

AMENDMENT NO. 3
to the
AGREEMENT
for
OPERATIONS, MAINTENANCE, AND MANAGEMENT SERVICES
for
CITY OF BISBEE, ARIZONA

THIS IS AMENDMENT NO. 3 to the Agreement for Operations, Maintenance, and Management Services for the City of Bisbee dated November 18, 2018 (“Agreement”), entered into this 18th day of January, 2021, by and between the City of Bisbee, an Arizona municipal corporation (“Owner”) and Operations Management International, Inc. (“Contractor”), collectively referred to herein as the “Parties”.

NOW THEREFORE, Owner and Contractor agree that the Agreement shall be and is hereby amended and modified in the following manner:

1. Section 1 Definitions is hereby amended as follows:

1.2 “Base Fee” means the compensation paid by Owner to Contractor for the labor, direct and indirect costs for the base services defined in Appendix A of this Agreement for any contract year of the Agreement. Repair costs as defined in Section 1.14 are excluded in the contract year compensation total denoted in Section D.1.1.

2. Section 2 Term is hereby replaced with the following:

The Initial Term of this Agreement will be for five years and six months commencing on January 1, 2019 (the “Commencement Date”) and continuing through June 30, 2024. The parties agree that the fourth year of this Agreement shall in fact be an eighteen-month term from January 1, 2022 through June 30, 2023. The fifth year of this Agreement shall be a twelve-month term from July 1, 2023 through June 30, 2024. Thereafter, this Agreement will be automatically renewed for successive terms of five (5) years each (“Renewal Term”), unless cancelled by either party not less than one hundred twenty (120) calendar days prior to expiration.

3. Appendix D, Section D.1.1 is hereby replaced with the following:

D.1.1 For the fourth year of this Agreement, Owner shall pay to Contractor a Base Fee of \$1,095,795. In addition to the Base Fee, an anticipated Repairs Costs budget of \$112,500 has been set for this Agreement period. The Base Fee for subsequent calendar years shall be calculated as specified in Appendix D.4, using the Base Fee prorated for a twelve-month period.

4. Appendix D, Section D.1.1.02 is hereby Redacted.

5. Appendix D, Section D.3.1 is hereby replaced with the following:

D.3.1 One-eighteenth (1/18) of the annual Base Fee for the current year will be invoiced on the first of the month preceding the month that services are provided together with Repairs costs for such month. For Repairs, Contractor shall submit to Owner a spreadsheet along with corresponding invoices detailing the actual costs of Repairs with invoices. Any Repair cost that exceeds the annual Repairs Costs budget as denoted in Section D.1.1 shall be preapproved by the City and invoiced monthly at Contractor costs along with a fifteen percent (15%) markup.

6. Section D, Article D.4 is hereby deleted in its entirety and replaced with the following:

D.4 BASE FEE AND BUDGETED OPERATIONAL COST ADJUSTMENT FORMULA

$$ABF = BF \times AF$$

Where:

BF= Base Fee and Budgeted Operational Costs specified in Appendix D.1.1

ABF = Adjusted Base Fee and Budgeted Operational Costs

AF = Adjustment Factor as determined by the formula:

AF = $(((ECI) .50 + (WSI) .50))) + 1.02$

ECI = The twelve-month percent change (from the first quarter of the prior year to the first quarter in the current year) in the Employment Cost Index for Total Compensation for Civilian Workers, Not Seasonally Adjusted as published by U. S. Department of Labor, Bureau of Labor Statistics in the Detailed Report Series ID: CIU101000000000A.

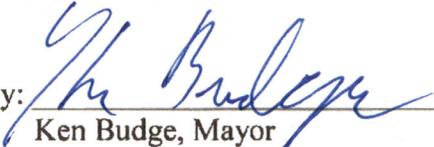
WSI = The twelve-month percent change (from January of the prior year to January of the current year) in the Water and Sewer and Trash Collection services in US City average for All Urban Consumers, Seasonally Adjusted as published by U.S. Department of Labor, Bureau of Labor Statistics in the CPI Detailed Report Series Id: CUSR0000SEHG.

7. Appendix G is hereby incorporated into this Agreement.

This Amendment together with the Agreement and all prior amendments constitute the entire agreement between the Parties and supersede all prior oral and written understandings with respect to the subject matter set forth herein. Unless specifically stated all other terms and conditions of the Agreement shall remain in full force and effect. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Parties.

The Parties, intending to be legally bound, indicate their approval of this Amendment No. 3 by their signatures below.

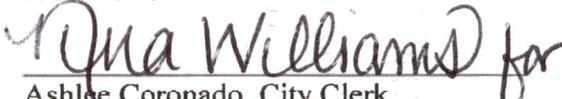
CITY OF BISBEE

By: 
Ken Budge, Mayor

APPROVED AS TO FORM:


Joseph D. Estes, City Attorney

ATTEST:


Ashlee Coronado, City Clerk

**OPERATIONS MANAGEMENT
INTERNATIONAL, INC.**

By: _____
David Sohns, Manager of Projects

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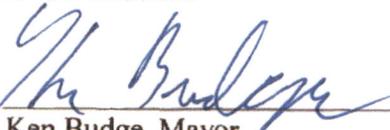
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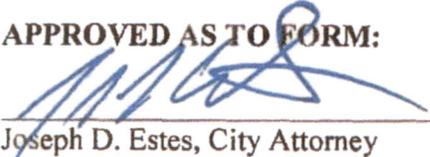
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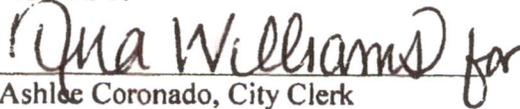
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INTERNATIONAL, INC.**

By: 
David Sohns, Manager of Projects

APPENDIX G –SPECIAL PROJECTS

The Parties hereby list certain special projects that may be performed pursuant to Section 13.1 of the Agreement.

Upon receipt of a preliminary notice to proceed from Owner, Contractor shall provide in writing final scope, price, and billing methodology (i.e. lump sum, time and materials, etc.). If the price provided exceeds the funds allocated by Owner, the Parties shall in good faith revise the scope or identify additional funds and issue a final notice to proceed or may cancel the project and not issue a final notice to proceed.

The estimated price for each project is noted below:

Description	Estimated Price
Belt Press inspection and rebuild	\$102,000
WAS Vault Cleaning and inspection	\$60,000