



# Staff Report

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**Agenda Item:**            **City of Cottonwood Mechanical Repair Services Agreement - Approval of the 2008-2009 Intergovernmental Agreement between the City of Cottonwood and the Town of Clarkdale for mechanic repair services.**

**Staff Contact:**            Steve Burroughs, Public Works Director

**Meeting Date:**            May 27, 2008

**Background:**            City of Cottonwood has contracted with the Town of Clarkdale to share the cost and services of an in-house mechanic. This mechanic is a full-time employee of the Town of Clarkdale and the City of Cottonwood may use the mechanic's services on an as-needed basis. The City of Cottonwood will be charged a rate of \$28.20 per hour for work done at the Town shop facility in Clarkdale, and pay for their own equipment and supplies plus 10%. Service calls outside of the shop facility will be billed at \$56.40 per hour with a mileage radius limit of 10 (ten) miles from Clarkdale Shop. Each work order issued to the City of Cottonwood will include a \$15.50 supply charge. A 15% late fee will be charged for invoices not paid within 30 days.

The terms of this agreement contain no changes from the 2007 – 2008 agreement. This agreement has been reviewed by the Town Attorney.

**Recommendations:**    To approve the 2008 – 2009 Intergovernmental Agreement between the City of Cottonwood and the Town of Clarkdale for mechanic repair services.

When recorded return to:  
Town of Clarkdale  
Town Clerk  
PO Box 308  
Clarkdale, AZ 86324

## **INTERGOVERNMENTAL MECHANICAL REPAIR SERVICES AGREEMENT**

**THIS AGREEMENT**, made and entered into this 1<sup>st</sup> day of July, 2008, by and between the CITY OF COTTONWOOD, a municipal corporation of the State of Arizona, hereinafter called "Cottonwood," and the TOWN OF CLARKDALE, a municipal corporation of the State of Arizona, hereinafter called "Clarkdale."

**WHEREAS**, Cottonwood and Clarkdale are desirous of entering into a cooperative agreement to share the services of an in-house mechanic; and

**WHEREAS**, both Cottonwood and Clarkdale have determined that the cost of such services could be substantially reduced if they were performed by City or Town employees; and

**WHEREAS**, Cottonwood and Clarkdale have determined that such an agreement would be the wisest and most economical means for providing mechanical services; and

**WHEREAS**, pursuant to A.R.S. 9-240-19 and 11-952, Cottonwood and Clarkdale are authorized to enter into such agreement.

**NOW THEREFORE**, the parties mutually agree as follows:

1. Clarkdale shall hire a mechanic who shall be a full-time employee of the Town of Clarkdale. Clarkdale shall be responsible for paying the wages, taxes, social security, and other benefits of said employee.
2. Cottonwood may use the services of said mechanic for services on an as-needed basis. Cottonwood shall be charged for such services at the rate of Twenty Eight dollars and 20/100 cents (**\$28.20**) per hour for work done by said mechanic for work done at the shop facility in Clarkdale. Each town/city will pay for their own equipment and supplies including but not limited to, oil, grease, and automotive parts at cost plus 10%.
3. Service calls outside of the Clarkdale shop facility will be billed at Fifty Six dollars and 40/100 cents per hour (**\$56.40**). Service calls will be limited to a maximum of 10 (ten) miles from Clarkdale shop facility.
4. Cottonwood will be billed by Clarkdale for such services on a monthly basis.
5. A Fifteen dollars and 50/100 cents (**\$15.50**) shop supply charge will be included on each work order.
6. Payment of invoice is due within 30 days or a 15% late fee will be charged.
7. The above-stated rates to be paid by Cottonwood to Clarkdale are subject to change based on wage or benefit increases paid by Clarkdale to the mechanic employee. It is understood and agreed that charges to Cottonwood are based solely upon costs expected to be incurred by Clarkdale without profit. In the event the rate charged to and/or benefits paid to the mechanic employee increase, said increase shall reflect only the increased costs actually

incurred by Clarkdale. Cottonwood shall at all times have free access to the payroll records of Clarkdale for the purpose of verifying the validity of the rate charged to Cottonwood.

8. Cottonwood will indemnify and hold Clarkdale harmless from any and all claims for damages made by third parties arising from or related to the mechanical services contemplated herein and will indemnify Clarkdale against any damages that may be paid or ordered to be paid to third parties, together with cost of defense, including reasonable attorney's fees. Those claims arising solely out of the errors or omissions of Clarkdale are exempted from the provisions of this paragraph.
9. This Agreement shall be for a period of one year commencing on July 1, 2008, and expiring on June 30, 2009.
10. This Agreement may be terminated by either party upon thirty (30) days written notice delivered to the other party.
11. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and it may be amended or modified only by an instrument in writing signed by both parties.
12. The parties give notice that A.R.S. 38-511 applies. Accordingly, this Agreement may be canceled without penalty, if any person significantly involved in the initiating, negotiating, securing, drafting or creating this Agreement on behalf of one of the parties, either is, at any time while the contract is in effect, an employee or agent of the other party, or a consultant to the other party, with respect to the subject matter of this Agreement.
13. The parties agree to comply with Executive Order 99-4 concerning equal opportunity.

**IN WITNESS WHEREOF**, the parties hereto have caused this agreement to be executed by their duly authorized officials on the aforementioned date.

**CITY OF COTTONWOOD**

**TOWN OF CLARKDALE**

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Diane Joens, Mayor

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Doug Von Gausig, Mayor

ATTEST:

ATTEST:

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Marianne Jimenez, City Clerk

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Kathy Bainbridge, Town Clerk

Pursuant to A.R.S. 11-952.D, the attorney for each party has determined that this agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the respective municipalities.

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Steve Horton  
Attorney, City of Cottonwood

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Robert Pecharich  
Town Attorney