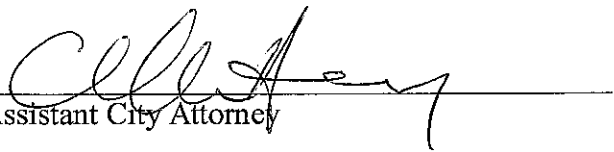
Intergovernmental Agreement Determination

The foregoing Intergovernmental Agreement between Pima County and the City of Tucson has been reviewed pursuant to A.R.S. § 11-952 by the undersigned, who have determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to those parties to the Intergovernmental Agreement represented by the undersigned.

PIMA COUNTY:


Deputy County Attorney

CITY OF TUCSON:


Assistant City Attorney

CERTIFICATE OF CLERK
City of Tucson

State of Arizona }
County of Pima } *ss*

I, Roger W. Randolph, the duly appointed and qualified City Clerk of the City of Tucson, Arizona, do hereby certify pursuant to Tucson Code § 2-102, that the following is a true and correct copy of Mayor and Council Resolution No. 22842, which was passed and adopted by the Mayor and Council of the City of Tucson, Arizona, at a meeting held on January 23, 2018, at which a quorum was present.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the City of Tucson, Arizona on February 2, 2018.

*Total of 2 pages certified.
(Exhibits not included)*


City Clerk

ADOPTED BY THE
MAYOR AND COUNCIL

January 23, 2018

RESOLUTION NO. 22842

RELATING TO WATER; AUTHORIZING AND APPROVING THE INTER-GOVERNMENTAL AGREEMENT BETWEEN THE CITY OF TUCSON AND PIMA COUNTY FOR WASTEWATER BILLING SERVICES; AND DECLARING AN EMERGENCY.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON, ARIZONA, AS FOLLOWS:

WHEREAS, Tucson Water has provided billing services to the Pima County Regional Wastewater Reclamation Department (RWRD) since 1979, when the City's wastewater system was transferred to Pima County; and

WHEREAS, throughout this period, the City and County have negotiated Intergovernmental Agreements for the associated services and fees; and

WHEREAS, on June 3, 2014 by Resolution No. 22238, Mayor and Council approved a renewal to the Intergovernmental Agreement (IGA) and on June 20, 2017 by Resolution No. 22770, Mayor and Council approved an extension to the IGA which is due to expire on January 1, 2018;

WHEREAS, approval of the current IGA will result in continued partnership with the Pima County RWRD for billing services under the same scope of work, with an updated fee schedule. The IGA will be in effect until January 2023.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON, ARIZONA, AS FOLLOWS:


SECTION 1. The Intergovernmental Agreement between Pima County and the City of Tucson for Wastewater Billing Services, attached as Exhibit 1, is approved.

SECTION 2. The Mayor is authorized and directed to execute said Intergovernmental Agreement for and behalf of the City of Tucson and the City Clerk is authorized and directed to attest to the same.

SECTION 3. The various City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this Resolution.


SECTION 4. WHEREAS, it is necessary for the preservation of the peace, health and safety of the City of Tucson that this Resolution become immediately effective, an emergency is hereby declared to exist, and this Resolution shall be effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Tucson, Arizona, January 23, 2018.



MAYOR

ATTEST:




CITY CLERK

APPROVED AS TO FORM:




CITY ATTORNEY

REVIEWED BY:



CITY MANAGER

 CA/dg
1/4/18