

Table of Contents

| | |
|--|----------|
| Agenda | 4 |
| Approval of the June 9, 2015, City Commission Meeting minutes. 06-09-2015 Minutes. | 8 |
| Approval of the Economic Development Advisory Committee's recommendation to forgive the loan to Harrell Properties, LLC (PRG Prototyping) in the full amount of \$60,000, as they have fully complied with the City's requirements for loan forgiveness and, if approved, authorize the Mayor to sign the appropriate documents on behalf of the City. Harrell Properties, LLC Memo | 11 |
| Approval of Ordinance No. G-1224, amending Section 54-44 of the Code of the City of Pittsburg, Kansas, which amends Section 10.5, unlawful discharge of firearms, of the "Uniform Public Offense Code for Kansas Cities" as published by The League of Kansas Municipalities, for the purpose of performing wildlife hazard control at Atkinson Municipal Airport, on first and only reading. Ord No G-1224 Wildlife Hazard Management | 12 |
| Approval of Ordinance No. G-1225, providing for the change of a certain area from Planned Light Industrial (IP-1) to Planned General Commercial (CP-2) and amending and supplementing the Zoning District Boundary Map and Zoning Ordinance No. G-663, as amended, of the City of Pittsburg, Kansas, on first and only reading. Ord G-1225 - Rezoning 1200 E Centennial. | 14 |
| Approval of Ordinance No. G-1226, amending Section 78-114 of the Pittsburg City Code to prohibit parking during the hours of 6:00 a.m. and 6:00 p.m. Monday through Friday on the west side of South Broadway Street between Rose Street and Euclid Street, on first and only reading. Ord G-1226- 2-Hour Parking (W Side Broadway - Rose and Euclid) | 16 |
| Approval of the Agreement for Services for Improvements at Atkinson Municipal Airport between the City of Pittsburg and H. W. Lochner, Inc. to provide engineering services required for performing pavement investigations and topographical surveys, and for preparing engineer's design report, designs, construction plans, contract documents/technical specifications, tabulation of construction quantities, engineer's opinion of probable construction cost and project budget for the milling, overlay and remarking of Runway 16-34 and existing connecting taxiway/turnaround, and authorize the Mayor to execute the agreement on behalf of the City of Pittsburg. HW Lochner Mill & Overlay Runway Design Agreement Memo HW Lochner Design Agreement | 18 20 |
| Approval of Public Works Department's request to purchase a new Model 725 DT Grasshopper Mower for use at the Atkinson Municipal Airport under the State of Kansas Purchasing Contract currently held by Moridge Manufacturing, Inc., of Moundridge, Kansas, in the amount of \$14,816.25. | |

| | |
|---|----|
| PW Airport Mower Purchase Memo | 42 |
| Airport Mower Cost Summary | 43 |
| Approval of staff request to appoint John Robb to an unexpired 4-year term effective immediately and to expire December 31st, 2018, as a member of the Active Transportation Advisory Board. | |
| ATAB Robb Appointment Memo | 44 |
| ATAB Application | 45 |
| Approval of staff recommendation to alter the language contained in the Purchasing Policy to allow the City to receive formal bids in an electronic format. | |
| Purchasing Policy Revision Memo | 47 |
| Purchasing Policy Revision | 48 |
| Approval of staff request to enter into an agreement with Info Tech Bid Express Services for online proposal and bidding services for the City of Pittsburg, and authorize the Mayor to execute the Info Tech Bid Express Services Agency Internet Service and License Agreement on behalf of the City of Pittsburg. | |
| Bid Express License Agreement Memo. | 59 |
| Bid Express security_summary | 60 |
| Bid Express internet_vs_paper | 62 |
| BID EXPRESS - SECURE INTERNET BIDDING | 69 |
| Info Tech Bid Express Services License Agreement | 71 |
| Approval of staff request to utilize the services of Purple Wave, Inc. as a means to dispose of miscellaneous surplus property at no cost to the City of Pittsburg and authorize staff to update its information through the completion of the Auction Engagement Agreement and to designate the Director of Finance Jamie Clarkson and the City Clerk Tammy Nagel as authorized representatives to execute all necessary documents on behalf of the City of Pittsburg for these services. | |
| Purple Wave Auction Engagement Agreement Memo | 75 |
| Purple Wave State of Kansas Contract 36345AA. | 77 |
| Purple Wave State of Kansas Contract 36345AA Amendment 1 | 88 |
| Purple Wave Auction Engagement Agreement | 89 |
| Approval of staff request to declare certain vehicles as surplus and authorize staff to dispose of the vehicles through the online auctioneering services of Purple Wave, Inc. | |
| 2015 Surplus Vehicles Memo | 94 |
| Approval of the Appropriation Ordinance for the period ending June 23, 2015, subject to the release of HUD expenditures when funds are received. | |
| Check List | 95 |

PUBLIC HEARING - TAXABLE INDUSTRIAL REVENUE BONDS - LA QUINTA INN HOTEL PROJECT - The City of Pittsburg advertised for a Public Hearing to be held on June 23, 2015, at the City Commission Meeting, commencing at 5:30 p.m. in the City Commission Room, located in the Law Enforcement Center, 201 North Pine, in regard to the request submitted by Dharma Properties, LLC, regarding the issuance of Taxable Industrial Revenue Bonds in the not to exceed principal amount of \$8,000,000 for the acquisition, construction, furnishing and equipping of a 75-room hotel facility located at 2408 South Broadway and in regard to an exemption from ad valorem taxation of property constructed or purchased with the proceeds of such Bonds.

IRB Memo 109
 IRB Application 110

RESOLUTION NO. 1172 - The Economic Development Advisory Committee voted unanimously on June 10th, 2015, to recommend Governing Body approval of Resolution No. 1172 determining the advisability of issuing taxable industrial revenue bonds for the purpose of financing the acquisition, construction, furnishing and equipping of a hotel facility to be located in said city; and authorizing execution of related documents.

Resolution No. 1172 142

TENANT BASED RENTAL ASSISTANCE (TBRA) GRANT APPLICATION - Staff is requesting authorization to submit an application to the Kansas Housing Resources Corporation's (KHRC) Tenant Based Rental Assistance (TBRA) program for a grant in the amount of \$200,000 to be used to provide utility deposits, rental deposits, and rental subsidies to individuals experiencing homelessness as well as security deposits for non-homeless low-income households.

TBRA Memo 145
 TBRA Description 146
 TBRA Application 152

USDA RURAL HOUSING PRESERVATION GRANT APPLICATION - Staff is requesting authorization to submit an application for a USDA Rural Housing Preservation Grant in the amount of \$50,000 to preserve, repair and rehabilitate owner-occupied homes for low to very low income households.

USDA HPG Grant Memo 165
 USDA HPG Grant Application 166
 USDA HPG Grant Pre-Application 171
 USDA HPG Grant Comment Notice 173

FIVE YEAR FINANCIAL FORECAST - City Manager Daron Hall and Director of Finance Jamie Clarkson will provide information on the City's five-year financial forecast.

Agenda Item 174

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, June 23, 2015
5:30 PM

CALL TO ORDER BY THE MAYOR:

- a. Invocation
- b. Flag Salute Led by the Mayor
- c. Public Input

CONSENT AGENDA:

- a. Approval of the June 9, 2015, City Commission Meeting minutes.
- b. Approval of the Economic Development Advisory Committee's recommendation to forgive the loan to Harrell Properties, LLC (PRG Prototyping) in the full amount of \$60,000, as they have fully complied with the City's requirements for loan forgiveness and, if approved, authorize the Mayor to sign the appropriate documents on behalf of the City.
- c. Approval of Ordinance No. G-1224, amending Section 54-44 of the Code of the City of Pittsburg, Kansas, which amends Section 10.5, unlawful discharge of firearms, of the "Uniform Public Offense Code for Kansas Cities" as published by The League of Kansas Municipalities, for the purpose of performing wildlife hazard control at Atkinson Municipal Airport, on first and only reading.
- d. Approval of Ordinance No. G-1225, providing for the change of a certain area from Planned Light Industrial (IP-1) to Planned General Commercial (CP-2) and amending and supplementing the Zoning District Boundary Map and Zoning Ordinance No. G-663, as amended, of the City of Pittsburg, Kansas, on first and only reading.
- e. Approval of Ordinance No. G-1226, amending Section 78-114 of the Pittsburg City Code to prohibit parking during the hours of 6:00 a.m. and 6:00 p.m. Monday through Friday on the west side of South Broadway Street between Rose Street and Euclid Street, on first and only reading.

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, June 23, 2015
5:30 PM

- f. Approval of the Agreement for Services for Improvements at Atkinson Municipal Airport between the City of Pittsburg and H. W. Lochner, Inc. to provide engineering services required for performing pavement investigations and topographical surveys, and for preparing engineer's design report, designs, construction plans, contract documents/technical specifications, tabulation of construction quantities, engineer's opinion of probable construction cost and project budget for the milling, overlay and remarking of Runway 16-34 and existing connecting taxiway/turnaround, and authorize the Mayor to execute the agreement on behalf of the City of Pittsburg.
- g. Approval of Public Works Department's request to purchase a new Model 725 DT Grasshopper Mower for use at the Atkinson Municipal Airport under the State of Kansas Purchasing Contract currently held by Moridge Manufacturing, Inc., of Moundridge, Kansas, in the amount of \$14,816.25.
- h. Approval of staff request to appoint John Robb to an unexpired 4-year term effective immediately and to expire December 31st, 2018, as a member of the Active Transportation Advisory Board.
- i. Approval of staff recommendation to alter the language contained in the Purchasing Policy to allow the City to receive formal bids in an electronic format.
- j. Approval of staff request to enter into an agreement with Info Tech Bid Express Services for online proposal and bidding services for the City of Pittsburg, and authorize the Mayor to execute the Info Tech Bid Express Services Agency Internet Service and License Agreement on behalf of the City of Pittsburg.
- k. Approval of staff request to utilize the services of Purple Wave, Inc. as a means to dispose of miscellaneous surplus property at no cost to the City of Pittsburg and authorize staff to update its information through the completion of the Auction Engagement Agreement and to designate the Director of Finance Jamie Clarkson and the City Clerk Tammy Nagel as authorized representatives to execute all necessary documents on behalf of the City of Pittsburg for these services.

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, June 23, 2015
5:30 PM

- l. Approval of staff request to declare certain vehicles as surplus and authorize staff to dispose of the vehicles through the online auctioneering services of Purple Wave, Inc.

- m. Approval of the Appropriation Ordinance for the period ending June 23, 2015, subject to the release of HUD expenditures when funds are received.
ROLL CALL VOTE.

PUBLIC HEARING:

- a. PUBLIC HEARING - TAXABLE INDUSTRIAL REVENUE BONDS - LA QUINTA INN HOTEL PROJECT - The City of Pittsburg advertised for a Public Hearing to be held on June 23, 2015, at the City Commission Meeting, commencing at 5:30 p.m. in the City Commission Room, located in the Law Enforcement Center, 201 North Pine, in regard to the request submitted by Dharma Properties, LLC, regarding the issuance of Taxable Industrial Revenue Bonds in the not to exceed principal amount of \$8,000,000 for the acquisition, construction, furnishing and equipping of a 75-room hotel facility located at 2408 South Broadway and in regard to an exemption from ad valorem taxation of property constructed or purchased with the proceeds of such Bonds. **Following Public Hearing, approve or disapprove issuance of Industrial Revenue Bonds.**

CONSIDER THE FOLLOWING:

- a. RESOLUTION NO. 1172 - The Economic Development Advisory Committee voted unanimously on June 10th, 2015, to recommend Governing Body approval of Resolution No. 1172 determining the advisability of issuing taxable industrial revenue bonds for the purpose of financing the acquisition, construction, furnishing and equipping of a hotel facility to be located in said city; and authorizing execution of related documents. **Approve or disapprove Resolution No. 1172 and, if approved, authorize the Mayor to sign the Resolution on behalf of the City.**

CITY OF PITTSBURG, KANSAS
COMMISSION AGENDA
Tuesday, June 23, 2015
5:30 PM

- b. TENANT BASED RENTAL ASSISTANCE (TBRA) GRANT APPLICATION - Staff is requesting authorization to submit an application to the Kansas Housing Resources Corporation's (KHRC) Tenant Based Rental Assistance (TBRA) program for a grant in the amount of \$200,000 to be used to provide utility deposits, rental deposits, and rental subsidies to individuals experiencing homelessness as well as security deposits for non-homeless low-income households. **Approve or disapprove recommendation and, if approved, authorize the Mayor to sign the appropriate documents on behalf of the City.**

- c. USDA RURAL HOUSING PRESERVATION GRANT APPLICATION - Staff is requesting authorization to submit an application for a USDA Rural Housing Preservation Grant in the amount of \$50,000 to preserve, repair and rehabilitate owner-occupied homes for low to very low income households. **Following receipt of public comments from audience members, approve or disapprove submittal of the grant application and, if approved, authorize the Mayor to sign the appropriate documents on behalf of the City.**

SPECIAL PRESENTATIONS:

- a. ECONOMIC DEVELOPMENT UPDATE - Director of Economic Development Blake Benson will provide an update on Economic Development in Pittsburg. **Receive for file.**

- b. FIVE YEAR FINANCIAL FORECAST - City Manager Daron Hall and Director of Finance Jamie Clarkson will provide information on the City's five-year financial forecast.

NON-AGENDA REPORTS & REQUESTS:

ADJOURNMENT

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
June 9th, 2015

A Regular Session of the Board of Commissioners was held at 5:30 p.m. on Tuesday, June 9th, 2015, in the City Commission Room, located in the Law Enforcement Center, 201 North Pine, with Mayor Chuck Munsell presiding and the following members present: John Ketterman, Jeremy Johnson and Monica Murnan. Commissioner Michael Gray was absent.

Mayor Munsell led the flag salute.

PUBLIC INPUT –

Kevin Lloyd, owner of Piece of Cake Nutrition, 512 North Broadway and Jeff Wilbert, Downtown District Coordinator, discussed issues regarding noise in the downtown area, specifically loud music being played at 110 West 6th Street. Mr. Lloyd requested the music be stopped to allow citizens, residents and visitors to enjoy the downtown area. Pittsburg Police Lieutenant Tim Tompkins reviewed the current noise violations pending against 110 West 6th Street. Lieutenant Tompkins encouraged Mr. Lloyd to testify to the court as to the diminished quality of life he is experiencing as a result of the music.

Jeff Wilbert, Downtown District Coordinator, discussed plans for the 2015 Little Balkans Festival, including the possibility of expanding the festival to a two-day event. It was the consensus of the Governing Body to allow Broadway to be closed for the two-day event.

APPROVAL OF MINUTES – MAY 26th, 2015 - On motion of Murnan, seconded by Johnson, the Governing Body approved the May 26th, 2015, City Commission Meeting minutes as submitted. Motion carried. Absent: Gray.

REAPPOINTMENT TO JUVENILE CORRECTIONS ADVISORY BOARD (JCAB) – On motion of Murnan, seconded by Johnson, the Governing Body approved the request submitted by Angie Hadley, Program Coordinator for the Restorative Justice Authority, to reappoint Pat Pence to an additional three year term as a member of the Juvenile Corrections Advisory Board (JCAB). Motion carried. Absent: Gray.

THYSSENKRUPP ELEVATOR CORPORATION – SECOND AMENDMENT TO STAGE LIFT AGREEMENT – On motion of Murnan, seconded by Johnson, the Governing Body approved the Second Amendment to the Stage Lift Agreement between the City of Pittsburg and ThyssenKrupp Elevator Corporation for work at Memorial Auditorium to be completed through January and February of 2016 and authorized the Mayor to sign the necessary documents on behalf of the City. Motion carried. Absent: Gray.

J&M DISPLAYS, INC. – FIREWORKS DISPLAY CONTRACT – On motion of Murnan, seconded by Johnson, the Governing Body approved staff recommendation to enter in to a Fireworks Display Contract between the City of Pittsburg and J&M Displays Inc. of Yarmouth, Iowa using donated funds for the contracted amount, not to exceed \$20,000.00, and authorized the Mayor to sign the necessary documents on behalf of the City. Motion carried. Absent: Gray.

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
June 9th, 2015

DISPOSITION OF BIDS – HYDRATED LIME – On motion of Murnan, seconded by Johnson, the Governing Body approved the bid for the purchase of Hydrated Lime for use at the Wastewater Treatment Plant for a period of June 19th to December 31st, 2015 to U.S. Lime Company-St. Clair, of Dallas, Texas, on the basis of their low bid meeting specifications of \$180.00 per ton, and authorized the issuance of the necessary purchase order. Motion carried. Absent: Gray.

DISPOSITION OF BIDS – POLYMER - On motion of Murnan, seconded by Johnson, the Governing Body approved the bid for the purchase of Polymer for use at the Wastewater Treatment Plant for a period of June 19th to December 31st, 2015 to Polydyne, Inc., of Riceboro, Georgia, on the basis of their low bid meeting specifications of \$1.12 per pound, and authorized the issuance of the necessary purchase order. Motion carried. Absent: Gray.

DISPOSITION OF BIDS – WATER TREATMENT PLANT CHEMICALS – On motion of Murnan, seconded by Johnson, the Governing Body approved the bid for the purchase of chemicals for use at the Water Treatment Plant for the period of June 19th through December 31st, 2015 as follows: Lime (Calcium Oxide) to U.S. Lime Company-St. Clair, of Dallas, Texas, for \$174.08 per ton; Liquid Chlorine to Brenntag Southwest, Inc., of Nowata, Oklahoma, for \$31.50 per 100 lbs.; Liquid Polymeric Phosphate to Brenntag Mid-South, Inc., of Springfield, Missouri, for \$0.58 per lb.; Soda Ash to Univar USA, Inc., of Kent, Washington, for \$21.168 per 100 lbs.; Aluminum Sulfate to Brenntag Mid-South, Inc., of Springfield, Missouri, for \$36.90 per 100 lbs.; Polymer to Polydyne, Inc., of Riceboro, Georgia, for \$0.48 per lb.; and Liquid Carbon Dioxide to Airgas USA, Inc., of Pittsburg, Kansas, for \$137.60 per ton, and authorized the issuance of the necessary purchase order. Motion carried. Absent: Gray.

APPROPRIATION ORDINANCE – On motion of Murnan, seconded by Johnson, the Governing Body approved the Appropriation Ordinance for the period ending June 9th, 2015, subject to the release of HUD expenditures when funds are received, with the following roll call vote: Yea: Johnson, Ketterman, Munsell, and Murnan. Motion carried. Absent: Gray.

REQUEST TO REZONE – On motion of Ketterman, seconded by Johnson, the Governing Body approved the recommendation of The Planning and Zoning Commission to grant the request submitted by Jennifer Carr on behalf of CINAP, Inc to rezone 1200 East Centennial from IP-1 Planned Light Industrial to CP-2 Planned General Commercial to allow for the future construction of possible commercial development. Motion carried. Absent: Gray.

OFFICIAL MINUTES
OF THE MEETING OF THE
GOVERNING BODY OF THE
CITY OF PITTSBURG, KANSAS
June 9th, 2015

DISPOSITION OF BIDS - PITSCO/SUNFLOWER TRAIL- On motion of Johnson, seconded by Ketterman, the Governing Body approved the bid for the construction of the Pitsco/Sunflower Trail submitted by Heck and Wicker, of Parsons, Kansas, based on their low bid meeting specifications of \$155,119.00 and authorized the Mayor and City Clerk to execute the contract documents when prepared. Motion carried. Absent: Gray.

The Commission acknowledged Harvey Dean for his generosity in the development of the Pitsco/Sunflower Trail.

ORDINANCE NO. S-1022 – On motion of Murnan, seconded by Johnson, the Governing Body adopted Ordinance No. S-1022, granting to Zayo Group, LLC, its successors and assigns, a distributed antenna systems facility and telecommunications franchise and prescribing the terms of said grant and relating thereto, and authorized the Mayor to sign the Ordinance on behalf of the City. Motion carried. Absent: Gray.

ORDINANCE NO. S-1023 – On motion of Murnan, seconded by Ketterman, the Governing Body adopted Ordinance No. S-1023, levying an additional City Retailers Sales Tax in the amount of one-quarter of one percent (0.25%) within the City of Pittsburg, effective April 1, 2016, pursuant to the powers of cities granted by paragraph (b) of section 5 of article 12 of the Constitution of the State of Kansas and the provisions and procedural requirements of K.S.A. 12-137, as amended. Motion carried. Absent: Gray.

NON-AGENDA REPORTS AND REQUESTS –

WATER BILLING CHANGE - Director of Finance Jamie Clarkson explained that water bills in the future will reflect water usage in both cubic feet and gallons in accordance with Kansas Water Office guidelines.

ANDREW NASH - Commissioner John Ketterman wished Morning Sun Reporter Andrew Nash good luck in his new position at William Jewel College.

STATE BUDGET - Commissioner Monica Murnan asked for an explanation regarding the State Tax Bill. City Manager Daron Hall explained that the current amendment being considered would prohibit cities from increasing property taxes above the Consumer Price Index (CPI) unless there is a public vote during an August or November election.

ADJOURNMENT: On motion of Ketterman, seconded by Johnson, the Governing Body adjourned the meeting at 6:10 p.m. Motion carried. Absent: Gray.

Chuck Munsell, Mayor

ATTEST:

Tammy Nagel, City Clerk



Memorandum

TO: Daron Hall, City Manager

FROM: Blake Benson, Economic Development Director

DATE: June 15, 2015

SUBJECT: June 23, 2015 Agenda Item
Harrell Properties, LLC loan forgiveness

On June 29, 2012, the City of Pittsburg entered into a \$60,000 forgivable loan agreement with Harrell Properties, LLC (PRG Prototyping) to help facilitate the acquisition and renovation of property at 2801 North Rouse. In return, Harrell Properties agreed to expend at least \$350,000 of its own funds in the project and to create seven new, full-time jobs by June 29, 2015.

The Economic Development Advisory Committee (EDAC) met on June 10 and verified, via bank paperwork and a quarterly payroll report, that Harrell Properties has met these criteria and has qualified for loan forgiveness. The EDAC recommended unanimously that the full loan amount of \$60,000 be forgiven.

Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 23, 2015. Action being requested is the approval or denial of the loan forgiveness recommendation and, if approved, authorize the Mayor to sign the appropriate documents.

ORDINANCE NO. G-1224

AN ORDINANCE amending Section 54-44 of the Code of the City of Pittsburg, Kansas, which amends Section 10.5, unlawful discharge of firearms, of the “Uniform Public Offense Code for Kansas Cities” as published by The League of Kansas Municipalities, for the purpose of performing wildlife hazard control at Atkinson Municipal Airport.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF PITTSBURG, KANSAS:

Section 1. Section 54-44 of the Code of the City of Pittsburg, Kansas, is hereby amended to read:

Sec. 54-44. Amendments to Section 10.5, Unlawful Discharge of Firearms.

Unlawful discharge of firearms is the discharging or firing of any gun, rifle, pistol, revolver, or other firearm within the City. This section shall not be construed to apply:

- (a) To the discharge of firearms by any duly authorized law enforcement officer when necessary in the discharge of his or her official duties;
- (b) To the discharge of firearms in any licensed shooting gallery;
- (c) To firing squads for ceremonials;
- (d) To a legitimate gunsmith in pursuit of his or her trade; nor
- (e) To the discharge of firearms by public officers or public employees trained and duly licensed in firearm safety when discharged for wildlife hazard control of animals or birds within the boundaries of Atkinson Municipal Airport to protect the public health, safety or welfare pursuant to the “Wildlife Hazard Management Plan” on file with the City Clerk’s Office.

It shall be a defense that the defendant was acting within the scope of K.S.A. 21-3211, K.S.A. 21-3212, K.S.A. 21-3213, K.S.A. 21-3215 or K.S.A. 21-3216.

Unlawful discharge of firearms is a Class B violation.

Section 2: This Ordinance shall take effect and be in force from and after its passage and publication in the official City newspaper

ADOPTED AND APPROVED this 23rd day of June, 2015

Mayor – Chuck Munsell

ATTEST:

City Clerk – Tammy Nagel

(SEAL)

(Published in The Morning Sun on June 26th, 2015)

ORDINANCE NO. G-1225

AN ORDINANCE, providing for the change of a certain area from Planned Light Industrial (IP-1) to Planned General Commercial (CP-2) and amending and supplementing the Zoning District Boundary Map and Zoning Ordinance No. G-663, as amended, of the City of Pittsburg, Kansas.

WHEREAS, the Planning and Zoning Commission of the City of Pittsburg, Kansas, has filed their report with the Board of Commissioners of the City of Pittsburg, Kansas, recommending amendment of said Ordinance relating to area and use zoning and amendment of the Zoning District Boundary Map.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF PITTSBURG, KANSAS:

Section 1. That the Planned General Commercial (CP-2), as defined by the Zoning Ordinance, is hereby amended and supplemented to include the following described real estate in the City of Pittsburg, Crawford County, Kansas, to-wit:

The South 215 feet of the West 220 feet of the Southwest Corner of the Southwest Quarter (SW¹/₄) of Section 33, Township 30S, Range 25E of the Sixth Principal Meriden.

Section 2. That Zoning Ordinance No. G-663, as amended, including the Zoning District Boundary Map adopted on May 28, 1991, and periodically revised, is hereby amended and supplemented to include the area and use as set out in the preceding section.

Section 3. This Ordinance shall take effect and be in force from and after its passage and publication in the official City newspaper.

ADOPTED AND APPROVED this 23rd day of June, 2015.

Mayor – Chuck Munsell

ATTEST:

City Clerk - Tammy Nagel

(SEAL)

(Published in the Morning Sun on June 26th, 2015)

ORDINANCE NO. G-1226

AN ORDINANCE, amending Section 78-114 of the Pittsburg City Code to prohibit parking during the hours of 6:00 a.m. and 6:00 p.m. Monday through Friday on the west side of South Broadway Street between Rose Street and Euclid Street.

NOW, THEREFORE, BE IT ORDAINED THAT THE GOVERNING BODY OF THE CITY OF PITTSBURG, KANSAS:

Section One. Section 78-114 of the Pittsburg City Code is hereby amended as follows:

Sec. 78-114. Two-hour parking zones.

It shall be unlawful for any person to stop, stand or park any vehicle for longer than two (2) hours at any one time, between the hours of 6:00 a.m. and 6:00 p.m. on any day except Saturday and Sunday, in the following locations:

- (1) On both sides of North Broadway between Second Street and Eleventh Street and on the west side of North Broadway between First Street and Second Street.
- (2) On the south side of Third Street from the alley between Locust and Broadway Streets to Broadway, and on both sides of Third Street from Broadway to the alley between Broadway and Pine Streets.
- (3) On both sides of Fourth Street between Locust and Pine Streets.
- (4) On both sides of Fifth Street between Locust and Pine Streets.
- (5) On both sides of Sixth Street from the alley between Broadway and Pine Streets to Broadway.
- (6) On both sides of East Sixth Street between Locust and Broadway Streets, except for a loading and unloading zone on the south side of East Sixth Street, the east edge of which shall be 29 feet and 6 inches from the east right-of-way line of Broadway.
- (7) On both sides of Seventh Street from the alley between Broadway and Locust Streets to the alley between Broadway and Pine Streets.
- (8) The first six (6) parking stalls of the southeast outside lane and the first six (6) parking stalls of the northeast outside lane of Parking Lot No. 1 – 5th and Pine.
- (9) On the north side of East Tenth Street from Broadway to the alley between Broadway and Locust Streets.
- (10) West side of North Walnut Street from 4th Street to 5th Street.
- (11) North side of 3rd Street from Walnut Street west to the north-south alley.
- (12) North side of 3rd Street from Broadway Street west to and including one (1) parking space west of the north-south alley.

- (13) North side of 2nd Street from Broadway Street to Walnut Street.
- (14) North 24 spaces of the public parking lot located on the Northeast Corner of 4th Street and Locust Street described as the South six (6) feet of Lot 157 and all of Lots 155 and 156, Block 23, in Pittsburg Original Town Addition.
- (15) North 24 spaces of the public parking lot as the South six (6) feet of Lot 157 and all of Lots 155 and 156, Block 23, in Pittsburg Original Town Addition.
- (16) West side of South Broadway Street between Rose Street and Euclid Street.

Proper signs shall be erected and maintained so as to advise the public of the parking limitations contained in this Section.

Section Two. This Ordinance shall take effect upon its passage and publication in the official City newspaper.

PASSED AND APPROVED BY THE GOVERNING BODY of the City of Pittsburg, Kansas, this 23rd day of June, 2015

Mayor- Chuck Munsell

City Clerk- Tammy Nagel



DEPARTMENT OF PUBLIC WORKS

201 West 4th Street · Pittsburg KS 66762

(620) 231-4170

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: WILLIAM A. BEASLEY
Director of Public Works

DATE: June 17, 2015

SUBJECT: Agenda Item – June 23, 2015
Agreement for Services for Improvements
Atkinson Municipal Airport
FAA AIP Project No. 3-20-0069-015

Attached you will find an agreement between the City of Pittsburg and H.W. Lochner, Inc. to provide engineering services required for performing pavement investigations and topographical surveys, and for preparing engineer’s design report, designs, construction plans, contract documents/technical specifications, tabulation of construction quantities, engineer’s opinion of probable construct cost and project budget for the milling, overlay and remarking of Runway 16-34 and existing connecting taxiway/turnaround.

They are proposing the following compensation schedule to perform these engineering services:

A. BASIC SERVICES – FAA ELIGIBLE

| | |
|---|-----------------------------|
| 1. Preliminary Phase..... | \$17,800.00 Lump Sum |
| 2. Design Phase – Engineer’s Design Report..... | \$ 9,450.00 Lump Sum |
| 3. Design Phase – Plans and Specifications..... | \$41,750.00 Lump Sum |
| 4. Bidding Phase..... | <u>\$12,400.00 Lump Sum</u> |

| | |
|--|----------------------|
| Subtotal Basic Services – FAA ELIGIBLE | \$81,400.00 Lump Sum |
|--|----------------------|

MEMO TO: DARON HALL
JUNE 17, 2015
PAGE TWO

B. SPECIAL SERVICES - FAA ELIGIBLE

- | | |
|---|-----------------------------|
| 1. Administrative Assistance..... | \$ 6,450.00 Lump Sum |
| 2. Field Survey – Engineering Design..... | \$ 6,900.00 Lump Sum |
| 3. Pavement Investigation..... | <u>\$ 5,100.00</u> Lump Sum |

Subtotal Special Services – FAA ELIGIBLE \$18,450.00 Lump Sum

Total Basic/Special Services – FAA ELIGIBLE \$99,850.00 Lump Sum

C. SPECIAL SERVICES – FAA INELIGIBLE

- | | |
|----------------------------|-----------------------------|
| 1. Update DBE Program..... | <u>\$ 3,750.00</u> Lump Sum |
|----------------------------|-----------------------------|

Total Basic/Special Services – FAA INELIGIBLE \$ 3,750.00 Lump Sum

D. CONSTRUCTION SERVICES – FAA ELIGIBLE

- | | |
|-------------------------------|----------------------------|
| 1. Construction Services..... | May be Added by Supplement |
|-------------------------------|----------------------------|

The FAA eligible services would be funded at a 90% FAA/10% City split. The City's funds for this project would be paid from the Airport Operating Fund. It is anticipated that FAA would fund the construction of the mill and overlay project in their 2016 funding year.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 23rd, 2015. Action necessary will be approval or disapproval of the agreement and, if approved, authorize the Mayor to execute the agreement on behalf of the City of Pittsburg.

If you have any questions concerning this matter, please do not hesitate to contact me.

Attachment: H. W. Lochner Agreement

**AGREEMENT FOR SERVICES
FOR IMPROVEMENTS TO THE
ATKINSON MUNICIPAL AIRPORT
PITTSBURG, KANSAS
F.A.A. A.I.P. PROJECT NO. 3-20-0069-015**

THIS AGREEMENT made and entered into this _____ day of _____, 2015 by and between the City of Pittsburg, Kansas, with offices located at 201 West 4th Street, Pittsburg, KS 66762, hereinafter referred to as the "Sponsor", and H.W. Lochner, Inc. (Lochner), with offices located at 903 East 104th Street, Suite 800, Kansas City, MO 64131-3451, hereinafter called the "Consultant."

WITNESSETH:

WHEREAS, the Sponsor is desirous of making the following improvements, hereinafter called the "Project", at the Atkinson Municipal Airport:

FAA ELIGIBLE

- Mill, Overlay, and Remark Runway 16-34 and Existing Connecting Taxiway/Turnaround

FAA INELIGIBLE

- Prepare Disadvantaged Business Enterprise (DBE) Program for Federal Fiscal Year 2016-2018

WHEREAS, the Sponsor has agreed to employ the Consultant to provide the engineering services required for performing pavement investigations and topographical surveys, and for preparing engineer's design report, designs, construction plans, contract documents/technical specifications, tabulation of construction quantities, engineer's opinion of probable construction cost and project budget. The Consultant shall also assist the Sponsor with bidding and administrative services. The Sponsor may add to this Agreement by Supplement the additional services for providing construction administration, construction observation, and materials acceptance testing services for the proposed Project upon completion of the Design Phase services.

NOW, THEREFORE, in consideration of these premises and the mutual covenants herein contained, the parties hereto agree as follows:

**ARTICLE I
SCOPE OF SERVICES**

The Consultant, in consideration of the payment on the part of the Sponsor, agrees to perform the engineering services enumerated as follows:

The Consultant will perform surveys, and pavement investigations to produce engineer's design report, construction plans, contract documents/technical specifications, tabulation of construction quantities, and engineer's opinion of probable construction costs and project budget for the Project. The Consultant will assist the Sponsor with administrative services, preparation of a DBE Program for FY 2016-2018 and Project specific DBE goal, and coordination with the FAA. The Consultant will assist the Sponsor with advertisement for obtaining construction bids and award of the construction contract. The services required for construction administration, construction observation, and materials acceptance testing may be added to this Agreement by Supplement upon completion of the Design Phase services.

SDH
6/17/15

All services will be performed in accordance with good engineering practice and applicable published design criteria of the FAA, primarily FAA Advisory Circulars and Central Region Guidance publications.

- AC 150/5300-13A "Airport Design," with Change 1 dated 02/26/2014
- Advisory Circular 150/5370-10G "Standards for Specifying Construction of Airports."
- AIP Guide 900, "Project Design Development Project."
- AIP Guide 1000, "Construction Phase."

The following is a detailed description of the specific engineering services that are a duty of this Agreement.

A. BASIC SERVICES – FAA ELIGIBLE

1. Preliminary Phase

- a. Coordination with the Sponsor and FAA regarding Project scope, schedule, and budget.
- b. Coordinate and conduct a site visit to evaluate the condition of the existing Runway 16-34 pavement.
- c. Prepare Sponsor Certification for Selection of Consultants for Sponsor review and submittal to the FAA.
- d. Assist the Sponsor in preparation of FAA Project Phase I Design Only Grant Application for federal funding for submittal to the FAA Airports Division.
- e. Prepare Sponsor Certification for Drug-Free Work Place for Sponsor review and submittal to the FAA.
- f. Prepare topographical and pavement investigation services Scopes of Services and subconsultant Agreements.

2. Design Phase – Engineer’s Design Report

- a. Prepare Preliminary Engineer's Design Report: The Design Report will include a narrative regarding the proposed construction project, pavement investigation, pavement design alternatives, construction safety and phasing, engineer's opinion of probable construction cost, Project budget and identification of deviation from FAA design criteria. Submit Preliminary Engineer’s Design Report, including engineer's opinion of probable construction cost and Project budget, to the Sponsor and FAA for review and comment. PDF copies will be submitted electronically with hard copies provided upon request.
- b. Finalize Engineer’s Design Report with consideration of preliminary (90%) review comments and submit Final Engineer’s Design Report to the Sponsor and FAA for final approval and authorization to advertise. PDF copies will be submitted electronically with hard copies provided upon request. Final report will be submitted with final Construction Plans and Contract Documents/Technical Specifications.

3. Design Phase – Plans and Specifications

- a. Prepare Construction Plans and Contract Documents/Technical Specifications for the Project.
 - 1) Prepare Construction Plans for the Project. The Construction Plans will generally include the following:

SDH
6/17/15

- Title Sheet
 - General Airport Layout Plan and General Notes
 - Construction Safety and Phasing Plan
 - Typical Sections and Summary of Quantities
 - Pavement Repair / Cold Milling Plan
 - Runway 16-34 Overlay Plan and Profile
 - Existing North Connecting Taxiway/Turnaround Overlay Plan and Profile
 - Spot Elevations
 - Pavement Marking Plan and Details
 - Miscellaneous Details
 - Cross Sections – Runway 16-34 Overlay
 - Cross Sections – Existing North Connecting Taxiway/Turnaround Overlay
- 2) Prepare Contract Documents/Technical Specifications that are in accordance with FAA criteria and satisfy project specific needs. The specifications shall be developed using FAA Advisory Circular 150/5370-10G and “Regional Modifications to Standards.”
 - 3) Submit preliminary (90% completion) Construction Plans, Contract Documents/Technical Specifications, updated engineer's opinion of probable construction cost, and Project budget to the Sponsor and FAA for review and comment. PDF copies will be submitted electronically with hard copies provided upon request.
 - 4) Attend and conduct a Design Review Meeting and conduct a field check at the Atkinson Municipal Airport at the 90% preliminary submittal level.
 - 5) Finalize Construction Plans and Contract Documents/Technical Specifications with consideration of preliminary (90% completion) review comments.
 - 6) Submit Construction Plans and Contract Documents/ Technical Specifications along with Final Engineer's Design Report to the Sponsor and the FAA for final approval and authorization to advertise. PDF copies will be submitted electronically with hard copies provided upon request.

4. Bidding Phase

- a. Assist the Sponsor with advertisement for bids. The Consultant shall prepare the advertisement and send the "Notice to Bidders" to prospective Contractors. (The Sponsor shall place the advertisement in the appropriate media.)
- b. Print and distribute Construction Plans and Contract Documents/Technical Specifications to plan holding houses and prospective Bidders.
- c. Answer questions, clarify points, and issue addenda as necessary pertaining to the Construction Plans and Contract Documents/Technical Specifications during the Bidding Services phase.
- d. Attend and conduct a prebid conference in Pittsburg, KS.

SDH
6/17/15

- e. Prepare and issue addendums during the Bidding Phase as required.
- f. The Consultant will attend the bid opening in Pittsburg, KS and assist the Sponsor with one (1) receipt of bids.
- g. Tabulate and analyze bid results, prepare Project budget, review Contractor's qualifications and DBE subcontractor's list provided by the Contractor, and make recommendation of contract award.

B. SPECIAL SERVICES – FAA ELIGIBLE

1. Administrative Assistance

- a. Calculate a Disadvantage Business Enterprise (DBE) project specific goal for incorporation into the Contract Documents.
- b. Assist the Sponsor in preparation of FAA Project Phase II Construction Grant Application for federal funding for submittal to the FAA Airports Division.
- c. Assist the Sponsor in preparation of required Sponsor Certifications throughout the project for submittal to the FAA Airports Division.
- d. Assist the Sponsor in preparation of Invoice Summary forms as required for requests for reimbursement and SF Forms 271 and 425.
- e. Assist the Sponsor in preparation of Sponsor Quarterly Performance Reports for submittal to the FAA Airports Division on a quarterly basis for the duration of the Project.

2. Field Survey – Engineering Design

- a. Perform field surveys as required for the Runway 16-34 mill and overlay project. The survey areas as depicted on the attached Exhibit I will consist of the following:
 - 1) Establish survey baselines for improvement areas and set horizontal control points as shown on Exhibit I for use during the survey and construction. The horizontal control points shall be established on NAD 83 or better control and shall be on the extended centerline for Runway 16-34.
 - 2) Establish vertical control at the site based upon U.S.G.S. NAVD 88 datum and set benchmark for use during construction within close proximity of Runway 16-34 if one is not already located there.
 - 3) Obtain full cross section elevations along Runway 16-34 and adjacent pavements at 50' intervals. Each cross section will contain elevations at the centerline, edges of pavement, grade breaks, and midpoints between grade breaks with readings no greater than 25' apart. Ground elevations shall also be obtained at the edge of pavement and 5' and 25' from the edge of pavement.

SDH
6/17/15

3. Pavement Investigation

- a. Perform pavement investigations for the Runway 16-34 mill and overlay project.
 - 1) Obtain a minimum of six (6) 4-inch pavement core samples on the existing pavement as shown on Exhibit II to determine pavement and base course thickness.
 - 2) Prepare a site specific written report providing a discussion of the field procedures and results.

C. SPECIAL SERVICES – FAA INELIGIBLE

1. Update Disadvantaged Business Enterprise (DBE) Program

- a. This phase will be ELIGIBLE for FAA reimbursement as part of a future AIP-funded project that occurs in FY 2016-2018.
- b. The Consultant shall assist the Sponsor with updating their current DBE Program to comply with the requirements of 49 CFR 26. The Program will be developed using the FAA, Central Region, AIP Guide 200, “Civil Rights.” The Consultant will submit two (2) preliminary copies of the updated Program to the Sponsor for use during the Notice to the Public period. The Consultant will revise the DBE Program per the Public comment period as required and provide the Sponsor with three (3) copies of the Final DBE Program. The Sponsor shall submit one (1) copy of the updated Program to the FAA for review and approval.

D. CONSTRUCTION SERVICES – FAA ELIGIBLE

1. The Scope of Services required for construction administration, construction observation, and materials acceptance testing for the Project may be added to this Agreement by Supplement.

**ARTICLE II
SPONSOR'S RESPONSIBILITIES**

The Sponsor, as a part of this Agreement, shall provide the following:

1. Arrange for access to and make all provisions for the Consultant to enter upon public and private property as required for the Consultant to perform his/her services.
2. Assist in approvals and permits from all governmental entities having jurisdiction over the project and such approvals and consents from others as may be necessary for completion of the project.
3. Designate in writing a person to act as Sponsor representative with respect to the services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, and interpret and define Sponsor policies and decisions.
4. Give prompt written notice to the Consultant whenever Sponsor observes or knows of any development that affects the scope or timing of Consultant's services.
5. Pay publishing cost for advertisements of notices, public hearings, request for bids, and other similar items. The Sponsor shall pay for all permits and licenses that may be required by local, state or federal authorities; and shall secure the necessary land, easements and rights-of-way required for the project.

SDH
6/17/15

6. One (1) copy of existing plans, reports, or other data the Sponsor may have on file with regard to this project.
7. Available information relating to environmental conditions at the property, including any permits, clearances, investigations, and remediation required for federal, state, and local agencies identified by environmental consultants for the Sponsor in currently available reports.

**ARTICLE III
TIME SCHEDULE**

The Consultant agrees to proceed with the services immediately upon *receipt of a written Notice to Proceed (NTP) by the Sponsor no later than August 1, 2015*, and to employ such personnel as required to complete the Scope of Services in accordance with the following time schedule:

SCHEDULED PERFORMANCE IN CALENDAR DAYS OR BY DATE

A. BASIC SERVICES – FAA ELIGIBLE

1. Preliminary Phase..... As Required
2. Design Phase – Engineer’s Design Report
 - a. Submit Preliminary Engineer’s Design Report..... Antic. November 1, 2015
 - b. Submit Final Engineer’s Design Report 30 Calendar Days After Receipt of Review Comments for Item A.3.a.3)
3. Design Phase – Plans and Specifications
 - a.3) Submit Preliminary Plans and SpecificationsAntic. January 1, 2016
 - a.6) Submit Final Plans and Specifications 30 Calendar Days After Receipt of Review Comments for Item A.3.a.3)
4. Bidding Phase As Required

B. SPECIAL SERVICES – FAA ELIGIBLE

1. Administrative Assistance As Required
2. Field Survey – Engineering Design..... 30 Calendar Days After Receipt of Notice to Proceed
3. Pavement Investigation 30 Calendar Days After Receipt of Notice to Proceed

C. SPECIAL SERVICES – FAA INELIGIBLE

1. Update DBE Program..... Submit Updated Program to FAA Prior to 8/1/2015 Deadline

D. CONSTRUCTION SERVICES – FAA ELIGIBLE

1. Construction Services..... May be Added by Supplement

The schedule presented above does not include review time by the Sponsor, FAA or other interested agencies.

**SDH
6/17/15**

**ARTICLE IV
COMPENSATION**

The Sponsor agrees to compensate the Consultant for performing engineering services as described herein on the following basis:

COMPENSATION SCHEDULE

A. BASIC SERVICES – FAA ELIGIBLE

| | |
|--|------------------------------|
| 1. Preliminary Phase..... | \$ 17,800.00 Lump Sum |
| 2. Design Phase – Engineer’s Design Report..... | \$ 9,450.00 Lump Sum |
| 3. Design Phase – Plans and Specifications | \$ 41,750.00 Lump Sum |
| 4. Bidding Phase..... | <u>\$ 12,400.00</u> Lump Sum |
| Subtotal Basic Services – FAA ELIGIBLE | \$ 81,400.00 Lump Sum |

B. SPECIAL SERVICES – FAA ELIGIBLE

| | |
|--|------------------------------|
| 1. Administrative Assistance..... | \$ 6,450.00 Lump Sum |
| 2. Field Survey – Engineering Design..... | \$ 6,900.00 Lump Sum |
| 3. Pavement Investigation | <u>\$ 5,100.00</u> Lump Sum |
| Subtotal Special Services – FAA ELIGIBLE | \$ 18,450.00 Lump Sum |
| Total Basic and Special Services – FAA ELIGIBLE | \$ 99,850.00 Lump Sum |

C. SPECIAL SERVICES – FAA INELIGIBLE

| | |
|--|-----------------------------|
| 1. Update DBE Program..... | <u>\$ 3,750.00</u> Lump Sum |
| Total Basic and Special Services – FAA INELIGIBLE | \$ 3,750.00 Lump Sum |

D. CONSTRUCTION SERVICES – FAA ELIGIBLE

| | |
|--------------------------------|----------------------------|
| 1. Construction Services | May be Added by Supplement |
|--------------------------------|----------------------------|

The Consultant shall not proceed with the services described herein until written authorization in the form of a Notice to Proceed is received from the Sponsor.

For Item A. Basic Services and Items B. and C. Special Services, partial payment shall be made to the Consultant for those portions of the services completed. The Consultant shall submit to the Sponsor a monthly statement showing an estimate of completion, and the portion of compensation requested for each element and phase of the services. The request for partial payments will not be in excess of the value of the services completed at the time the statement is rendered.

For Item D. Construction Services, the method of payment may be added to this Agreement by Supplement upon completion of Item A.3. Design Services phase.

Progress payments shall be made to the Consultant within thirty (30) calendar days of receipt of proper billing statement.

ARTICLE V
MANDATORY FEDERAL CONTRACT PROVISIONS

By entering into this Agreement, the Consultant agrees to abide by the Federal Provisions included herein.

1. **ACCESS TO RECORDS AND REPORTS**
(Reference: 2 CFR § 200.326, 2 CFR § 200.333)

The Consultant must maintain an acceptable cost accounting system. The Consultant agrees to provide the Sponsor, the Federal Aviation Administration, and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers, and records of the Consultant which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Consultant agrees to maintain all books, records and reports required under this agreement for a period of not less than three years after final payment is made and all pending matters are closed.

2. **BUY AMERICAN PREFERENCE**
(Reference: 49 USC § 50101)

This provision is omitted as none of the identified deliverables constitute a manufactured product.

3. **CIVIL RIGHTS: GENERAL PROVISIONS**
(Reference: 49 USC § 47123)

The Consultant agrees that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision binds the Consultants from the bid solicitation period through the completion of the agreement. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

4. **CIVIL RIGHTS: TITLE VI ASSURANCES**

Title VI Solicitation Notice:

The Sponsor, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies the Consultant that it will affirmatively ensure that any agreement entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

Title VI Compliance with Nondiscrimination Requirements:

During the performance of this agreement, the Consultant, for itself, its assignees, and successors in interest (hereinafter referred to as the "Consultant") agrees as follows:

1. **Compliance with Regulations:** The Consultant (hereinafter includes consultants) will comply with the **Title VI List of Pertinent Nondiscrimination Statutes and Authorities**, as they may be amended from time to time, which are herein incorporated by reference and made a part of this agreement.
2. **Non-discrimination:** The Consultant, with regard to the work performed by it during the agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subconsultants, including procurements of materials and leases of equipment. The Consultant will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the agreement covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the Consultant for work to be performed under a subagreement, including procurements of materials, or leases of equipment, each potential subconsultant or supplier will be notified by the Consultant of the Consultant's obligations under this agreement and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The Consultant will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a Consultant is in the exclusive possession of another who fails or refuses to furnish the information, the Consultant will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a Consultant's noncompliance with the Non-discrimination provisions of this agreement, the Sponsor will impose such agreement sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. Withholding payments to the Consultant under the agreement until the Consultant complies; and/or
 - b. Cancelling, terminating, or suspending an agreement, in whole or in part.
6. **Incorporation of Provisions:** The Consultant will include the provisions of paragraphs one through six in every subagreement, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Consultant will take action with respect to any subagreement or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Consultant becomes involved in, or is threatened with litigation by a subconsultant, or supplier because of such direction, the Consultant may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Consultant may request the United States to enter into the litigation to protect the interests of the United States.

Title VI List of Pertinent Nondiscrimination Authorities

(Source: Appendix E of Appendix 4 of FAA Order 1400.11, Nondiscrimination in Federally-Assisted Programs at the Federal Aviation Administration)

During the performance of this agreement, the Consultant, for itself, its assignees, and successors in interest (hereinafter referred to as the "Consultant") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);

SDH
6/17/15

- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and Consultants, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

5. DISADVANTAGED BUSINESS ENTERPRISE
(Reference: 49 CFR part 26)

Contract Assurance (§ 26.13) - The Consultant or subconsultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this agreement. The Consultant shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the Consultant to carry out these requirements is a material breach of this agreement, which may result in the termination of this agreement or such other remedy, as the recipient deems appropriate.

Prompt Payment (§26.29)- The prime Consultant agrees to pay each subconsultant under this prime agreement for satisfactory performance of its agreement no later than thirty (30) days from the receipt of each payment the prime Consultant receives from the Sponsor. The prime Consultant agrees further to return retainage payments to each subconsultant within thirty (30) days after the subconsultant's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Sponsor. This clause applies to both DBE and non-DBE subconsultants.

6. FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)
(Reference: 29 USC § 201, et seq.)

This provision is incorporated by reference to 29 USC § 201, et seq.

7. LOBBYING AND INFLUENCING FEDERAL EMPLOYEES
(Reference: 49 CFR part 20, Appendix A)

The Consultant certifies that by executing the Agreement, to the best of his or her knowledge and belief, that:

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the bidder or offeror, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- 2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

8. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970
(Reference: 29 CFR part 1910)

This provision is incorporated by reference to 29 CFR part 1910

9. RIGHTS TO INVENTIONS
(Reference: 2 CFR § 200 Appendix II(F))

All rights to inventions and materials generated under this agreement are subject to requirements and regulations issued by the FAA and the Sponsor of the Federal grant under which this agreement is executed.

10. TRADE RESTRICTION CLAUSE
(Reference: 49 CFR part 30)

The Consultant or subconsultant, by submission of an offer and/or execution of an agreement, certifies that it:

- a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
- b. has not knowingly entered into any agreement or subagreement for this project with a person that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list;
- c. has not procured any product nor subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no agreement shall be awarded to a Consultant or subconsultant who is unable to certify to the above. If the Consultant knowingly procures or subcontracts for the supply of any product or service of a foreign country on said list for use on the project, the Federal Aviation Administration may direct through the Sponsor cancellation of the agreement at no cost to the Government.

SDH
6/17/15

Further, the Consultant agrees that, if awarded an agreement resulting from this solicitation, it will incorporate this provision for certification without modification in each agreement and in all lower tier subagreements. The Consultant may rely on the certification of a prospective subconsultant unless it has knowledge that the certification is erroneous.

The Consultant shall provide immediate written notice to the Sponsor if the Consultant learns that its certification or that of a subconsultant was erroneous when submitted or has become erroneous by reason of changed circumstances. The subconsultant agrees to provide written notice to the Consultant if at any time it learns that its certification was erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that the Consultant or subconsultant knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the Sponsor cancellation of the agreement or subagreement for default at no cost to the Government.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a Consultant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

11. TERMINATION OF CONTRACT

(Reference: 2 CFR § 200 Appendix II(B))

- a. The Sponsor may, by written notice, terminate this agreement in whole or in part at any time, either for the Sponsor's convenience or because of failure to fulfill the agreement obligations. Upon receipt of such notice services must be immediately discontinued (unless the notice directs otherwise) and all materials as may have been accumulated in performing this agreement, whether completed or in progress, delivered to the Sponsor.
- b. If the termination is for the convenience of the Sponsor, an equitable adjustment in the agreement price will be made, but no amount will be allowed for anticipated profit on unperformed services.
- c. If the termination is due to failure to fulfill the Consultant's obligations, the Sponsor may take over the work and prosecute the same to completion by agreement or otherwise. In such case, the Consultant is liable to the Sponsor for any additional cost occasioned to the Sponsor thereby.
- d. If, after notice of termination for failure to fulfill agreement obligations, it is determined that the Consultant had not so failed, the termination will be deemed to have been effected for the convenience of the Sponsor. In such event, adjustment in the agreement price will be made as provided in paragraph 2 of this clause.
- e. The rights and remedies of the Sponsor provided in this clause are in addition to any other rights and remedies provided by law or under this agreement.

12. GOVERNMENT WIDE DEBARMENT AND SUSPENSION

Reference: 2 CFR part 180 (Subpart C), 2 CFR part 1200, DOT Order 4200.5 DOT Suspension & Debarment Procedures & Ineligibility

By submitting an Agreement for execution by the Sponsor, the Consultant certifies that at the time the Consultant submits said Agreement that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

SDH
6/17/15

Certification Regarding Debarment and Suspension (Consultant Regarding Lower Tier Participants)

The Consultant, by administering each lower tier subagreement that exceeds \$25,000 as a “covered transaction”, must verify each lower tier participant of a “covered transaction” under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The Consultant will accomplish this by:

1. Checking the System for Award Management at website: <http://www.sam.gov>.
2. Collecting a certification statement similar to the Certificate Regarding Debarment and Suspension, above.
3. Inserting a clause or condition in the covered transaction with the lower tier agreement.

If the FAA later determines that a lower tier participant failed to tell a higher tier that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedy, including suspension and debarment.

13. BREACH OF CONTRACT TERMS
(Reference: 2 CFR § 200 Appendix II(A))

Any violation or breach of terms of this agreement on the part of the Consultant or its subconsultants may result in the suspension or termination of this agreement or such other action that may be necessary to enforce the rights of the parties of this agreement. The duties and obligations imposed by the Agreement Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

14. CLEAN AIR AND WATER POLLUTION CONTROL
(Reference: 2 CFR § 200 Appendix II(G))

Consultants and subconsultants agree:

1. That any facility to be used in the performance of the agreement or subagreement or to benefit from the agreement is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities;
2. To comply with all the requirements of Section 114 of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq. and Section 308 of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 and Section 308 of the Acts, respectively, and all other regulations and guidelines issued thereunder;
3. That, as a condition for the award of this agreement, the Consultant or subconsultant will notify the awarding official of the receipt of any communication from the EPA indicating that a facility to be used for the performance of or benefit from the agreement is under consideration to be listed on the EPA List of Violating Facilities;
4. To include or cause to be included in any construction agreement or subagreement which exceeds \$100,000 the aforementioned criteria and requirements.

15. CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS
(Reference: 2 CFR § 200 Appendix II(E))

1. Overtime Requirements.

No Consultant or subconsultant contracting for any part of the agreement work which may require or involve the

employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; Liability for Unpaid Wages; Liquidated Damages.

In the event of any violation of the clause set forth in paragraph (1) above, the Consultant and any subconsultant responsible therefor shall be liable for the unpaid wages. In addition, such Consultant and subconsultant shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 above, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 above.

3. Withholding for Unpaid Wages and Liquidated Damages.

The Federal Aviation Administration or the Sponsor shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Consultant or subconsultant under any such agreement or any other Federal agreement with the same prime Consultant, or any other Federally-assisted agreement subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Consultant, such sums as may be determined to be necessary to satisfy any liabilities of such Consultant or subconsultant for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 above.

4. Subconsultants.

The Consultant or subconsultant shall insert in any subagreements the clauses set forth in paragraphs 1 through 4 and also a clause requiring the subconsultant to include these clauses in any lower tier subagreements. The prime Consultant shall be responsible for compliance by any subconsultant or lower tier subconsultant with the clauses set forth in paragraphs 1 through 4 of this section.

16. REDUCING TEXT MESSAGING WHILE DRIVING
(Reference: Executive Order 13513 and DOT Order 3902.10)

The Consultant under this project must promote policies and initiatives for employees and other work personnel that decrease crashes by distracted drivers, including policies to ban text messaging while driving. The Consultant must include these policies in each third party subcontract involved on this project.

17. VETERAN'S PREFERENCE
(Reference: 49 USC § 47112(c))

In the employment of labor (except in executive, administrative, and supervisory positions), preference must be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Title 49 United States Code, Section 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

SDH
6/17/15

18. ENERGY CONSERVATION REQUIREMENTS.

(Reference: 2 CFR § 200 Appendix II(H))

The Consultant agrees to comply with mandatory standards and policies relating to energy efficiency that are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Public Law 94-163).

ARTICLE VI MISCELLANEOUS PROVISIONS

1. **Change in Scope.** The Scope of Services described herein shall be subject to modification or supplement upon the written Agreement of the contracting parties. Any such modification in the Scope of Services shall be incorporated in this Agreement by Supplemental Agreement executed by both parties.
2. **Ownership of Drawings and Contract Documents.** Original documents, tracings, plans specifications and maps prepared or obtained under the terms of the Contract shall be delivered to and become the property of the Sponsor and basic survey notes and sketches, charts, computations, and other data shall be made available upon request by the Sponsor without restriction or limitation on their use. In the event any of the above documents are re-used by the Sponsor, the nameplates will be removed and the Consultant will be released and held harmless of subsequent liabilities. There shall be no legal limitations upon the Sponsor in the subsequent use of plans or ideas developed in this project and incorporated in the preliminary or final reports or plans for the subsequent preparation of construction plans.
3. **Electronically Produced Documents.** Electronically produced documents will be submitted in data files compatible with AutoCAD Release 2011. The Consultant makes no warranty as to the compatibility of the data files beyond the above specified hardware and release or version of the stated software.

Because data stored on electronic media can deteriorate undetected or be modified without the Consultant's knowledge, the electronic data files submitted to the Sponsor or other Agencies will have an acceptance period of thirty (30) days. If during that period the Sponsor or other Agencies find any errors or omissions in the files, the Consultant will correct the errors or omissions as a part of the basic Agreement. The Consultant will not be responsible for maintaining copies of the submitted electronic data files after the acceptance period.

Any changes requested after the acceptance period will be considered additional services for which the Consultant shall be reimbursed including the cost of materials.

The data on the electronic media shall not be considered the Consultant's instrument of service. Only the submitted hard copy documents will be considered the instrument of service. The Consultant's nameplate shall be removed from all electronic media provided to the Sponsor or other Agencies.

4. **Engineer's Opinion of Probable Project Cost and Construction Cost.** Since the Consultant has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor(s) methods of determining prices, or over competitive bidding or market conditions, his opinions of probable Project Cost and Construction Cost provided for herein are to be made on the basis of his experience and qualifications and represent his best judgment as an experienced and qualified professional engineer, familiar with the construction industry; but the Consultant cannot and does not guarantee that proposals, bids or actual Project or Construction Cost will not vary from opinions of probable cost prepared by him. However, the Consultant represents that he will use reasonable engineering care and judgment commonly exercised by an engineer in the same or similar circumstances in making and transmitting such cost estimates to the Sponsor.

SDH
6/17/15

5. Remedies. In the event of a claim, dispute and other matters in question arising out of or relating to this Agreement or the services to be rendered hereunder, the Consultant and the Sponsor agree to attempt to resolve such disputes in the following manner:

First, the parties agree to attempt to resolve such claims, disputes and other matters in question through direct negotiations between the appropriate representatives of each party.

Second, if such negotiations are not fully successful, the parties agree to attempt to resolve any remaining claim, dispute or other matter in question by formal nonbinding mediation conducted in accordance with rules and procedures to be agreed upon by the parties.

Third, if the claim, dispute or other matter in question, or any issues remain unresolved after the above steps, then such unresolved issues may, with the consent of both parties, be settled by binding arbitration in accordance with the rules of the American Arbitration Association current as of the date of this Agreement then pertaining.

6. Insurance. The Consultant shall procure and maintain at its expense during the effective period of this Contract the following insurance from insurance companies authorized to do business in Kansas covering all operations and services under this Contract performed by Engineer.
- a. Workers' Compensation Insurance in accordance with the provisions of the Kansas Workers' Compensation Act.
 - b. Commercial General Liability in amounts not less than \$1 million combined single limit per occurrence and \$1 million aggregate for bodily injury, personal injury and property damage with endorsements to include broad form contractual, and broad form property damage.
 - c. Automobile Liability, Bodily Injury and Property Damage with a limit of \$1 Million for occurrence, combined single limit including owned, hired and non-owned autos.
 - d. Professional Liability Insurance in amounts not less than \$1 million per claim and annual aggregate.

Upon request, the Consultant shall furnish to the Sponsor a certificate or certificates of insurance showing compliance with this paragraph.

7. Liability. Each party will defend and indemnify and hold harmless the other party from and against third party claims for liability, damage, loss, costs and expenses, including attorney's fees, on account of injury or damage to persons or property occurring on or occasioned by facilities owned or controlled by such indemnifying party, unless such injury or damage resulted from the sole negligence of the other party. In the event negligence is attributable to both parties, each party shall be responsible for the resulting damages attributable to the negligence of such party whether such proportionate share is arrived at through agreement between the parties or as a result of litigation.
8. Force Majeure. Any delay or failure of Consultant in the performance of its required obligations hereunder shall be excused if and to the extent caused by acts of God, war, riot, strike, fire, storm, flood, windstorm, discovery or uncovering of hazardous or toxic materials or causes beyond the reasonable control of Consultant, provided that prompt written notice of such delay or suspension be given by Consultant to the Sponsor. Upon receipt of said notice, if necessary, the time for performing shall be extended for a period of time reasonably necessary to overcome the effect of such delays and Consultant shall be reimbursed for the cost of such delays.

9. Binding Upon Successors. This Agreement shall be binding upon the undersigned parties, their successors, partners, assigns, and legal representatives.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officers on the day and year first above-written.

SPONSOR:

CITY OF PITTSBURG, KANSAS

ATTEST:

By: _____

By: _____

Title: _____

Title: _____

CONSULTANT:

H.W. LOCHNER, INC.

ATTEST:

By: Matthew J. Jacobs
Matthew J. Jacobs, P.E.

By: Steven D. Harris
Steven D. Harris, P.E.

Title: Associate Vice-President

Title: Vice-President, Director of Gen Aviation

Drawing Name: I:\KAC\PRJ\00010768\PB FILES\WPC\AGREEMENTS\SURVEY\EXHIBIT I - Survey Scope - RW Overlay Only.dwg May 26, 2015 - 10:59am



RUNWAY 16-34 IMPROVEMENTS SURVEY AREA

SDH
6/17/15

LOCHNER

903 East 104th Street | Suite 800 | Kansas City, Missouri 64131-3451
P 816.363.2696 | F 816.363.0027

ATKINSON MUNICIPAL AIRPORT

EXHIBIT I

LAYOUT FOR SURVEY SCOPE

PROJECT NO. 000010768

DRAWN BY DATE

CHECKED BY DATE

DESIGNED BY DATE

REVISIONS DATE

EXHIBIT I

1

Drawing Name: I:\KAC\PRJ\00010768\PB FILES\WPC\AGREEMENT\GEO\TECH\Exhibit II - Pavement Investigation Scope - RW Overlay Only.dwg May 26, 2015 - 11:06am



PAVEMENT INVESTIGATION AREA

SDH
6/17/15

LOCHNER
903 East 104th Street | Suite 800 | Kansas City, Missouri 64131-3451
P 816.363.2696 | F 816.363.0027

ATKINSON MUNICIPAL AIRPORT
EXHIBIT II
LAYOUT FOR PAVEMENT INVESTIGATION SCOPE

| | |
|-------------|-----------|
| PROJECT NO. | 000010768 |
| DRAWN BY | DATE |
| CHECKED BY | DATE |
| DESIGNED BY | DATE |
| REVISIONS | DATE |

EXHIBIT II

1

DERIVATION OF CONSULTANT PROJECT COSTS

**MILL, OVERLAY, AND REMARK RUNWAY 16-34 AND
EXISTING CONNECTING TAXIWAY/TURNAROUND**

FAA PROJECT NO. A.I.P. 3-20-0069-015

**ATKINSON MUNICIPAL AIRPORT
PITTSBURG, KANSAS**

BASIC AND SPECIAL SERVICES

May 25, 2015

1. DIRECT SALARY COSTS:

| <u>TITLE</u> | <u>HOURS</u> | <u>RATE/HOUR</u> | <u>COST (\$)</u> |
|----------------------------|--------------|------------------|------------------|
| Principal | 3 | \$65.00 | \$ 195.00 |
| Project Manager | 115 | \$58.00 | \$ 6,670.00 |
| Design Engineer II | 206 | \$38.00 | \$ 7,828.00 |
| Design Engineer I | 262 | \$30.00 | \$ 7,860.00 |
| Senior Electrical Engineer | 8 | \$52.00 | \$ 416.00 |
| Environmental Scientist | 2 | \$32.00 | \$ 64.00 |
| Technician | 198 | \$24.00 | \$ 4,752.00 |
| Administrative Asst. | 67 | \$20.00 | \$ 1,340.00 |
| Total Direct Salary Costs | | | = \$ 29,125.00 |

2. LABOR AND GENERAL ADMINISTRATIVE OVERHEAD:

Percentage of Direct Salary Costs @ 184.32% = \$ 53,683.20

3. SUBTOTAL:

Items 1 and 2 = \$ 82,808.20

4. PROFIT:

15% of Item 3 Subtotal = \$ 12,421.23

Subtotal of Items 3 and 4 \$ 95,229.43

5. OUT-OF-POCKET EXPENSES:

| | | | |
|-----------------------------|-------|---------------------------|--------|
| a. Mileage | 1,180 | miles @ \$0.575/mile = \$ | 678.50 |
| b. Meals | 4 | @ \$46.00/day = \$ | 161.00 |
| c. Motel | 0 | days @ \$83.00/day = \$ | - |
| d. Mailing & Misc. Expenses | | = \$ | 131.07 |

Total Out-of-Pocket Expenses = \$ 970.57

6. SUBCONTRACT COST:

| | |
|---|-------------|
| a. Cornerstone Regional Surveying, LLC (Topo. Survey) | \$ 4,800.00 |
| b. Palmerton & Parrish, Inc. (Pavement Investigation) | \$ 2,600.00 |

7. TOTAL FEE:

Items 3, 4, 5 and 6 = \$ 103,600.00

| | |
|---|----------------|
| FAA GRANT <u>ELIGIBLE</u> AMOUNT | = \$ 99,850.00 |
| FAA GRANT <u>INELIGIBLE</u> AMOUNT | = \$ 3,750.00 |

**SDH
6/17/15**

**ENGINEERING BASIC AND SPECIAL SERVICES - COST BREAKDOWN
MILL, OVERLAY, AND REMARK RUNWAY 16-34 AND EXISTING CONNECTING TAXIWAY/TURNAROUND**

**ATKINSON MUNICIPAL AIRPORT
PITTSBURG, KANSAS**

May 25, 2015

| Classification: Hourly Rate: | Principal \$212.53 | Project Manager \$189.64 | Design Engineer II \$124.25 | Design Engineer I \$98.09 | Senior Elec. Engineer \$170.02 | Environ. Scientist \$104.63 | Technician \$78.47 | Admin. Assistant \$65.39 | Other Costs |
|---|-----------------------|--------------------------------|-----------------------------------|---------------------------------|--------------------------------------|-----------------------------------|-----------------------|--------------------------------|----------------|
| A. BASIC SERVICES - FAA ELIGIBLE | | | | | | | | | |
| 1. Preliminary Phase: | 3 | 55 | 36 | 12 | 0 | 2 | 0 | 10 | (1,2) |
| Labor Subtotal = | \$ 17,581.07 | \$637.59 | \$10,430.28 | \$4,472.92 | \$1,177.08 | \$0.00 | \$209.26 | \$0.00 | \$653.94 |
| Expense Subtotal = | \$ 218.93 | | | | | | | | \$ 218.93 |
| Subconsultant Subtotal = | \$ - | | | | | | | | \$ - |
| Total Fee = | \$ 17,800.00 | | | | | | | | |
| 2. Design Phase - Engineer's Design Report: | 0 | 6 | 17 | 47 | 0 | 0 | 16 | 5 | (2) |
| Labor Subtotal = | \$ 9,442.84 | \$0.00 | \$1,137.85 | \$2,112.21 | \$4,610.25 | \$0.00 | \$0.00 | \$1,255.56 | \$326.97 |
| Expense Subtotal = | \$ 7.17 | | | | | | | | \$ 7.17 |
| Subconsultant Subtotal = | \$ - | | | | | | | | \$ - |
| Total Fee = | \$ 9,450.00 | | | | | | | | |
| 3. Design Phase - Plans and Specs: | 0 | 20 | 55 | 169 | 0 | 0 | 174 | 11 | (1,2) |
| Labor Subtotal = | \$ 41,577.25 | \$0.00 | \$3,792.83 | \$6,833.63 | \$16,577.28 | \$0.00 | \$0.00 | \$13,654.18 | \$719.33 |
| Expense Subtotal = | \$ 172.75 | | | | | | | | \$ 172.75 |
| Subconsultant Subtotal = | \$ - | | | | | | | | \$ - |
| Total Fee = | \$ 41,750.00 | | | | | | | | |
| 4. Bidding Phase: | 0 | 23 | 36 | 12 | 8 | 0 | 4 | 6 | (1,2) |
| Labor Subtotal = | \$ 12,078.20 | \$0.00 | \$4,361.75 | \$4,472.92 | \$1,177.08 | \$1,360.19 | \$0.00 | \$313.89 | \$392.36 |
| Expense Subtotal = | \$ 321.80 | | | | | | | | \$ 321.80 |
| Subconsultant Subtotal = | \$ - | | | | | | | | \$ - |
| Total Fee = | \$ 12,400.00 | | | | | | | | |
| PART A SUBTOTAL = | \$ 81,400.00 | | | | | | | | |
| B. SPECIAL SERVICES - FAA ELIGIBLE | | | | | | | | | |
| 1. Administrative Assistance: | 0 | 6 | 28 | 4 | 0 | 0 | 0 | 22 | (2) |
| Labor Subtotal = | \$ 6,447.81 | \$0.00 | \$1,137.85 | \$3,478.94 | \$392.36 | \$0.00 | \$0.00 | \$0.00 | \$1,438.66 |
| Expense Subtotal = | \$ 2.19 | | | | | | | | \$ 2.19 |
| Subconsultant Subtotal = | \$ - | | | | | | | | \$ - |
| Total Fee = | \$ 6,450.00 | | | | | | | | |
| 2. Field Survey - Engineering Design: | 0 | 0 | 14 | 0 | 0 | 0 | 4 | 0 | (2,3) |
| Labor Subtotal = | \$ 2,053.36 | \$0.00 | \$0.00 | \$1,739.47 | \$0.00 | \$0.00 | \$0.00 | \$313.89 | \$0.00 |
| Expense Subtotal = | \$ 46.64 | | | | | | | | \$ 46.64 |
| Subconsultant Subtotal = | \$ 4,800.00 | | | | | | | | \$ 4,800.00 |
| Total Fee = | \$ 6,900.00 | | | | | | | | |
| 3. Pavement Investigation: | 0 | 3 | 14 | 0 | 0 | 0 | 0 | 0 | (1,2,3) |
| Labor Subtotal = | \$ 2,308.39 | \$0.00 | \$568.92 | \$1,739.47 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Expense Subtotal = | \$ 191.61 | | | | | | | | \$ 191.61 |
| Subconsultant Subtotal = | \$ 2,600.00 | | | | | | | | \$ 2,600.00 |
| Total Fee = | \$ 5,100.00 | | | | | | | | |
| PART B SUBTOTAL = | \$ 18,450.00 | | | | | | | | |
| FAA ELIGIBLE TOTAL = | \$ 99,850.00 | | | | | | | | |

SDH
6/17/15

| Classification: | Principal | Project Manager | Design Engineer II | Design Engineer I | Senior Elec. Engineer | Environ. Scientist | Technician | Admin. Assistant | Other Costs |
|---|----------------------|-----------------|--------------------|-------------------|-----------------------|--------------------|------------|------------------|-------------|
| Hourly Rate: | \$212.53 | \$189.64 | \$124.25 | \$98.09 | \$170.02 | \$104.63 | \$78.47 | \$65.39 | |
| C. SPECIAL SERVICES - FAA INELIGIBLE | | | | | | | | | |
| 1. Update DBE Program: | 0 | 2 | 6 | 18 | 0 | 0 | 0 | 13 | (2) |
| Labor Subtotal = | \$ 3,740.51 | \$0.00 | \$379.28 | \$745.49 | \$1,765.63 | \$0.00 | \$0.00 | \$850.12 | \$ 9.49 |
| Expense Subtotal = | \$ 9.49 | | | | | | | | \$ 9.49 |
| Subconsultant Subtotal = | \$ - | | | | | | | | \$ - |
| Total Fee = | \$ 3,750.00 | | | | | | | | |
| PART C SUBTOTAL = | \$ 3,750.00 | | | | | | | | |
| FAA INELIGIBLE TOTAL = | \$ 3,750.00 | | | | | | | | |
| GRAND TOTAL = | \$ 103,600.00 | | | | | | | | |

- (1) Mileage, Motel and Meals
- (2) Equipment, Materials and Supplies
- (3) Vendor Services



DEPARTMENT OF PUBLIC WORKS

201 West 4th Street · Pittsburg KS 66762

(620) 231-4170

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: WILLIAM A. BEASLEY
Director of Public Works

DATE: June 16, 2015

SUBJECT: Agenda Item – June 23, 2015
Purchase of Mower

The Department of Public Works is seeking Governing Body approval to purchase a Model 725 DT Grasshopper Mower for use at the Atkinson Municipal Airport under the State of Kansas contract. The current Grasshopper mower was purchased in 2005 and has approximately 2,000 hours of use.

Morige Manufacturing, Inc. of Moundridge, Kansas is the low bidder on the State contract for Grasshopper mowers. If approved, the mower will actually be delivered to HY-FLO Equipment in Pittsburg, who will also perform all future service on the mower. The amount of \$15,000 has been set aside in the 2015 Sales Tax Capital Outlay Fund for the purchase of a new mower for the airport. The State contract price for the new mower and accessory equipment necessary for its use is \$14,816.25.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 23rd, 2015. Action necessary will be approval or disapproval of staff's request to purchase a Grasshopper mower and accessory equipment through the State contract.

If you have any questions concerning this matter, please do not hesitate to contact me.

Attachment: Summary of Cost for Model 725 DT and necessary equipment.

Grasshopper Mower

Model 725 DT

| <u>Order #</u> | | <u>MSRP</u> | <u>Kansas</u> |
|----------------|---|-------------|---------------|
| 532127-806 | Model 725 DT - 3461 (61") Side Discharge Fold up deck with Power fold | \$16,755.00 | \$12,566.25 |
| 503187 | Canopy, Aluminum | \$565.00 | \$508.50 |
| 503326 | Light Kit - Beacon Strobe | \$175.00 | \$157.50 |
| 533578 | Premier Suspension Seat | \$722.00 | \$648.00 |
| 533484 | Dozer Blade, 48" Model 480 | \$930.00 | \$837.00 |
| 504232 | Foot Controlled Blade Angling Kit | \$110.00 | \$99.00 |
| | | | \$14,816.25 |



DEPARTMENT OF PUBLIC WORKS

201 West 4th Street · Pittsburg KS 66762

(620) 231-4170

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: WILLIAM A. BEASLEY
Director of Public Works

DATE: June 15, 2015

SUBJECT: Agenda Item – June 23, 2015
Appointment to the Active Transportation Advisory Board

Due to the recent election of Jeremy Johnson to the Pittsburg City Commission, it is necessary to appoint a new member to replace him as a member of the Active Transportation Advisory Board.

If you recall, the selection criteria for the members of the board are: 1) four appointees shall be residents of the City with one member representing each quadrant divided by the intersection of 4th Street and Broadway; 2) three additional appointees shall reside within Crawford County with one appointee from the health care industry, one appointee being a disability advocate and one appointee being a member of Live Well Crawford County or a similar organization. Mr. Johnson was serving in the capacity of a resident within the City representing the southwest quadrant of the City. He was serving his first 4-year term to expire December 31st, 2018. Only one other individual expressed an interest in serving on the Board from the southwest quadrant of the City. Mr. John Robb resides at 113 W. Adams and has been a resident of the City for 36 years.

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 23rd, 2015. Action being requested is appointment of Mr. Robb to fill the unexpired 4-year term effective immediately and to expire December 31st, 2018.

If you have any questions concerning this matter, please do not hesitate to contact me.

Attachment: John Robb Application



City of Pittsburg Active Transportation Advisory Board

APPLICATION FOR APPOINTMENT

Note: Your application will be copied for the City Commission and made available to the press and public

Name: John Robb

Home Address:
113 W ADAMS ST, Pittsburg KS 66762-5131

Mailing Address:
SAME

Occupation:
Retired Teacher (2002) Texas Youth COMMISSION, PSU 2003-06 Adjunct

Business Address:
N/A

Home Telephone: 620 230 0467

Business Telephone: N/A

E-mail: jrobb4@cox.net

Are you a resident of Pittsburg? yes If yes, how long have you lived 35 years
in Pittsburg: 1942 to 1965 - PSU, 2002 to date.

Current occupation (within last 12 months)
Retired

Business interest in the last 12 months:
community volunteer service

Previous Committee/Commission Experience:
Twenty two years teaching elementary to college with many committee assignments
Big Bio/Sister Triathlon, Southeast KS Recycling committee
Kinnaird's flag project committee, Barbershop Harmony Society president, Joplin
Presbyterian church Pastoral Selection committee, Building committee,
Repurposing committee

Education/Experience: A resume may be attached containing this and any other information what would be helpful in evaluating your application.

PSU BA, MA, University of Chicago ABD, Southwest TX State University,
K-12 Certification, University of Texas Austin Certified Emotional Disturbed.
TX Region 13 Ed Service Center Alternative certification teacher.

Professional and/or community service activities:

Kiwanis, Wesley House, Public School Volunteer, Triathlon Volunteer
Child Advocacy Volunteer, Tailwinds Cycling Volunteer

Please explain your reasons for wishing to serve on this committee/commission and how you feel that you may contribute:

To improve our community health, well being and infrastructure connections
by ensuring a safe, viable, accessible transport
system beyond arterial streets. Plus I am an
avid cyclist and ride locally.

Circle days of the week and times best fitting your schedule for meetings

Monday • Tuesday • Wednesday • Thursday • Friday

I AM retired - just need to know in advance

Prior to 8:00am • Between 8:00am & 10am • Between 10am & Noon •
Between Noon & 3pm • Between 3pm & 5pm

Appointments to this position may require you to file a Conflict of Interest Disclosure Statement, which is of public record.

John Robb
Signature of Applicant

7-29-14
Date

If you have any questions regarding the appointment procedure, please call the City Clerk at (620)230-5532.

Due Date: Tuesday August 4, 2014
Please return the completed application to:
City of Pittsburg
Attn: City Clerk
PO Box 688
Pittsburg, KS 66762

Interoffice Memorandum

TO: Daron Hall, City Manager

FROM: Jamie Clarkson, Finance Director

DATE: June 16, 2015

SUBJECT: Revised City Purchasing Policy

Staff is requesting acceptance of the attached revised City Purchasing Policy. The language is being altered in anticipation of the City of Pittsburg entering into an agreement with a third party electronic bidding service. By engaging a third party bidding service, the City will be able to post bid notices, bid documents, addenda, tab sheets, and other bid-related information. Bidders will be able to securely submit bids and validate bid bonds electronically. The third party electronic bidding service uses secure encryption and lockbox technology to ensure bids are safe. No bid information can be seen by the City until the time of the bid letting, thus maintaining the sealed bid process.

The following revised Purchasing Policy language (found on page two of the attached Policy) is recommended:

Electronic formal bids will be accepted, if permitted by the bid documents, through a previously approved third party bidding service. Non-electronic formal bids must be sealed and marked in accordance with the bid documents and received in the City Clerk's office prior to the time and date set for the opening of bids. The City ~~does~~ will not accept faxed or emailed bids.

Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 23rd, 2015. Action being requested is approval or disapproval of staff recommendation.

cc: Tammy Nagel, City Clerk



CITY OF PITTSBURG, KANSAS
PURCHASING POLICY
[Revised June 23, 2015]

INTRODUCTION

Centralized purchasing provides an opportunity by which the City of Pittsburg may maximize financial resources through the use of sound procurement practices. The City of Pittsburg's Finance Division shall embody the following principles:

- ✓ The enhancement of managerial capabilities through centralized authority over purchases.
- ✓ The philosophy of purchasing goods and services at the appropriate time, at the proper quantity and quality, at the best value.
- ✓ The stimulation of competition for City purchases, minimizing the number of emergency purchases, proper planning, and the gathering of price quotations or bids.
- ✓ The establishment and maintenance of cordial relationships with vendors.
- ✓ The elimination of all avenues for potential abuse in public purchasing.
- ✓ The efficient and effective use of the City of Pittsburg's financial resources.

PURPOSE

The purpose of this policy is to serve as a guide to all City personnel, establishing authority and limits relating to the purchase of materials, supplies, equipment or services by the City.

SCOPE

The City's purchasing policy is based upon State Statutes and City Ordinances. This policy shall apply to any expenditure of City funds. However, this policy shall not prevent the City from complying with the terms and conditions of any grant, gift, bequest or cooperative agreement.

ROUTINE PURCHASES

For non-emergency purchases exceeding \$250, but not over \$5,000, the Department Director shall make every effort to secure at least three price quotations. For non-emergency purchases exceeding \$5,000 but not over \$20,000, the Department Director shall secure quotations in writing from three qualified suppliers. When the goods are received, the Department Director shall submit the detailed invoice or receipt to the Finance Department. Department Directors shall not split purchases into two or more parts to avoid the \$5,000 threshold.

For non-emergency purchases exceeding \$5,000, the Department Director shall fill out a requisition form. Certain items bid, purchased, or contracted for on a yearly basis (i.e. airport fuel), items approved for purchase by the City Commission (i.e. capital outlay purchases such as a street sweeper), and recurring expenditures (i.e. utility bills, monthly lease payments, etc.) need not be requisitioned. The requisition form shall include the following:

- ✓ Date
- ✓ Vendor Information
- ✓ The quantity, detailed description, and total cost (including freight charges, applicable taxes, and discounts) of each item requested
- ✓ Justification for purchase
- ✓ The budgeted expenditure account(s) to which the purchase shall be charged

In those situations where it is difficult to obtain a firm price, indicate a fair estimate of the cost. Also, for items which require at least three price quotations (explained above), such information is required on the requisition form.

The Finance Director shall review the requisition request to determine whether the item or service is included in the budget, or whether the purchase shall be delayed until a later date. The Finance Director shall approve the requisition, reject it, or consult with the Department Director as to alternatives. Once approved, the requisition shall be forwarded to the City Manager for final authorization. Once approved and authorized the Department Director may proceed with the purchase. A copy of the requisition form shall be attached to the invoice or purchase order and retained in the Finance Department for purchase authorization and audit purposes.

The City Manager has authority to purchase items and services up to \$20,000 without a requisition.

FORMAL SEALED BIDS

All purchases exceeding \$20,000 are subject to formal bidding procedures. Upon receipt of a requisition and specifications, the Purchasing Agent shall assist the City Clerk's office in preparing the legal advertisement for publication in the official City newspaper. The advertisement includes the time, date, and place of the bid opening and a summary of the items or services to be purchased.

Electronic formal bids will be accepted, if permitted by the bid documents, through a previously approved third party bidding service. Non-electronic formal bids must be sealed and marked in accordance with the bid documents and received in the City Clerk's office prior to the time and date set for the opening of bids. The City ~~does~~ will not accept faxed or emailed bids.

WEIGHTED LOCAL PREFERENCE POLICY FOR FORMAL SEALED BIDS

Recognizing that our citizens financially support this community, providing local vendors with a weighted bid process in order to keep our tax dollars in Pittsburg is desired.

Local Pittsburg vendors shall receive preference in the amount 3%. The local preference applies to businesses in an area within a mile of the City of Pittsburg corporate limits; however, in a case where a bidder within the corporate City limits and a bidder outside the City limits are the lowest bidders (including the preference), then the bidder within the City limits would be awarded the contract.

Local Pittsburg vendors shall receive preference in the amount of 3%.

The weighted bidding process is subject to the following requirements:

- ✓ There must be at least two bids submitted. The local Pittsburg vendor must comply with the bidding procedures.
- ✓ The weighted bidding process shall not apply to construction projects, or to combined construction and equipment projects where construction costs exceed 50% of the total project.
- ✓ The bid selected must still constitute the lowest and best bid submitted.
- ✓ The weighted local bidders' policy is not applicable to purchases involving grant funds.

COOPERATIVE PURCHASING

Cooperative purchasing is a process by which two or more jurisdictions cooperate to purchase items from the same vendor. This form of purchasing has the benefit of reducing administrative costs, eliminating duplication of effort, lowering prices, sharing information, and taking advantage of expertise and information that may be available in only one of the jurisdictions.

The Purchasing Agent is authorized to participate in, sponsor, conduct or administer a cooperative purchasing agreement with one or more public bodies in order to combine requirements, increase efficiency or reduce administrative expenses. Participation in cooperative purchasing as described in this section is exempted from the competitive bidding and advertising requirements.

The Purchasing Agent is authorized to use the Kansas Division of Procurement or political subdivisions of the State, other governmental agencies, and/or public procurement cooperatives (i.e. Western States Contracting Alliance, US Commodities, Kansas City Regional Purchasing Cooperative, HGAC, etc.) in the purchase of supplies, materials, or equipment when such actions serve the best interest of the City.

If the Purchasing Agent determines that another jurisdiction or co-op has entered into a competitive contract that allows participation by the City (piggy-backing), the City may make purchases from such contracts.

LEASE AGREEMENTS AND LEASE PURCHASE AGREEMENTS

Lease agreements and lease purchase agreements must contain a non-appropriation clause pursuant to Kansas cash-basis law in accordance to K.S.A. 10-1116b and K.S.A. 10-1116c. All litigation and arbitration venues must be in Crawford County Kansas. Lease agreements shall not be in conflict with Kansas Statutes and City Policies. All lease agreements shall be reviewed by the Department Director, Purchasing Agent and City Attorney for approval.

The City Commission appropriates annual lease payments and/or lease purchase payments unless it chooses not to appropriate under the Kansas cash basis law. If lease payments and/or lease purchase payments are not appropriated, ownership of the property remains in the leasing party. At the conclusion of the lease term, the City either receives unencumbered ownership of the asset or receives an option to purchase the asset at a predetermined price.

SOLE SOURCE PURCHASES

In some instances, only one supplier is available for the required supply, service, or construction item due to uniqueness of the product, quality or performance of the item, or need to maintain uniformity with past purchases. The Department Director shall note on the requisition form when a purchase is made from a sole source vendor.

EMERGENCY PURCHASES

An emergency exists when a delay in purchasing would halt a City activity, put City personnel or the public at risk, or endanger City or private facilities. Department Directors shall attempt to avoid emergency purchases. In the event of an emergency purchase, a requisition after the fact shall be sufficient to inform the City Manager of the purchase.

DEPARTMENT RESPONSIBILITIES

It shall be the responsibility of the Department Director or designee to submit bid requests to the Purchasing Agent. After the bid opening, a formal summary sheet shall be prepared by the City Clerk's Office that identifies the bids received, and given to the Department making the purchase. A City Commission agenda item shall be prepared by the Department to include a brief memo that identifies why the item is needed, a departmental recommendation, a funding source, and the formal bid summary sheet. This agenda item shall be forwarded to the City Clerk and the City Manager and placed on an upcoming City Commission agenda for consideration by the Governing Body.

BID OPENINGS

Bid openings shall be conducted in a public setting in the City Hall Conference room, or other venue as designated in bid documents; at a time and date published in the official bid documents. Department Directors are expected to attend the bid openings if an item from their department is included. If the Department Director cannot attend, a designee from the department shall attend.

BID EVALUATION

The City evaluates the lowest responsive bid received from a responsible vendor to determine if it meets the minimum specifications. Factors that may be used to determine total cost may include unit price, installation, maintenance, training and cost of operation (as defined in the bid documents). In case of a discrepancy between a unit price and its extension, the lowest price shall be considered correct. The evaluation and selection shall be based on the criteria set forth in the bid documents.

REBID

A rebid event may become necessary for the following reasons:

- ✓ All acceptable bids exceed the requesting department's cost estimates.
- ✓ None of the bids meet the required minimum specifications.
- ✓ None of the bidders comply with the Request for Formal Bid, Request for Proposal or Request for Quotation's terms and conditions.
- ✓ No bids were received.
- ✓ The requesting department needs to change specifications or quantity, which would have a significant impact on, bid solicitation but, because of timing; such change cannot be handled by an addendum. The City reserves the right to accept, reject, or rebid any of or all parts of a proposal or quotation at any time.

AWARD

All bids shall be presented to the Governing Body for approval. Following Governing Body approval, the City Clerk's Office shall provide written notification to the lowest responsive and responsible bidder who meets the requirements and criteria in the bid documents. Conformity with the specifications and the delivery terms shall be considered in the award process. The bid results shall include a summary of vendor responses. All contracts, leases and lease purchases shall be awarded pending final approval of the Department Director and the City Attorney. Upon award, vendor must obtain a City business license pursuant to City code unless exempted by Federal or State law.

CHALLENGES

A challenge is defined as a written objection by a participating bidder regarding a bid, proposal or quote. The Department Director or designee shall investigate the written challenge and any evidence or documentation submitted with the challenge and issue a written decision. The decision rendered by the City is final.

The written challenge of the bid specifications must be filed with the City Clerk, at least five (5) business days before the bid opening due date and time as listed on the bid documents. Any challenge to bid specifications received after the five (5) business day's deadline shall not be considered by the City. The written challenge is to include the name, address, email address and telephone number of the challenging party, identification of the bid and project title, a detailed statement of the reasons for the challenge, supporting evidence or documentation to substantiate any challenges, and the form of relief requested, (e.g. the proposed addition, substitution or modification to the specifications.)

PROTESTS

A valid protest can only be filed by a bidder which can show that it would be awarded the contract if the protest were successful. Suppliers or subcontractors to a bidder or proposer cannot file a valid protest. The written protest must be filed with the City Clerk prior to 5:00 p.m. on the fifth (5th) business day following the day of issuing a written notification of award. A written protest related to the award of a contract after the five (5) business days deadline shall invalidate that protest and shall not be considered.

The written protest is to include the name, address, email address and telephone number of the bidder, identification of the bid and project title, a detailed statement of the reasons for the protest, supporting evidence or documentation to substantiate any arguments, and a concise statement of the form of relief requested (e.g. reconsideration of the bid award.) All the above required information must be included in the protest when submitted. Incomplete protests shall be rejected without consideration.

The decision of the City, based on review of the written protest and information available from City sources, shall be rendered within ten (10) business days after receipt of protest, recite the reasons for the decision, and be provided to the bidder by mail.

BID BONDS

There are three types of bonds which may be required in the purchasing process: the Bid Bond, Performance Bond and the Labor and Material Payment Bond. If required, the type(s) of bonds shall be specified in the bid packet. Construction projects, services, and major repairs to building equipment may require all three bonds. Vehicle and major equipment purchases exceeding \$100,000 may require a Bid Bond.

NON-COLLUSION BID AFFIDAVIT

In some instances, the City may require bidders to provide a non-collusion affidavit in the bid response. The bidders must complete the affidavit in accordance with the instructions included in the bid packet.

CERTIFICATE OF NON-DISCRIMINATION

In some instances, the City may require bidders to provide a completed certificate of non-discrimination in the bid response. The bidders must complete the certificate of non-discrimination in accordance with the instructions included in the bid packet.

CERTIFICATE OF INSURANCE

The bidder awarded the contract shall furnish a Certificate of Insurance certifying insurance coverage as specified in the bid specifications. The insurance company must state that the contractual liability includes the liability of the City of Pittsburg assumed by the contractor in the contract documents. The certificate must also state that the City of Pittsburg shall be given written notice if the policy is cancelled or changed within ten days prior to the effective date. The "Certificate of Insurance" shall be furnished to the City. Updated Certificates are required for contract renewals.

PURCHASING CARD PROGRAM

The Purchasing Card Program establishes a more convenient, efficient, and cost-effective method of purchasing and paying for small dollar transactions. The program is intended to consolidate many small purchases and make one monthly payment to our sponsoring financial institution. The program is intended to complement the existing purchasing or payment methods.

This policy provides the guidelines which employees must follow when using a city purchasing card. The employee's signature on the Purchasing Card Agreement form indicates that the employee understands the intent of the program and agrees to adhere to the established policies.

The purchasing card is the property of the City of Pittsburg and is only to be used for City purchases as defined in this policy. Misuse of the card will subject the Cardholder to disciplinary action, up to and including termination.

A Cardholder who terminates employment with the City of Pittsburg must return the purchasing card to the Finance Director. Failure to comply will result in the withholding of the final payroll check from the employee until the card is returned. Likewise, a Cardholder who transfers to a position within the City that does not require a purchasing card must return the card to the Finance Director. Failure to comply will result in disciplinary action against the employee.

Cards are limited to \$5,000.00 in total transactions each billing cycle. Cards and card numbers must be safeguarded against use by unauthorized individuals. A renewal card will be automatically mailed to the City prior to the expiration date of the old card. Renewal cards will be distributed after expiring cards are returned.

CARDHOLDER RESPONSIBILITIES

The cardholder must sign the agreement form and the back of the card immediately upon receipt of the card.

If a purchasing card is lost or stolen, immediately notify the Finance Division at 231-4100.

The cardholder is responsible for the following:

- ✓ Security of the card and the transactions made
- ✓ Retaining invoices, sales slips, cash register receipts, and other documentation (documentation should be clearly marked that it is a purchasing card transaction)
- ✓ Ensuring the card is used only for City Business purchases
- ✓ Submitting their documentation to their Department Director or Supervisor within five days from the date of purchase for approval and coding
- ✓ Contacting the vendor to obtain copies of lost receipts
- ✓ In the event a receipt cannot be obtained, an email describing the purchase will be required from the Cardholder

In addition, the Cardholder is responsible for contacting and following up with the vendor on any erroneous charges, disputed items or returns as soon as possible. If the Cardholder is unable to reach agreement with the vendor, the Cardholder shall contact the Purchasing Agent at 231-4100. The Cardholder shall provide the Purchasing Agent with all of the information regarding the dispute.

PURCHASING WITH THE CARD

The purchasing card may be used to purchase goods or services in person (at the point of sale), over the telephone (or fax), by mail or on the internet.

When placing an order in person:

- ✓ Identify yourself as a City employee and show City ID if necessary
- ✓ State that it is a tax-exempt purchase and provide the tax-exempt number
- ✓ Obtain an itemized receipt

When placing an order by telephone (or fax):

- ✓ State that you are making a purchase using a Visa card
- ✓ State that it is a tax-exempt purchase and provide the tax-exempt number
- ✓ Provide the card number and the expiration date
- ✓ Provide information such as delivery address, description of items, etc.
- ✓ Verify the total cost of the purchase with the vendor. Request that the packing slip or receipt comes with the order, save it.

When placing an order on the Internet:

- ✓ Be sure to place orders on a secure Internet site
- ✓ Follow the instructions carefully
- ✓ Ensure the purchase is tax-exempt. If the online form depicts a charge for sales tax, do not complete the transaction. Instead, place the order by telephone.
- ✓ Print an online receipt of the completed transaction

PROHIBITED PURCHASES

The following types of charges are strictly prohibited:

- ✓ Cash advances, cash refunds
- ✓ Personal items
- ✓ Computer hardware or software without the approval of the Information Technology Division

This is not an all-inclusive list. Please check with your Department Director or the Finance Division if you have a question about whether a purchase is allowable. NOTE: Travel expenses charged to purchasing cards must follow the City's travel policy.

DEPARTMENT DIRECTOR RESPONSIBILITIES

The Department Directors are responsible for the following:

- ✓ Requesting a purchasing card for their employees from the Finance Division
- ✓ Approving, coding, and submitting receipts to the Finance Division within five working days from the date of the purchase
- ✓ Ensuring the charges on receipts are for City purchases and no sales tax (if applicable) was added to the transaction
- ✓ Coding the receipt with the appropriate account code
- ✓ Retrieving the card if an employee leaves the department, takes a leave of absence, or assumes different duties that does not require the use of the purchasing card

**To cancel a card or account, the Cardholder's Department Director should contact the Finance Director.

FINANCE DIVISION RESPONSIBILITIES/PAYMENT PROCESS

The Finance Director is responsible for the following:

- ✓ Requesting new cards and updating information with the issuing financial institution
- ✓ Notifying the employee when the card is available for pickup
- ✓ Providing the cardholder with a copy of the City's purchasing card policy upon delivery of the card
- ✓ Ensuring the cardholder signs the agreement form and the back of the card immediately (Signed forms will be retained in City records)
- ✓ Destroying cancelled cards

The Purchasing Agent is responsible for the following:

- ✓ Reconciling the monthly statement with the receipts turned in by all of the Department Directors
- ✓ Checking the receipts for verification of legitimate purchases and no tax (if applicable) has been added to purchases

If any receipts are missing the Purchasing Agent will making a copy of the statement, highlight the missing receipts, and send it to the Cardholder, the Supervisor and the Department Director in order to obtain the missing receipts. Once all receipts are received, the Finance Division will issue one payment to the issuing financial institution for the monthly statement.

**The Finance Director reserves the right to cancel card privileges at any time for failure to comply with Cardholder policies and procedures.

CARDHOLDER VIOLATIONS

Cardholder violations (which could lead to disciplinary action) include:

- ✓ Using the card for non-city related transactions
- ✓ Failing to return the card when you are reassigned, or by request
- ✓ Failing to submit receipts within five working days from the date of the purchase
- ✓ Failing to report a lost or stolen card
- ✓ Using card for unauthorized City purchases

GLOSSARY

Addendum – An addition or supplement to a document.

Best Value – A selection process in which proposals contain both price and qualitative components, and award is based upon a combination of price and qualitative considerations. Qualitative considerations may include technical design, technical approach, quality of proposed personnel, and/or management plan. The award selection is based upon consideration of a combination of technical and price factors to determine the offer deemed most advantageous and of the greatest value to City.

Bid – A written offer to perform a contract to provide goods or services to the City in response to a bid opportunity.

Collusion – When two or more parties act together secretly to achieve a fraudulent or unlawful act. May manifest itself in the form of bid collusion when bidders secretly agree to unlawful practices regarding competitive bidding. May inhibit free and open competition in violation of antitrust laws.

Contract – Any written instrument or electronic document containing the elements of offer, acceptance, and consideration to which the City is a party.

Contractor – An individual, company, corporation, firm or combination thereof in which the City enters into a contract for the procurement of goods or services.

Cooperative Purchasing- Cooperative purchasing is a process by which two or more jurisdictions cooperate to purchase items from the same vendor.

Design-Build – A project delivery method in which the City contracts with a single entity for both the design and construction/implementation of a project.

Designee – A duly authorized representative of a Department Director.

Emergency Purchases – Purchases necessary for preservation of life or property or to avoid serious disruption of City operations.

Invitation for Bids (IFB) – All documents used to solicit competitive or multi-step bids.

Lease Agreements – A contract by which one party (lessee) enters into a contract with a second party (lessor) for possession and use of property (equipment) for a specified period of time at a predetermined cost.

Lease Purchase Agreements – A lease in which the lease payments are applied, in whole or in part, as installment payments for equity or ownership upon receipt of full payment.

May – Denotes the permissive.

Protest - A written objection to a proposed award, or the award of a contract, with the intention of receiving a remedial result.

GLOSSARY continued

Request for Proposal (RFP) – The document used to solicit proposals from potential providers for goods and services. Price is usually not a primary evaluation factor. Provides for the negotiation of all terms, including price prior to contract award. May include a provision for the negotiation of best and final offers. May be a single step or multi-step process.

Requests for Quotation (RFQ) – A small order amount purchasing method. Generally used for small orders under a certain dollar threshold. A request is sent to suppliers along with a description of the commodity or services needed and the supplier is asked to respond with price and other information by a pre-determined date. Evaluation and recommendation for award should be based on the quotation that best meets price, quality, delivery, service, past performance and reliability.

Requisition – An internal purchasing document sent by a Department Director to the Finance Division; a detailed request to purchase goods or services, replenish stocks, or obtain materials for specific jobs or contracts.

Responsible Bidder – A contractor, business entity or individual who is fully capable to meet all of the requirements of the solicitation and subsequent contract. Must possess the full capability, including financial and technical, to perform as contractually required. Must be able to fully document the ability to provide good faith performance.

Responsive Bidder – A contractor, business entity or individual who has submitted a bid or proposal that fully conforms in all material respects to the IFB/RFP and all of its requirements, including all form and substance.

Shall/Must – Denotes the imperative.

Specification – A precise description of the physical or functional characteristics of a product, good or construction item. A description of goods and/or services. A description of what the purchaser seeks to buy and what a bidder must be responsive to in order to be considered for award of a contract. Specifications generally fall under the following categories: design, performance, combination (design and performance), brand name or approved equal, qualified products list and samples. May also be known as a purchasing description.

Vendor – A supplier/seller of goods and services. A reference to a provider of product or service.



DEPARTMENT OF PUBLIC UTILITIES

303 Memorial Drive · Pittsburg KS 66762

(620) 240-5126

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: MATT BACON
Assistant Director of Public Utilities

DATE: June 16, 2015

SUBJECT: Agenda Item – June 23, 2015
Info Tech Bid Express Services
Agency Internet Service and License Agreement

The City staff would like to request Governing Body approval to utilize the services of Info Tech Bid Express to provide online proposal and bidding services for the City of Pittsburg. Bid Express is a secure internet bidding service to streamline the solicitation management process online, which significantly reduces bid and proposal management efforts and processing times. Vendors use the Bid Express service to find solicitations, submit bids/proposals and win jobs, eliminating the expense and hassle of paperwork and travel. The service does all computations and alerts vendors to errors and omissions, producing virtually error-free proposals. The City will also allow the paper options for bidding purposes. Any bids submitted on paper can be entered into the system with an easy-to-use interface. The Bid Express service is available at no cost to the City.

In this regard, would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 23rd, 2015. Action necessary will be approval or disapproval of staff's request to utilize the online bidding services of Info Tech Bid Express and, if approved, authorize the Mayor to execute the Info Tech Bid Express Services Agency Internet Service and License Agreement on behalf of the City.

Attachments: License Agreement and Supporting Documents



Info Tech, Inc.

Info Tech, Inc. (Info Tech) is a private corporation incorporated in the State of Florida. Info Tech has more than 240 employees. More than 40,000 professionals throughout the U.S. and Canada use software developed by Info Tech. Info Tech has been in business since 1977. The firm has more than 30 years of experience in providing software and services to government agencies and has been operating the Bid Express® Internet bidding service since 1999.

The Bid Express® Service

Info Tech operates the Bid Express Internet bidding services. Info Tech's bidding services have been in operation since 1999 and during that period have experienced 99.97% uptime. The services have processed more than 269,000 bids worth more than \$735 billion. Info Tech currently provides Internet bidding to more than 80 public agencies, including 36 state transportation agencies. The Bid Express services now serve more than 11,000 active users.

The core competency of the Bid Express service is to ensure that a bidder/vendor/contractor can successfully send an encrypted, signed and data-validated bid or proposal to an owner-agency over the Internet – for any type of project, service or item that an owner-agency wishes to procure via a sealed bid method.

Reliability

The Bid Express service is available 24 hours per day, seven days a week, every day of the year. The Bid Express service has experienced 99.97% uptime in its 14 years of continuous service.

To ensure the reliability of the Bid Express service, the system is comprised of redundant sets of mirrored hardware. An automatic fail-over is in place in the event of a failure of any of the individual systems. The systems comprising the service are housed in a facility that provides state-of-the-art infrastructure redundancies, including in-line power backup, multiple network providers, multiple path external power sources, and in-house power generation capability. The SAS 70 Type 2 certified facility provides a service level guarantee on all infrastructures. All facility subsystems are monitored 24 hours a day, seven days a week, with alerts sent to Info Tech personnel at the first sign of an anomaly. Finally, the facility is secured by armed guards, magnetic card access, and biometric access.

Business Continuity

The Bid Express service is architected in a highly redundant failover physical environment with clustered web and database servers. This design allows for failure of any of the systems with minimal impact on the overall health of the service. To further the business continuity of the product, the production environment is replicated to a secondary tier location to allow the loss of connectivity at the production site or the complete loss of the physical location with minimal impact on the health of the service.

Info Tech maintains a Disaster Recovery Plan for the Bid Express service that includes provisions to designate disaster events, to direct the DNS to alternate active sites, to verify the health of the service on the alternate site, and includes detailed guidelines for resumption of main site service and appropriate reporting to internal divisions and affected customers.

Info Tech also maintains a rigorous data back-up process ensuring no data is lost nor misplaced. To summarize, this process requires daily back-ups of web and database servers, as well as SQL, and archive dumps. Info Tech monitors and maintains significant activity and process logs, which are sent to an offsite location and are encrypted at rest.



WHITE PAPER

What is Internet bidding and what are the benefits?

Dr. Joseph Rowland
Info Tech, Inc.
January, 2013

Summary

The increasing availability of Internet bidding opportunities shows that agencies are transitioning from paper processes due to the significant benefits that Internet bidding offers. This paper describes the Internet bidding process and demonstrates how it solves many of the problems related to the inefficiencies and flaws inherent in advertising and accepting paper based bids and proposals.

Introduction

Public agencies seeking to procure goods and services priced above a certain threshold are typically required to put such items out for competitive bid. This process is meant to be fair, open and accessible to qualified contractors, vendors and suppliers. Ideally, the information flows easily from owner-agencies to the bidding community, with bidders aware of opportunities available and having ample time to prepare and submit a bid or proposal. Agencies use a variety of processes to distribute an RFP/RFI/RFQ/ITB, but there is a general workflow that all must follow. First, an owner-agency lists and describes the desired goods and/or services and provides the necessary paperwork required for vendors. There may be pre-bid meetings, vendor registration or approval, walkthroughs, or other intermediary steps that bidders must complete in order to be considered eligible to bid. Next, vendors complete the paperwork, include their pricing, obtain notarization of signatures on affidavits and signature pages, and submit sealed bids or proposals by a predetermined deadline. These submittals are often delivered directly to the owner-agency office via a courier or representative of the bidding firm, or are sent via an overnight delivery service. Finally, the owner-agency opens all submitted bids or proposals and, in the most frequent case, the lowest bidder and/or best qualified firm wins the solicitation and performs the work and/or supplies the goods.

While this process seems simple, it is actually quite complex and often becomes more complex over time as procurement rules and requirements change. Due to the competitive nature of bidding and the public funds involved, the process is carefully regulated and closely scrutinized. Procurement officers must remain abreast of ever-changing codes, rules and requirements meant to ensure a fair and secure process. Unfortunately, these laws and rules vary significantly from state to state, city to city, and even within divisions of an agency, making the process complicated for bidders and increasing the likelihood of mistakes. Further complicating the process, a single bid can have hundreds of items, require stacks of forms and affidavits, necessitate a bid bond, include hundreds of computations, and take literally hundreds of person hours to execute. In addition, there is typically no correlation between the complexity

of the bid and the overall size of the potential contract, leaving bidders with the dilemma of whether completing a bid is worth the effort involved for a smaller project or an item that has a slim profit margin. Complexity in bidding increases costs for bidders, which they often build into their prices. This, coupled with the high administrative costs of operating and processing bids means that the agency – and ultimately the tax payer – absorbs these costs.

Internet sealed bid submission debuted in the late 1990s and has extremely high levels of adoption in certain niche areas and virtually no adoption in others. As this technology has matured, more and more public agencies are taking notice and seeking out services to improve their solicitation management process. Upon closer inspection, it is easy to see why. All aspects of the paper bidding process are seamlessly transitioned to online functions (with many becoming irrelevant due to the adoption of technology), along with added checks for errors and omissions. Agencies know that the costs of avoidable errors and inefficiencies of paper-based bidding are astounding; however, many agencies are quickly realizing that bringing the power of technology, the ease of Internet submission, and the security inherent in the best systems helps them make these errors and inefficiencies virtually non-existent.

Paper-based solicitations - inefficiencies for owner- agencies

Additional costs due to bidder error- Purchasing agencies of all sizes and budgets lose thousands, hundreds of thousands, and in some cases, millions of dollars annually due to paper bid submission errors. Competitive solicitations or sealed bidding opportunities often require that several required documents or forms be completed, terms and conditions are recognized, that simple math extensions and totals be performed if a quantity extension of a per-item price is required, and that the submission be signed by the bidder. Often, a bidder's notarized signature and/or initials are required on multiple supplemental documents that must be included with the bid. In attempts to comply with all of these requirements, even a diligent bidder is apt to omit an occasional checkmark, make a simple math error, fail to complete a required form, or to overlook signing on a dotted line. The result for the owner-agency is that they may be required to reject the low bid or proposal. At times, the additional cost and administrative delay to the owner-agency can be damaging to the owner-agency, not to mention the possibility of defending against a legal challenge from the rejected bidder.

Project delays- When a bidder is deemed non-responsive, there can be an occasion when that vendor/contractor will dispute the decision and take action against the successful bidder and/or the owner-agency. This often delays the purchase for the owner-agency and can put the owner-agency behind schedule should the purchase be for a critical service or construction related project. There are many stories of important, public facing projects facing protracted delays due to disputes over problems related to a bid submission. These delays have even led

to agencies missing important deadlines related to funding, meaning federal or state monies earmarked for the project could be lost.

Paper management administrative costs- For an owner-agency, the paper sealed bid process causes labor inefficiencies. After a solicitation package has been finalized, the owner-agency must produce several copies of the package for interested vendors/contractors to pick-up and/or purchase from the owner-agency. The owner-agency must also provide paper copies of supplemental information that is crucial to the bidder, such as plan sheets for a construction project. Agencies spend large amounts of budgeted dollars for staff and supplies to perform these printing and purchasing tasks. Similar administrative costs often occur after the bid opening time when an agency starts its evaluation process if the staff must rely on paper.

*Bid opening-*When paper bids are received, they are carefully stored in a secure place until the bids due time. Many solicitations require that vendors provide multiple copies of their response to the agency for the evaluation team which can become a cumbersome process to manage. Bid openings are also often chaotic scenes, with contractors lining hallways, frantically updating bids due to last minute cost changes from suppliers, and rechecking their math. Bids are then opened by a team and checked for errors and omissions. The team performs manual data entry of total costs to determine a low bidder, or rates proposals on paper to determine best value. This process can take a full day and dozens of staff hours to ensure procedures are followed and processes documented.

Paper-based solicitations - inefficiencies for bidders

Jobs lost due to avoidable errors- Nothing is more upsetting to a bidder than hearing from an owner-agency that his or her sealed bid or proposal is deemed non-responsive due to a clerical or mathematical error. The larger the loss of possible income, the more likely the bidder will be to fight the decision. At times, non-responsive bidders will dispute the award of the successful bidder and/or the owner-agency. The result can be lengthy, time-consuming, litigious situations that put awarded bidders behind schedule, and cause extra expenditures for legal fees.

Paper bidding costs- Vendors/contractors spend many labor hours searching owner-agency advertisements, picking up the proper documentation, compiling hand-written proposals or bids, ensuring that the bids are complete and error free, and delivering sealed paper bids to the owner-agency. Preparing bids and proposals that are dozens of pages long is tedious. If an error or omission is discovered, re-printing and recalculating takes time, effort and labor. These costs are often built into bids and thus are ultimately paid by the owner-agency.

Travel costs- Bidders incur travel and direct staff labor costs to pick up bid packages, attend required owner-agency meetings, and return sealed bids to an owner-agency. This can include costs for gas, pay for employees and fees for couriers. Even a simple overnight package can be expensive when a proposal is large and/or requires

multiple copies. Reducing these direct costs allows more businesses to participate with agencies/buyers, thus expanding and improving competitive pricing.

Reducing an owner-agency's carbon footprint

Internet bidding and solicitation management also makes a positive environmental impact. Owner-agencies can rid themselves of the time, expense and paper waste of printing of bid books, plans, solicitations, plan holders lists and more. Solicitations for complex services or projects containing hundreds of items could easily be hundreds of pages that are printed and then re-printed by both owner-agency and vendor/contractor staff members resulting in major paper waste. Vendors and contractors also avoid driving to the owner-agency to pick up solicitation documents, plans and also to submit proposals or bids. These can be ten-mile trips to a city or county, or 300 mile treks to the state capital. With Internet bidding, all of those CO2 emissions are saved.

Workflows and processes for online solicitation management

With Internet bidding services, owner-agency users build solicitations online using templates and saved components. Given the idiosyncrasies of bidding processes among agencies, these components must be customizable and versatile. Ideally, every aspect of the paper solicitation is created as an interactive electronic form, so that owner-agencies don't need to make drastic changes to their processes. Owner-agencies may mark fields/sections as mandatory or optional as desired and identify sections as alternates if required. The contract preparation tools within the service also allow for the attachment of files that may be downloaded, and if needed, completed and returned with the vendor's proposal or bid. The owner-agency sets a solicitation opening deadline and puts the solicitation out for bid via the online service.

Owner-agencies can inform their suppliers or contractors of the online solicitation in many ways. They can create links from their website and send emails containing a link to the solicitation to their business partner community. As the use of the bidding website grows among the business community, this becomes less of a burden on the owner-agency since vendors can sign-up via the bidding service to be alerted any time a particular owner-agency posts a solicitation.

Firms who are interested in a given solicitation can then select it for bidding. Bidders fill in the required forms and solicitation requirements, as well as prices, which are automatically extended and totaled. Additionally, the service overtly alerts the bidder when a submission is incomplete.

To ensure the integrity of the sealed bidding process, bidders must register notarized paperwork with the bidding service to verify the identity of the signer of the bid and provide a digital key for signature and encryption. Bidders can enter, revise, withdraw, and re-enter bids or proposal content at any time until the bid submission deadline. All submissions, including attachments included with the bid, are digitally signed, encrypted and securely transmitted to a lock box. Since the bids are encrypted while in the lock box, they cannot be accessed by any party other than the bidder. Once the bid submission deadline has passed, only the owner-agency is able to open and view the submitted proposals/bids. "Bids as read" can then be posted to the Internet as "apparent bids" directly under the owner-agency's control.

In the solicitation process, changes are common. When an owner-agency needs to issue an addendum or amendment, following protocol and communicating updates is of the utmost importance. With online solicitation management services, agencies can be assured that bidders are automatically alerted to addenda/amendments, and that overt visual cues and managed processes within the bid preparation system made it virtually impossible to submit a proposal without them.

For both agencies and bidders, the technology involved in online solicitation management is very approachable. Chances are, if an individual has ever made a purchase online, he/she has enough technical know-how to manage solicitations online and respond to them. There is typically no special equipment needed - just a computer with Internet access and a standard web browser. Live customer support provided by the service provider can be a benefit for the first few solicitations and provide bidders with just-in-time training to instill confidence that their bids are delivered securely and completely

Conclusion

The age-old method of accepting paper bids and proposals is being pushed aside for online solutions that reduce costs for both owner-agencies and bidders, eliminate avoidable errors associated with solicitation management, and save time in removing the handling of paper documents. All aspects of the paper bidding process are available electronically, so the transition is simple and easy and leads to significant gains in efficiency. Adoption by public agencies is spreading quickly with the many benefits in mind. Vendors/bidders are on board as well given the convenience of submitting secure, complete bids from their office or wherever they connect. Environmental benefits are an added plus.

About the author

Dr. Joseph Rowland has been actively engaged in the development and promotion of Internet bidding and bonding technologies since 2007. He works directly with public agencies who are researching and/or implementing Internet bidding services. Dr. Rowland works for Info Tech, Inc., a company that has been providing Internet bidding and online bid bond verification services since 1999. Dr. Rowland is currently Director of the Info Tech products team. In this capacity, he collects and manages product and service development input from various stakeholders and channels it to the development teams. He works closely with the development teams for Info Tech's Internet bidding applications.



Prior to joining Info Tech, Dr. Rowland worked as the Lead Instructional Designer for the V-22 Osprey Pilot Training Program. As a civilian contractor, he worked with United States Marine Corps, Air Force, and Navy pilots and trainers, graphic designers and subject matter experts to develop and maintain training courseware for incoming and transitioning pilots. He has also worked on a variety of instructional media projects and has experience as a university level educator and teacher trainer both in the United States and abroad.

Dr. Rowland holds a Ph.D. in Instructional Technology from the University of Texas at Austin. He specialized in Instructional Media and the integration of technology into curricula and instructional training programs.

About Info Tech, Inc.

Established in 1977 and based in Gainesville, Florida, Info Tech, Inc. provides software development, Internet bidding and systems integration services for infrastructure construction management, and also provides highly technical consulting and network communications services. Info Tech' software products, services and professionals serve public agencies, consulting engineers, contractors and bidders. Info Tech has a highly skilled workforce of more than 230 professionals, and maintains regional and project offices throughout the U.S.

Additional copies of this paper are available upon request. Please contact info@infotechfl.com.



5700 SW 34th Street Suite 1235 • Gainesville, Fla. 32608-5371 USA
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A proven online proposal and bidding service that is convenient and cost-effective for vendors and owner-agencies

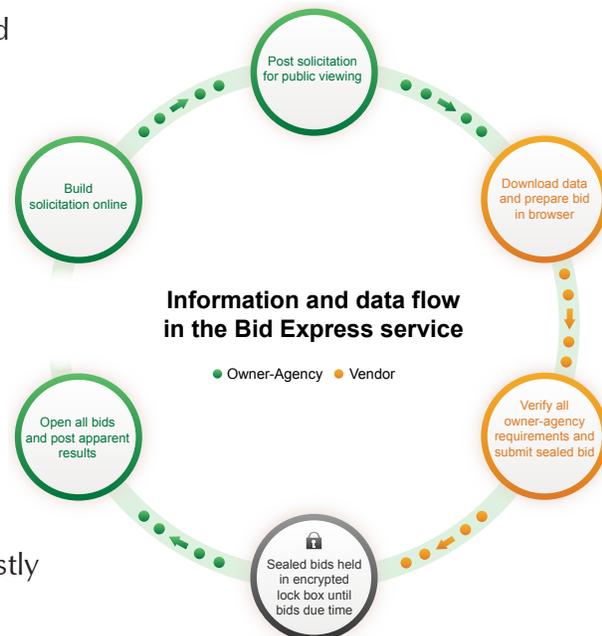


Owner-agencies use the Bid Express service to streamline the solicitation management process online using only a web browser. Internet technology significantly reduces bid and proposal management efforts and processing times. As an owner-agency, you can:

- Assemble and post a custom solicitation in minutes with drag-and-drop selections using the **Bid Express SmartForms™** feature, and easily save and re-use your templates
- Receive sealed, secure, encrypted resulting in proposals that are accurate, complete, and consistent
- Eliminate bid bond paperwork and authenticity concerns with online bond verification via S2000, Inc. and InSure Vision Technologies, LLC.
- Automatically communicate updates/addenda to your vendor community
- Offer plan sheets and proposal related documents online
- Get better prices when bidders can easily resubmit bids to accommodate last minute price cuts
- Post apparent results minutes after the bid opening
- Increase competition and participation with greater exposure online
- Eliminate redundant data entry, reduce paper and clerical errors

Your agency can preserve the integrity of the proposal process while experiencing the efficiency and cost savings of a user-friendly, online system.

The Bid Express service is flexible and easy to implement. Plus you can experience the convenience of **software-as-a-service** - no costly installs or lengthy implementations.



visit www.bidexpress.com



Why choose Info Tech, Inc. for bidding?

- Our bidding services have been in operation since **1997** with **99.97%** uptime
- We have processed more than **305,000** bids worth more than **\$854 billion**
- **100%** of our owner/agencies are satisfied with our service (Dec. 2008 survey)
- We use **secure encryption and lockbox technology** to ensure bids are safe

How do vendors submit proposals online?

Vendors use the Bid Express service to find solicitations, submit bids/proposals and win jobs, eliminating the expense and hassle of paperwork and travel. The service does all computations and alerts vendors to errors and omissions, producing virtually error-free proposals. Your vendors can:

- Quickly search for opportunities from a variety of owner-agencies
- Prepare and send a web-based, sealed, secure proposal
- Electronically verify bid bonds via S2000, Inc. and InSure Vision Technologies, LLC.
- Submit and resubmit proposals up until the bid opening time
- View solicitation-related documents online, including plans
- View apparent results as soon as they are posted
- Choose a payment method: flat fee per solicitation or a nationwide unlimited subscription
- Do more for **FREE**: free registration, free Info Tech Digital ID, and free document viewing

Vendors use a web browser to prepare and electronically sign their proposals/bids and submit them over the Internet using the Bid Express service. There is no need to print proposals on paper or save them to a disk. Digital signatures are encrypted and held to verify the bidder's identity prior to submission. Once submitted, proposals are held in a secure electronic "lock box," inaccessible to any parties, including the agency and the Bid Express team, until the official bid opening time. Vendors don't need to pay exorbitant fees - a flat fee per bid is all it takes, and it is comparable to paying for a delivery service.

What else do I need to know?

Still want to offer a paper option? Sure. Any bids submitted on paper can be entered into the system with an easy-to-use interface.

Worried about support and training? Don't. The Bid Express team will notify and train your vendors at no charge. You and your bidders will also have access to exceptional live, toll-free customer support.

How much does it cost? Zero. The Bid Express service (www.bidexpress.com) is available at no cost to public agencies.

Discover your savings...

Time spent:

- + Assembling bid packets
- + Processing bonds
- + Logging/securing bids
- + Tabulating bids

X

Employees' hourly rate &
of solicitations per year

=

\$

Your
agency's
ROI

**Schedule your educational webinar to learn more.
Call us today or visit www.bidexpress.com**

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INFO TECH BID EXPRESS SERVICES AGENCY INTERNET SERVICE AND LICENSE AGREEMENT

This Internet Service and License Agreement (the "Agreement") for the Info Tech Bid Express Services is made between:

City of Pittsburg, ("Agency")
An Agency of the State of
KS("Agency State")
303 Memorial Drive
Pittsburg, Kansas 66762

Info Tech, Inc., ("Info Tech")
A Florida Corporation,
5700 SW 34th St., Suite 1235
Gainesville, FL 32608

1. TERM

1.1 Initial and Renewal Terms: This Agreement shall be operative during Agency's fiscal year beginning on _____ and ending on _____ and, unless terminated according to the terms of this Agreement, shall automatically renew for the four following Agency fiscal years.

2. LICENSE

2.1 Grant of License: Info Tech grants Agency a non-exclusive, non-transferable license to use the Bid Express Services, defined below in **Section 3: AGENCY BID EXPRESS SERVICES**. Agency's rights in the Bid Express Services are that of a licensee only, and no ownership or title in the Bid Express Services, software, or documentation are created by this Agreement. The license includes the right to copy and distribute to Agency employees documentation which may be provided to Agency by Info Tech, provided that the documentation is distributed or reproduced in its entirety, including all copyright, patent, trademark, or other notices. The license also includes the right to refer to and display Info Tech trademarks and service marks on Agency's website and written documentation as needed, provided that sufficient trademark notices are displayed as requested at: https://www.infotechfl.com/legal_notices/documents/trademarks.pdf.

3. AGENCY BID EXPRESS SERVICES

3.1 Info Tech Bid Express Services: Info Tech shall, while this Agreement is operative, operate and make available to Agency and Agency's contractors the Bid Express Services. The Bid Express Agency Services are defined in **Exhibit A: THE BID EXPRESS AGENCY SERVICES**.

4. AGENCY'S OBLIGATIONS

4.1 Agency Employee Access Administration: Agency shall determine the number of Agency employees that will be authorized to use the Bid Express Services, and shall take all necessary steps to prevent unauthorized access and use of the Bid Express Services. If Agency learns of any unauthorized access or use of the Bid Express Services, Agency must notify Info Tech immediately of the unauthorized use or access.

4.2 Bid Responsiveness Determination: Agency shall be the sole and exclusive authority for all decisions concerning substantive and procedural determinations concerning the sufficiency of all bids submitted to Agency via the Bid Express Services.

4.3 Competing Services: Agency shall not use the Bid Express Services for the procurement or acquisition of any services which compete with Info Tech services, without Info Tech's prior written consent.

4.4 Notice of Issues/Complaints: Agency shall promptly notify Info Tech of any system problems or user complaints, of which Agency is aware, concerning Info Tech's performance under this Agreement.

4.5 Bid Tabulation Data: Agency shall post bid tabulation data to the Bid Express Services within two weeks after bid award. Agency agrees that Info Tech may use the bid tab data posted by Agency in Info Tech's other offerings and services.

5. CONFIDENTIAL INFORMATION

5.1 Acknowledgement and definitions: Each party acknowledges that it will have access to certain confidential information of the other party concerning the other party's business, plans, technology, and products, including the terms and conditions of this Agreement ("Confidential Information"). Confidential Information will include, but not be limited to, each party's proprietary software and Agency information protected from release by Agency State law. Each party agrees that it will not use in any way, for its own account or the account of any third party, except as expressly permitted by this Agreement, nor disclose to any third party (except as required by applicable open records laws or to that party's attorneys, accountants and other advisors as reasonably necessary), any of the other party's Confidential Information and will take reasonable precautions to protect the confidentiality of such information.

5.2 Exceptions: Information will not be deemed Confidential Information hereunder if such information: (i) is known to the receiving party prior to receipt from the disclosing party directly or indirectly from a source other than one having an obligation of confidentiality to the disclosing party; (ii) becomes known (independently of disclosure by the disclosing party) to the receiving party directly or indirectly from a source other than one having an

obligation of confidentiality to the disclosing party; (iii) becomes publicly known or otherwise ceases to be secret or confidential, except through a breach of this Agreement by the receiving party; or (iv) is independently developed by the receiving party.

5.3 Notice prior to disclosure: In the event a request is made for Info Tech's confidential information under any open records or freedom of information law applicable to Agency, Agency will promptly notify Info Tech and permit Info Tech to oppose the release of the confidential information under applicable laws. Info Tech acknowledges and agrees that it will have no longer than 72 hours from the date any such request was received by Agency to exercise its rights under this provision, regardless of when Info Tech was notified.

6. WARRANTY AND DISCLAIMER

6.1 NO WARRANTY: EXCEPT AS AND UNLESS EXPRESSLY STATED ELSEWHERE, THE BID EXPRESS SERVICES ARE PROVIDED ON AN "AS IS" BASIS, AND AGENCY'S USE OF THE BID EXPRESS SERVICES IS AT ITS OWN RISK. INFO TECH DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS AND/OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. INFO TECH DOES NOT WARRANT THAT THE BID EXPRESS SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE.

7. LIMITATIONS ON LIABILITY

7.1 Damage to Agency Equipment or Business: Info Tech assumes no liability for any damage to, or loss relating to, Agency's Business resulting from any cause whatsoever. Info Tech assumes no liability for any damage to, or loss of, any Agency Equipment resulting from any cause other than Info Tech's negligence or willful misconduct. To the extent Info Tech is liable for any damage to, or loss of, the Agency Equipment for any reason, such liability will be limited solely to the then-current value of the Agency Equipment.

7.2 Exclusions: Except as and unless expressly stated elsewhere, in no event will Info Tech be liable to Agency, any Representative, or any third party for any claims arising out of or related to this Agreement, Agency Equipment, Agency's Business or otherwise, and any lost revenue, lost profits, replacement goods, loss of technology, rights or services, direct, incidental, punitive, indirect or consequential damages, loss of data, or interruption or loss of use of service or of any Agency Equipment or Agency's Business, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

8. INDEMNIFICATION

8.1 Info Tech's Indemnification of Agency: Info Tech will indemnify, defend and hold Agency harmless from and against any and all costs, liabilities, losses, and expenses (including, but not limited to, reasonable attorneys' fees) resulting from any claim, suit, action, or proceeding brought against Agency alleging: the infringement of any third party registered U.S. copyright or issued U.S. patent resulting from the provision of Bid Express Services pursuant to this Agreement, excluding any infringement caused by Agency's Business or Agency Equipment; and personal injury to Agency's Representatives from Info Tech's negligence or willful misconduct. Each party will provide the other party prompt written notice of the existence of any copyright or infringement legal action which may involve the other party, and an opportunity to participate in the defense.

9. TERMINATION

9.1 For Convenience by Either Party: Either party may terminate this Agreement for convenience at any time by providing ninety days' prior written notice to the other party at any time thereafter.

9.2 For Cause: Either party will have the right to terminate this Agreement if: (i) the other party breaches any material term or condition of this Agreement and fails to cure such breach within thirty days after receipt of written notice of the same, except in the case of failure to pay fees, which must be cured within five days after receipt of written notice from Info Tech; (ii) the other party becomes the subject of a voluntary petition in bankruptcy or any voluntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors; or (iii) the other party becomes the subject of an involuntary petition in bankruptcy or any involuntary proceeding relating to insolvency, receivership, liquidation, or composition for the benefit of creditors, if such petition or proceeding is not dismissed within sixty (60) days of filing.

9.3 No Liability for Termination: No party will be liable to any other party to this Agreement for a termination or expiration of this Agreement in accordance with its terms.

9.4 Effect of Termination: Upon the effective date of expiration or termination of this Agreement: (1) Info Tech will immediately cease providing the Bid Express Agency Services; (2) any and all payment obligations of Agency under this Agreement will become due immediately; (3) within thirty days after such expiration or termination, each party will return all Confidential Information of the other party in its possession at the time of expiration or termination and will not make or retain any copies of such Confidential Information except as required to comply with any applicable legal or accounting record keeping requirement; (4) Info Tech may delete any Agency data, including bid data, in Info Tech's possession; and (5) Agency will remove from all Agency Equipment all Bid Express software and documentation within five days of such expiration or termination and either certify destruction of or return to Info Tech the software and

EXHIBIT A: THE BID EXPRESS AGENCY SERVICES

_____ Info Tech Agency Bid Express Services for use with the AASHTOWare Project Expedite software or the Info Tech Expedite software (services located at www.bidx.com).

_____ Info Tech Agency Bid Express Services with SmartForms (services located at www.bidexpress.com).

1. AGENCY PROCUREMENT NOTICES AND ELECTRONIC BID SERVICES:

1.1 Info Tech shall provide an internet site available to all contractors, bidders, and potential contractors or bidders (hereinafter "User" or "Users"), on which AGENCY may post procurement information, bid requirements, project notices, and letting results.

1.2 Upon a User's registration and payment of applicable fees, if any, Info Tech shall provide the User with an account for the Bid Express Services, which will allow the User to view solicitations posted by one or more agencies.

1.3 For Users with certain subscriptions and registered Info Tech Digital IDs, Info Tech shall provide a service with which the User can submit an electronic bid upon a selected project. The bid shall be stored in a secure format until the bid acceptance date and time designated by Agency. Users may only submit bids which, as verified by the Bid Express Services verification process, adhere to Agency's requirements for form and format, and which contain all information required by Agency in Agency's Instructions to Bidders.

1.4 At the Agency's designated bid acceptance date and time, Info Tech shall terminate the acceptance of any new bids or changes to existing bids, and shall release the accepted bids for retrieval by Agency, in the format specified by Agency.

2. FUTURE SERVICES

2.1 Should Agency accept additional future Bid Express services from Info Tech (e.g., future functionality, enhancements) such services shall be governed by the terms and conditions of this Agreement.



DEPARTMENT OF PUBLIC UTILITIES

303 Memorial Drive · Pittsburg KS 66762

(620) 240-5126

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: MATT BACON
Assistant Director of Public Utilities

DATE: June 16, 2015

SUBJECT: Agenda Item – June 23, 2015
State of Kansas Purple Wave Auction Services

The City staff would like to request Governing Body approval to utilize the services of Purple Wave, Inc. as a means to dispose of miscellaneous surplus property. The City of Pittsburg has utilized the services of Purple Wave, Inc. in the past. In order to again utilize these services, the City will be required to update its information through completion of the attached Auction Engagement Agreement. Exhibit 1 of the agreement will only need to be completed when the City has surplus property to sell.

Purple Wave, Inc. is an agent of the State of Kansas Department of Administration (Contract No. 36345, originally dated October 29, 2011) to deliver its auction services and sell assets and is also available to other State of Kansas agencies and political subdivisions. There is no fee associated with this service, as Purple Wave, Inc. collects a 10% buyer's fee from all winning bidders. Other notes of importance for this service include:

- 1) All items to be sold at auction will start at \$10 with no reserve.
- 2) Purple Wave, Inc. is an online bidding service, so it will have world-wide exposure.
- 3) Government auctions are held once a month. Items to be sold do not just include vehicles but all surplus or salvageable materials (i.e. lawnmowers, IT equipment, and old scoreboards).

(Additional provisions are outlined in the Auction Engagement Agreement).

MEMO TO: DARON HALL
JUNE 16, 2015
PAGE TWO

The auction services of Purple Wave, Inc. are not only used by the State of Kansas, but by numerous government agencies including municipalities and counties.

In this regard, would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 23rd, 2015. Action necessary will be approval or disapproval of staff's request to utilize the auction services of Purple Wave, Inc. to dispose of surplus property and, if approved, authorize the City staff to update its information through the completion of the Auction Engagement Agreement and to designate the Director of Finance Jamie Clarkson and the City Clerk Tammy Nagel as authorized representatives to execute all necessary documents on behalf of the City of Pittsburg for these services.

If you have any questions concerning this matter, please do not hesitate to contact me.

Attachments: State of Kansas Contract
 State of Kansas Contract Amendment
 Purple Wave, Inc. Auction Engagement Agreement

CONTRACT AWARD

Date of Award: October 29, 2011

Contract ID: 36345AA
Event Number: EVT0000761
Replaces Contract: 10393

Procurement Officer: Brienne Wilkins
Telephone: 785/296-2770
E-Mail Address: brienne.wilkins@da.ks.gov
Web Address: <http://admin.ks.gov/offices/procurement-and-contracts>

Item: Auctioneering Services—Online

Agency/Business Unit: Statewide

Period of Contract: November 1, 2011 through October 31, 2015
(with one (1) optional one (1) year renewal)

Contractor: Purple Wave Auction Company
825 Levee Drive
Manhattan, Kansas 66502
Vendor ID: 0000018143
Local Telephone: 785-537-7653
Fax: 785-539-3837
FEIN: 26-0724318
Contact Person: Aaron McKee
Email: aaron@purplewaveauction.com

Amendments: Amendment 1—Contract renewal through October 31, 2015

Payment Terms: Net 30 Days

Political Subdivisions: Pricing is available to the political subdivisions of the State of Kansas.

Procurement Cards: Agencies may not use a P-Card for purchases from this contract.

Administrative Fee: Administrative Fees have been incorporated into the unit prices of this contract.

Pricing

10% Buyer's Fee

Additional charges may be leveled on the buyer for duties outside the normal scope.

SPECIFICATIONS

This contract is to provide online auction services for **ALL** of the agencies of the State of Kansas and interested political subdivisions. A political subdivision is any tax supported Kansas entity such as cities, counties, school districts, etc.

Auction services shall include the sale of used equipment, furniture, chairs, bookcases, file cabinets, tools, machinery, vehicles, etc.

The State reserves the right to allow agencies to perform off contract live auctions or use other auction services if that is in the best interest of the State.

Responsibilities:

1. The contractor shall be responsible for preparing advertisements and placing ads but the State will control the dollar volume spent for each auction. All advertising must be pre-approved by the auction administrator designated by the agency of record.
2. Upon request, the contractor shall arrange any event advertising, merchandise cataloging, merchandise moving, merchandise storage, and merchandise preparation for sale at the expense of the selling agency.
3. The auctioneer shall arrange and accept all forms of payment authorized by the selling agency. Any collection fees including check guarantee fees and credit card discount fees for services requested shall be deducted from the settlement.
4. Any additional expenses above the auction commission must be pre-approved by the auction administrator in the auction engagement agreement. The State reserves the right to provide any of these services through other vendors or internal agencies.
5. In case of a buyer default, the auctioneer will forego any commission on the sale of the item but not be liable for the purchase price.
6. The contractor has the right to impose reasonable fees and penalties upon buyers who request additional services or fail to comply with the terms of the auction. Examples would include collection costs, late pickup fees, shipping and handling fees, rigging and loading fees, and handling fees for non-retrieved merchandise.
7. Upon request, the State reserves the right to authorize contractor to start and move equipment for the purpose of arrangement, display or demonstration if required.
8. By utilizing this contract, the State engages the contractor as the agent of the seller for purposes related to the auction. Contractor shall have the authority to execute bills of sale to purchasers at the auction and to receive, demand, and collect sale proceeds.
9. Titles will be signed and sent to contractor for dispersal or proper Power of Attorney forms will be provided to contractor's staff for title distribution. All titles will be filled out with a buyers name and photocopied prior to being distributed to buyers. Titles will not be distributed until all reasonable actions have been taken to verify that payments are valid.
10. The State assumes, and indemnifies contractor, from all risk and liability, which may arise from the failure of consigned articles to comply with government regulations, including environmental regulations, and seller shall pay all costs of cleanup of such articles and any other costs.
11. The contractor agrees to have the final settlement completed within seven (7) working days following the final day of payments as outlined in the terms of the auction, the contractor shall submit for final settlement an accounting of all auction expenses, any pertinent receipts, a summary of all items sold, to whom those items were sold, and the

amount for each item sold, the total proceeds of the sale, the auctioneering fee and expenses as agreed, and the net proceeds of the sale.

12. The contractor shall be responsible for enforcing all terms of the sale agreed upon by both parties during negotiations and auction planning.
13. The Contractor shall be responsible for securing all necessary licenses, certifications and permits, if any, for selling surplus property over the Internet.

Procedures:

1. An auction administrator will be designated by each agency to handle the financial and legal communications regarding the auction.
2. An on-site coordinator will be designated by the auction administrator for each physical merchandise location. The on-site coordinator will serve as a point of contact for assistance with physical descriptions, inspection times, any loading assistance offered, pick up arrangements, and shipping arrangements if applicable.
3. The on-site coordinator will oversee the release of the auction merchandise unless other arrangements are made prior to the auction.
4. An auction planning form will be completed which outlines the procedures for merchandise pickup and customer communication with the agency. The coordinator will oversee the completion of all appropriate disclosure forms a minimum of two weeks prior to the auction date.
5. For each agency that uses this contract, the contractor must prepare an agency engagement letter that outlines the terms of the sale including the commission to be charged, maximum sale expenses and an inventory of the items to be sold in accordance with the terms of this contract.

TERMS AND CONDITIONS

Contract Documents: In the event of a conflict in terms of language among the documents, the following order of precedence shall govern:

- Form DA 146a;
- written modifications to the executed contract;
- written contract signed by the parties;
- the RFP, including any and all amendments; and
- Contractor's written proposal submitted in response to the RFP as finalized.

Contract Formation: No contract shall be considered to have been entered into by the State until all statutorily required signatures and certifications have been rendered and a written contract has been signed by the contractor.

Notices: All notices, demands, requests, approvals, reports, instructions, consents or other communications (collectively "notices") that may be required or desired to be given by either party to the other shall be IN WRITING and addressed as follows:

Kansas Division of Purchases
900 SW Jackson St, Room 102N
Topeka, Kansas 66612-1286
RE: EVT0000761

or to any other persons or addresses as may be designated by notice from one party to the other.

Termination for Cause: The Director of Purchases may terminate this contract, or any part of this contract, for cause under any one of the following circumstances:

- the Contractor fails to make delivery of goods or services as specified in this contract;
- the Contractor provides substandard quality or workmanship;
- the Contractor fails to perform any of the provisions of this contract, or
- the Contractor fails to make progress as to endanger performance of this contract in accordance with its terms.

The Director of Purchases shall provide Contractor with written notice of the conditions endangering performance. If the Contractor fails to remedy the conditions within ten (10) days from the receipt of the notice (or such longer period as State may authorize in writing), the Director of Purchases shall issue the Contractor an order to stop work immediately. Receipt of the notice shall be presumed to have occurred within three (3) days of the date of the notice.

Termination for Convenience: The Director of Purchases may terminate performance of work under this contract in whole or in part whenever, for any reason, the Director of Purchases shall determine that the termination is in the best interest of the State of Kansas. In the event that the Director of Purchases elects to terminate this contract pursuant to this provision, it shall provide the Contractor written notice at least 30 days prior to the termination date. The termination shall be effective as of the date specified in the notice. The Contractor shall continue to perform any part of the work that may have not been terminated by the notice.

Debarment of State Contractors: Any Contractor who defaults on delivery or does not perform in a satisfactory manner as defined in this Contract may be barred for a period up to three (3) years, pursuant to KSA 75-37,103, or have their work evaluated for pre-qualification purposes pursuant to K.S.A. 75-37,104.

Rights and Remedies: If this contract is terminated, the State, in addition to any other rights provided for in this contract, may require the Contractor to transfer title and deliver to the State in the manner and to the extent directed, any completed materials. The State shall be obligated only for those services and materials rendered and accepted prior to the date of termination.

In the event of termination, the Contractor shall receive payment prorated for that portion of the contract period services were provided to or goods were accepted by State subject to any offset by State for actual damages including loss of federal matching funds.

The rights and remedies of the State provided for in this contract shall not be exclusive and are in addition to any other

rights and remedies provided by law.

Force Majeure: The Contractor shall not be held liable if the failure to perform under this contract arises out of causes beyond the control of the Contractor. Causes may include, but are not limited to, acts of nature, fires, tornadoes, quarantine, strikes other than by Contractor's employees, and freight embargoes.

Waiver: Waiver of any breach of any provision in this contract shall not be a waiver of any prior or subsequent breach. Any waiver shall be in writing and any forbearance or indulgence in any other form or manner by State shall not constitute a waiver.

Independent Contractor: Both parties, in the performance of this contract, shall be acting in their individual capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor accepts full responsibility for payment of unemployment insurance, workers compensation, social security, income tax deductions and any other taxes or payroll deductions required by law for its employees engaged in work authorized by this contract.

Staff Qualifications: The Contractor shall warrant that all persons assigned by it to the performance of this contract shall be employees of the Contractor (or specified Subcontractor) and shall be fully qualified to perform the work required. The Contractor shall include a similar provision in any contract with any Subcontractor selected to perform work under this contract.

Failure of the Contractor to provide qualified staffing at the level required by the contract specifications may result in termination of this contract or damages.

Subcontractors: The Contractor shall be the sole source of contact for the contract. The State will not subcontract any work under the contract to any other firm and will not deal with any subcontractors. The Contractor is totally responsible for all actions and work performed by its subcontractors. All terms, conditions and requirements of the contract shall apply without qualification to any services performed or goods provided by any subcontractor.

Proof of Insurance: Upon request, the Contractor shall present an affidavit of Worker's Compensation, Public Liability, and Property Damage Insurance to the Division of Purchases.

Conflict of Interest: The Contractor shall not knowingly employ, during the period of this contract or any extensions to it, any professional personnel who are also in the employ of the State and providing services involving this contract or services similar in nature to the scope of this contract to the State. Furthermore, the Contractor shall not knowingly employ, during the period of this contract or any extensions to it, any state employee who has participated in the making of this contract until at least two years after his/her termination of employment with the State.

Confidentiality: The Contractor may have access to private or confidential data maintained by State to the extent necessary to carry out its responsibilities under this contract. Contractor must comply with all the requirements of the Kansas Open Records Act (K.S.A. 42-215 *et seq.*) in providing services under this contract. Contractor shall accept full responsibility for providing adequate supervision and training to its agents and employees to ensure compliance with the Act. No private or confidential data collected, maintained or used in the course of performance of this contract shall be disseminated by either party except as authorized by statute, either during the period of the contract or thereafter. Contractor must agree to return any or all data furnished by the State promptly at the request of State in whatever form it is maintained by Contractor. On the termination or expiration of this contract, Contractor will not use any of such data or any material derived from the data for any purpose and, where so instructed by State, will destroy or render it unreadable.

Nondiscrimination and Workplace Safety: The Contractor agrees to abide by all federal, state and local laws, and rules and regulations prohibiting discrimination in employment and controlling workplace safety. Any violations of applicable laws or rules or regulations may result in termination of this contract.

Environmental Protection: The Contractor shall abide by all federal, state and local laws, and rules and regulations regarding the protection of the environment. The Contractor shall report any violations to the applicable governmental agency. A violation of applicable laws or rule or regulations may result in termination of this contract for cause.

Hold Harmless: The Contractor shall indemnify the State against any and all loss or damage to the extent arising out of the Contractor's negligence in the performance of services under this contract and for infringement of any copyright or

patent occurring in connection with or in any way incidental to or arising out of the occupancy, use, service, operations or performance of work under this contract.

The State shall not be precluded from receiving the benefits of any insurance the Contractor may carry which provides for indemnification for any loss or damage to property in the Contractor's custody and control, where such loss or destruction is to State property. The Contractor shall do nothing to prejudice the State's right to recover against third parties for any loss, destruction or damage to State property.

Care of State Property: The Contractor shall be responsible for the proper care and custody of any State owned personal tangible property and real property furnished for Contractor's use in connection with the performance of this contract. The Contractor shall reimburse State for such property's loss or damage caused by Contractor, normal wear and tear excepted.

Prohibition of Gratuities: Neither the Contractor nor any person, firm or corporation employed by the Contractor in the performance of this contract shall offer or give any gift, money or anything of value or any promise for future reward or compensation to any State employee at any time.

Retention of Records: Unless the State specifies in writing a different period of time, the Contractor agrees to preserve and make available at reasonable times all of its books, documents, papers, records and other evidence involving transactions related to this contract for a period of five (5) years from the date of the expiration or termination of this contract.

Matters involving litigation shall be kept for one (1) year following the termination of litigation, including all appeals, if the litigation exceeds five (5) years.

The Contractor agrees that authorized federal and state representatives, including but not limited to, personnel of the using agency; independent auditors acting on behalf of state and/or federal agencies shall have access to and the right to examine records during the contract period and during the five (5) year post contract period. Delivery of and access to the records shall be within five (5) business days at no cost to the State.

Antitrust: If the Contractor elects not to proceed with performance under any such contract with the State, the Contractor assigns to the State all rights to and interests in any cause of action it has or may acquire under the anti-trust laws of the United States and the State of Kansas relating to the particular products or services purchased or acquired by the State pursuant to this contract.

Modification: This contract shall be modified only by the written agreement and approval of the parties. No alteration or variation of the terms and conditions of the contract shall be valid unless made in writing and signed by the parties. Every amendment shall specify the date on which its provisions shall be effective.

Assignment: The Contractor shall not assign, convey, encumber, or otherwise transfer its rights or duties under this contract without the prior written consent of the State. State may reasonably withhold consent for any reason.

This contract may terminate for cause in the event of its assignment, conveyance, encumbrance or other transfer by the Contractor without the prior written consent of the State.

Third Party Beneficiaries: This contract shall not be construed as providing an enforceable right to any third party.

Captions: The captions or headings in this contract are for reference only and do not define, describe, extend, or limit the scope or intent of this contract.

Severability: If any provision of this contract is determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this contract shall not be affected and each provision of this contract shall be enforced to the fullest extent permitted by law.

Governing Law: This contract shall be governed by the laws of the State of Kansas and shall be deemed executed in Topeka, Shawnee County, Kansas.

Jurisdiction: The parties shall bring any and all legal proceedings arising hereunder in the State of Kansas District Court of Shawnee County, unless otherwise specified and agreed upon by the State of Kansas. Contractor waives personal service of process, all defenses of lack of personal jurisdiction and forum non conveniens. The Eleventh Amendment of

the United States Constitution is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this Agreement shall be deemed a waiver of the Eleventh Amendment.

Mandatory Provisions: The provisions found in Contractual Provisions Attachment (DA 146a) are incorporated by reference and made a part of this contract.

Integration: This contract, in its final composite form, shall represent the entire agreement between the parties and shall supersede all prior negotiations, representations or agreements, either written or oral, between the parties relating to the subject matter hereof. This Agreement between the parties shall be independent of and have no effect on any other contracts of either party.

Debarment of State Contractors: Any Contractor who defaults on delivery or does not perform in a satisfactory manner as defined in this Agreement may be barred for up to a period of three (3) years, pursuant to K.S.A. 75-37,103, or have its work evaluated for pre-qualification purposes. Contractor shall disclose any conviction or judgment for a criminal or civil offense of any employee, individual or entity which controls a company or organization or will perform work under this Agreement that indicates a lack of business integrity or business honesty. This includes (1) conviction of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract or in the performance of such contract or subcontract; (2) conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property; (3) conviction under state or federal antitrust statutes; and (4) any other offense to be so serious and compelling as to affect responsibility as a state contractor. For the purpose of this section, an individual or entity shall be presumed to have control of a company or organization if the individual or entity directly or indirectly, or acting in concert with one or more individuals or entities, owns or controls 25 percent or more of its equity, or otherwise controls its management or policies. Failure to disclose an offense may result in termination of the contract.

Immigration and Reform Control Act of 1986 (IRCA): All contractors are expected to comply with the Immigration and Reform Control Act of 1986 (IRCA), as may be amended from time to time. This Act, with certain limitations, requires the verification of the employment status of all individuals who were hired on or after November 6, 1986, by the contractor as well as any subcontractor or sub-contractors. The usual method of verification is through the Employment Verification (I-9) Form.

With the submission of the bid, the contractor certifies without exception that such contractor has complied with all federal and state laws relating to immigration and reform. Any misrepresentation in this regard or any employment of persons not authorized to work in the United States constitutes a material breach and, at the State's option, may subject the contract to termination for cause and any applicable damages.

Unless provided otherwise herein, all contractors are expected to be able to produce for the State any documentation or other such evidence to verify Contractor's IRCA compliance with any provision, duty, certification or like item under the contract.

Worker Misclassification: The contractor and all lower tiered subcontractors under the contractor shall properly classify workers as employees rather than independent contractors and treat them accordingly for purposes of workers' compensation insurance coverage, unemployment taxes, social security taxes, and income tax withholding. Failure to do so may result in contract termination.

Injunctions: Should Kansas be prevented or enjoined from proceeding with the acquisition before or after contract execution by reason of any litigation or other reason beyond the control of the State, Contractor shall not be entitled to make or assert claim for damage by reason of said delay.

Statutes: Each and every provision of law and clause required by law to be inserted in the contract shall be deemed to be inserted herein and the contract shall be read and enforced as though it were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then on the application of either party the contract shall be amended to make such insertion or correction.

Federal, State and Local Taxes: Unless otherwise specified, the price shall include all applicable federal, state and local taxes. The Contractor shall pay all taxes lawfully imposed on it with respect to any product or service delivered in accordance with this Contract. The State of Kansas is exempt from state sales or use taxes and federal excise taxes for direct purchases. These taxes shall not be included in the bidder's price quotation. Upon request, the State shall provide to the Contractor a certificate of tax exemption.

The State makes no representation as to the exemption from liability of any tax imposed by any governmental entity on the Contractor.

Accounts Receivable Set-Off Program: If, during the course of this contract the Contractor is found to owe a debt to the State of Kansas, agency payments to the Contractor may be intercepted / setoff by the State of Kansas. Notice of the setoff action will be provided to the Contractor. Pursuant to K.S.A. 75-6201 et seq, Contractor shall have the opportunity to challenge the validity of the debt. If the debt is undisputed, the Contractor shall credit the account of the agency making the payment in an amount equal to the funds intercepted.

K.S.A. 75-6201 et seq. allows the Director of Accounts & Reports to setoff funds the State of Kansas owes Contractor against debts owed by the Contractor to the State of Kansas. Payments setoff in this manner constitute lawful payment for services or goods received. The Contractor benefits fully from the payment because its obligation to the State is reduced by the amount subject to setoff.

Indefinite Quantity Contract: This is an open-ended contract between the Contractor and the State to furnish an undetermined quantity of a good or service in a given period of time. The quantities ordered will be those actually required during the contract period, and the Contractor will deliver only such quantities as may be ordered. No guarantee of volume is made. An estimated quantity based on past history or other means may be used as a guide.

Off-Shore Sourcing: If, during the term of the contract, the Contractor or subcontractor plans to move work previously performed in the United States to a location outside of the United States, the Contractor shall immediately notify the Division of Purchases and the respective agency in writing, indicating the desired new location, the nature of the work to be moved and the percentage of work that would be relocated. The Director of Purchases, with the advice of the respective agency, must approve any changes prior to work being relocated. Failure to obtain the Director's approval may be grounds to terminate the contract for cause.

Experience: All bidders are preferred to have a minimum of five (5) years continuous active participation in the applicable industry, providing equipment/services comparable in size and complexity to those specified herein.

Prices: Prices shall remain firm for the entire contract period and subsequent renewals. Prices shall be net delivered, including all trade, quantity and cash discounts. Any price reductions available during the contract period shall be offered to the State of Kansas. Failure to provide available price reductions may result in termination of the contract for cause.

Payment: Payment Terms are Net 30 days. Payment date and receipt of order date shall be based upon K.S.A. 75-6403(b). This Statute requires state agencies to pay the full amount due for goods or services on or before the 30th calendar day after the date the agency receives such goods or services or the bill for the goods and services, whichever is later, unless other provisions for payment are agreed to in writing by the Contractor and the state agency. NOTE: If the 30th calendar day noted above falls on a Saturday, Sunday, or legal holiday, the following workday will become the required payment date.

Payments shall not be made for costs or items not listed in the Contractor's response.

Unit Pricing: Each item required must be individually priced (i.e. priced per single unit) and be able to be ordered individually.

Upgrades: Contractor shall indicate the upgrade price and policy for any software, firmware, or hardware upgrades anticipated for the equipment bid. If the upgrades are provided without cost, this should be indicated.

Charge Back Clause: If the Contractor fails to deliver the product within the delivery time established by the contract, the State reserves the right to purchase the product from the open market and charge back the difference between contract price and open market price to the Contractor.

Quarterly Reports: The Contractor shall be required to file a quarterly report by each state agency or political subdivision making purchases under this contract. Reports are due no later than 30 days after the end of each calendar quarter and shall correlate with figures submitted as Administrative Fees (see below). Above referenced reports are to be filed with the Division of Purchases Open Records Officer or his/her designee located at 900 SW Jackson, Room 102N, Topeka, KS 66612-1286. Reports may also be required to be submitted to the specific using agency.

Electronic files shall be e-mailed to the following e-mail address: reports@da.ks.gov, in Microsoft® Excel format.

The required reporting format may be found on the Division of Purchases website at <http://da.ks.gov/purch>, under the "Forms" link.

Quarterly Report Contact Information: Contact information must be provided for use should the State of Kansas need to contact the appropriate officials within your company to discuss the issue of quarterly reports.

Administrative Fee: Contractor must pay a 1/2% Administrative Fee on all purchases (including political subdivisions) made against this contract. The fee is to be included in the cost (bid price) of the goods or services. The Administrative Fee is to be based upon the total dollars invoiced under the contract. The Administrative Fee shall be made in check form, payable to the "State of Kansas - Division of Purchases" and must be paid within 30 days following the end of each quarter. Fees paid under this mandate shall correlate with figures submitted on the quarterly reports.

Materials and Workmanship: The Contractor shall perform all work and furnish all supplies and materials, machinery, equipment, facilities, and means, necessary to complete all the work required by this Contract, within the time specified, in accordance with the provisions as specified.

The contractor shall be responsible for all work put in under these specifications and shall make good, repair and/or replace, at the contractor's own expense, as may be necessary, any defective work, material, etc., if in the opinion of agency and/or Division of Purchases said issue is due to imperfection in material, design, workmanship or contractor fault.

Industry Standards: If not otherwise provided, materials or work called for in this contract shall be furnished and performed in accordance with best established practice and standards recognized by the contracted industry and comply with all codes and regulations which shall apply.

Implied Requirements: All products and services not specifically mentioned, but which are necessary to provide the functional capabilities described by the specifications, shall be included.

Acceptance: No contract provision or use of items by the State shall constitute acceptance or relieve the Contractor of liability in respect to any expressed or implied warranties.

Data: Any and all data required to be provided at any time during the contract term shall be made available in a format as requested and/or approved by the State.

Submission of the Bid: Submission of the bid will be considered presumptive evidence that the contractor is conversant with local facilities and difficulties, the requirements of the documents and of pertinent State and/or local codes, state of labor and material markets, and has made due allowances in the proposal for all contingencies. Later claims for labor, work, materials, equipment, and tax liability required for any difficulties encountered which could have been foreseen will not be recognized and all such difficulties shall be properly taken care of by Contractor at no additional cost to the State of Kansas.

Warranty: Bidders shall indicate the type and extent of the warranty for all equipment, hardware, software, and services proposed. The State requires a "standard" warranty of 1 year. This warranty shall be included in the cost of the equipment.

The Contractor will be the sole point of contact on any problems with the equipment or systems during the warranty period.

The Contractor shall be responsible for all work performed under these specifications. The Contractor shall make good, repair and replace, at the Contractor's own expense, as may be necessary, any defective work, material acceptance, if in the opinion of agency or Division of Purchases said defect is due to imperfection in material, design, or workmanship for the warranty period specified.

Contract Price: Statewide contracts are awarded by the Division of Purchases to take advantage of volume discount pricing for goods and services that have a recurring demand from one or more agencies. However, if a state agency locates a vendor that can provide the identical item at a lower price, a waiver to "buy off state contract" may be granted by the Division of Purchases.

Transition Assistance: In the event of contract termination or expiration, Contractor shall provide all reasonable and necessary assistance to State to allow for a functional transition to another vendor.

Award: Award will be by line item or group total, whichever is in the best interest of the State of Kansas.

State of Kansas
Department of Administration
DA-146a (Rev. 04-11)

CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 04-11), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the _____ day of _____, 20_____.

- 1. Terms Herein Controlling Provisions:** It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated. Any terms that conflict or could be interpreted to conflict with this attachment are nullified.
- 2. Kansas Law and Venue:** This contract shall be subject to, governed by, and construed according to the laws of the State of Kansas, and jurisdiction and venue of any suit in connection with this contract shall reside only in courts located in the State of Kansas.
- 3. Termination Due To Lack Of Funding Appropriation:** If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of the State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.
- 4. Disclaimer Of Liability:** No provision of this contract will be given effect that attempts to require the State of Kansas or its agencies to defend, hold harmless, or indemnify any contractor or third party for any acts or omissions. The liability of the State of Kansas is defined under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
- 5. Anti-Discrimination Clause:** The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

Contractor agrees to comply with all applicable state and federal anti-discrimination laws.

The provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting State agency cumulatively total \$5,000 or less during the fiscal year of such agency.

- 6. Acceptance Of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.
- 7. Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation of this contract shall find that the State or its agencies have agreed to binding arbitration, or the payment of damages or penalties. Further, the State of Kansas and its agencies do not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages available to the State of Kansas or its agencies at law, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.
- 8. Representative's Authority To Contract:** By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.
- 9. Responsibility For Taxes:** The State of Kansas and its agencies shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.
- 10. Insurance:** The State of Kansas and its agencies shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require them to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the contractor shall bear the risk of any loss or damage to any property in which the contractor holds title.
- 11. Information:** No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.
- 12. The Eleventh Amendment:** "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."

AMENDMENT

Amendment Date: August 12, 2014

Amendment Number: 1

Contract ID: 36345AA
Event Number: EVT0000761

Procurement Officer: Brienne Wilkins
Telephone: 785/296-2770
E-Mail Address: brienne.wilkins@da.ks.gov
Web Address: <http://admin.ks.gov/offices/procurement-and-contracts>

Item: Auctioneering Services—Online

Agency/Business Unit: Statewide

Period of Contract: November 1, 2014 through October 31, 2015
(with one (1) optional one (1) year renewal)

Contractor: PURPLE WAVE INC
825 LEVEE DR
MANHATTAN KS 66502-5012
Vendor ID: 0000018143
Local Telephone: 785-537-7653
Fax: 785-539-3837
FEIN: 26-0724318
Contact Person: Aaron McKee
Email: aaron@purplewaveauction.com

Conditions:

By mutual agreement of both parties, this contract is renewed for the period November 1, 2014 through October 31, 2015.



AUCTION ENGAGEMENT AGREEMENT

State of Kansas Agencies & Political Subdivisions

SELLER INFORMATION

Customer No. (if known): _____ Agency/Entity Name: City of Pittsburg, Kansas
 Representative Name: Jamie Clarkson Representative Title: Director of Finance
 Street: 201 W. 4th Street, P.O. Box 688
 City: Pittsburg State: KS ZIP: 66762
 Phone: (620) 231-4100 Cell: _____
 Email: jamiec@pittks.org

The Agency/Entity noted above ("Seller") engages Purple Wave, Inc. ("Auctioneer") as Seller's exclusive agent to deliver its auction services and sell the assets described on any Exhibit 1 ("Property") pursuant to State of Kansas Department of Administration Contract No. 36345, originally dated October 29, 2011 ("State Contract") and the terms of this engagement agreement ("Engagement Agreement").

Incorporation of State Contract. The terms and conditions of the State Contract are incorporated into and are part of this Engagement Agreement. Seller and Auctioneer further agree as follows:

- **Auctioneer's services and rates.** Auctioneer will deliver its turn-key, full services to Seller as defined in the scope of the State Contract. As provided in the State Contract, Auctioneer will collect and retain a 10% buyer's fee from all winning bidders, and Auctioneer may also collect other fees from buyers for their failure to adhere to the payment, pickup and other auction terms and conditions.
- **Assets sold "as-is, where-is."** All Property will be advertised and sold in its "as-is, where-is" condition.
- **Minimums and reserves.** Auctioneer's business is built on bidders' confidence that assets will sell to the high bidder regardless of price, and without interference by Seller or Auctioneer. For that reason, Auctioneer conducts unreserved auctions. Seller will advise Auctioneer before the Property is placed online for bidding if Seller is unable or unwilling to sell the Property without minimums or reserve prices.
- **Seller's authority to sell the Property.** Seller covenants and warrants that Seller owns the Property and is authorized to sell the Property at auction.
- **Seller's cooperation with Auctioneer.** Seller will provide information requested by Auctioneer to assist in creating an accurate Property listing, allow Auctioneer to create auction lots, and work with Auctioneer and bidders to schedule Property inspections and schedule post-auction loadout.
- **Auction advertising expenses.** Auctioneer will provide the level of advertising it deems appropriate to properly market the Property, at Auctioneer's expense, unless a separate advertising agreement is executed between Auctioneer and Seller prior to beginning the auction.
- **Settlement of auction proceeds to Seller.** Auctioneer will deliver net auction proceeds to Seller, along with a detailed settlement statement, within 7 business days of final collection from bidders.
- **Miscellaneous.** This Engagement Agreement and any Exhibit 1 documents may be executed in duplicate and in counterparts, but all counterpart signatures shall constitute one original. Facsimile signatures and scanned/emailed signatures are permitted and shall be binding.

Continuing effect of this Engagement Agreement for Seller's convenience. While Auctioneer is a vendor under the State Contract, this Engagement Agreement may be executed just once, so long as a fresh Exhibit 1 listing all Property is executed each time Seller desires to use Auctioneer's services.

Agreed the last date written below:

SELLER

Signature: _____
 Title: Director of Finance
 Name Printed: Jamie Clarkson
 Date: June 23, 2015

AUCTIONEER - PURPLE WAVE, INC.

Signature: _____
 Title: _____
 Name Printed: _____
 Date: _____

SPECIAL SETTLEMENT INSTRUCTIONS

(print additional pages as needed)



Seller: The City of Pittsburg, Kansas Customer Number: _____

Auction Date: _____

INSTRUCTIONS

If Property is being sold as part of a Like-Kind Exchange, pursuant to section 1031 of the Internal Revenue Code as enacted by the Congress of the United States of America, please complete the 1031 Like-Kind Exchange Special Settlement Instructions form.

In accordance with the Internet Auction Agreement, net proceeds from the auction of your Property will be settled within 20 business days after the auction occurs.

By default, Purple Wave will disburse the net proceeds to you, by check, using the information on the Internet Auction Agreement. If you would like the proceeds dispersed to multiple payee's and/or via wire transfer or ACH, please complete the following information below.

I instruct Purple Wave, Inc., to disburse the net proceeds from auction of my Property as follows:

Payee #1

Payee Name: The City of Pittsburg, Kansas
Street: 201 W. 4th Street, P.O. Box 688
City: Pittsburg State: KS Zip: 66762
Phone: (620) 231-4100
Email: jamiec@pittks.org

This Payee should receive (choose one):

- All net proceeds from all Property OR
- Net proceeds from the following lots within the auction:

Payee #1 Wire/ACH Instructions

Bank Name: BMO Harris Bank
ABA Routing Number: 071000288
Account Name: City of Pittsburg
Account Number: 80144

Payee #2

Payee Name: _____
Street: _____
City: _____ State: _____ Zip: _____
Phone: _____
Email: _____

This Payee should receive (choose one):

- All net proceeds from all Property OR
- Net proceeds from the following lots within the auction:

Payee #2 Wire/ACH Instructions

Bank Name: _____
ABA Routing Number: _____
Account Name: _____
Account Number: _____

Seller Signature: _____

Date _____

ENCUMBRANCES DISCLOSURE



Seller: The City of Pittsburg, Kansas Customer Number: _____

Effective Date of Disclosure: _____ Auction Date: _____

Answer each of the following regarding assets we are contracting to sell.

- 1. Do you or your business own all the assets we are contracting to sell?
(If no, a separate contract is required for each asset owner.) Yes: No:
- 2. Do you or your business owe money on these assets? Yes: No:
- 3. Do you or your business have a secured line of credit for which these assets may be considered collateral? Yes: No:
- 4. Do you or your business have any tax liens?
(If yes, contact Dave Sommers IMMEDIATELY.) Yes: No:
- 5. Have you been or are you involved in any recent, current or pending bankruptcy filings, lawsuits, or other events that could result in others making claims against the final settlement of asset proceeds? Yes: No:
- 6. Will any of these assets be part of a 1031 Like-Kind Exchange? Yes: No:

Additional Information Required

If you answered Yes to 2. or 3. above; please complete the following:

| Lending Institution | Lender Contact | Lender Phone Number |
|---------------------|----------------|---------------------|
| | | |
| | | |
| | | |
| | | |

Seller verifies the completeness and accuracy of the foregoing information to the best of Seller's knowledge. Seller agrees that Auctioneer may review public records as to lien-status of assets.

Seller Signature: _____ **Date:** _____

POWER OF ATTORNEY
(For Vehicle Only)

I the undersigned vehicle owner, hereby appoint:

Tammy Nagel, City Clerk

My true and lawful attorney-in-fact, to apply for a Certificate of Title and/or Registration upon, and/or endorse and transfer title thereto for the following described vehicle:

Year _____ Make _____ Style _____

ID# _____

And represent in such transfer assignment that aforementioned vehicle title is free and clear of all liens and encumbrances, except: (if none, write "None")

1st Lienholder _____

2nd Lienholder _____

By my signature I swear or affirm that this is a true and correct statement. I am aware that the law provides severe penalties for making false statements under oath.

The City of Pittsburg, Kansas

Hand Printed Owner(s) Name

Signature of Owner

Federal/State law prohibits a person from signing for both buyer and seller and disclosing mileage in the same transaction, with the exception of exempt vehicles, i.e., heavy trucks, vehicles ten (10) model years old or older. In order for a person to sign for both buyer and seller on a conforming title or an odometer disclosure statement, a "Secured Power of Attorney" must be used.

TR-41 02/07)



DEPARTMENT OF PUBLIC UTILITIES

303 Memorial Drive · Pittsburg KS 66762

(620) 240-5126

www.pittks.org

Interoffice Memorandum

TO: DARON HALL
City Manager

FROM: MATT BACON
Assistant Director of Public Utilities

DATE: June 17, 2015

SUBJECT: Agenda Item – June 23, 2015
Surplus Property

The City staff is requesting Governing Body action to declare the following vehicles as surplus:

| ID NUMBER | DESCRIPTION | VIN/SERIAL NUMBER |
|----------------|--|-------------------|
| 306-005, 42-24 | 2006 Ford Crown Vic, 4.6 liter | 2FAHP71WX6X145895 |
| 308-002, 42-22 | 2004 Ford Crown Vic, 4.6 liter | 2FAHP71W44X144786 |
| 308-003, 42-29 | 2006 Ford Crown Vic, 4.6 liter | 2FAHP71W36X145897 |
| 332-027, 73-26 | 1996 Chevrolet Cheyenne 2wd, 4.3 liter gas, Auto | 2GCEC19W4T1193028 |
| 334-001, 42-05 | 2004 Ford Crown Vic, 4.6 liter | 2FAHP71WX4X144789 |
| 337-017, 73-08 | 1996 GMC 3500 2wd, 6.5 liter diesel, Auto | 1GDHC34FTE553287 |
| 344-001 | 1992 Ford Ranger, 2.3 liter gas, Auto | 1FTCR10A9NTA72046 |
| 306-002, 42-04 | 2003 Ford Crown Vic, 4.6 liter | 2FAHP71W64X144787 |
| 317-028, 42-28 | 2010 Ford Crown Vic, 4.6 liter | 2FABP78V0AX126552 |

Would you please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 23rd, 2015. Action being requested is for the Governing Body to declare the above vehicles as surplus and give permission to City staff to dispose of the vehicles through the online auctioning services of Purple Wave, Inc.

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|------------|--------|------------|----------------|----------|----------|--------------|--------------|
| C-CHECK | VOID CHECK | V | 6/05/2015 | | | 175110 | | |
| C-CHECK | VOID CHECK | V | 6/05/2015 | | | 175111 | | |
| C-CHECK | VOID CHECK | V | 6/05/2015 | | | 175113 | | |
| C-CHECK | VOID CHECK | V | 6/05/2015 | | | 175125 | | |
| C-CHECK | VOID CHECK | V | 6/05/2015 | | | 175126 | | |
| C-CHECK | VOID CHECK | V | 6/05/2015 | | | 175127 | | |
| C-CHECK | VOID CHECK | V | 6/05/2015 | | | 175128 | | |
| C-CHECK | VOID CHECK | V | 6/12/2015 | | | 175162 | | |
| C-CHECK | VOID CHECK | V | 6/12/2015 | | | 175163 | | |
| C-CHECK | VOID CHECK | V | 6/12/2015 | | | 175164 | | |

| * * T O T A L S * * | NO | INVOICE AMOUNT | DISCOUNTS | CHECK AMOUNT |
|---------------------|----|-------------------|-----------|--------------|
| REGULAR CHECKS: | 0 | 0.00 | 0.00 | 0.00 |
| HAND CHECKS: | 0 | 0.00 | 0.00 | 0.00 |
| DRAFTS: | 0 | 0.00 | 0.00 | 0.00 |
| EFT: | 0 | 0.00 | 0.00 | 0.00 |
| NON CHECKS: | 0 | 0.00 | 0.00 | 0.00 |
| VOID CHECKS: | 10 | VOID DEBITS 0.00 | | |
| | | VOID CREDITS 0.00 | 0.00 | 0.00 |

TOTAL ERRORS: 0

| VENDOR SET: 99 BANK: * TOTALS: | NO | INVOICE AMOUNT | DISCOUNTS | CHECK AMOUNT |
|--------------------------------|----|----------------|-----------|--------------|
| | 10 | 0.00 | 0.00 | 0.00 |
| BANK: * TOTALS: | 10 | 0.00 | 0.00 | 0.00 |

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|--------------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 1 | AFFORDABLE REMODEL CO. | R | 6/05/2015 | | | 175107 | | 3,700.00 |
| 1 | ALMOND, CAITLYN | R | 6/05/2015 | | | 175108 | | 250.00 |
| 0523 | AT&T | R | 6/05/2015 | | | 175109 | | 4,009.55 |
| 4263 | COX COMMUNICATIONS KANSAS LLC | R | 6/05/2015 | | | 175112 | | 2,196.25 |
| 7151 | TOTALFUNDS BY HASLER | R | 6/05/2015 | | | 175114 | | 1,000.00 |
| 1 | HORINE, CHRIS | R | 6/05/2015 | | | 175115 | | 200.00 |
| 7364 | JEREMY JOHNSON | R | 6/05/2015 | | | 175116 | | 196.00 |
| 0175 | REGISTER OF DEEDS | R | 6/05/2015 | | | 175117 | | 11.00 |
| 0175 | REGISTER OF DEEDS | R | 6/05/2015 | | | 175118 | | 2,728.00 |
| 1 | STRIPLIN, MARCUS | R | 6/05/2015 | | | 175119 | | 20.08 |
| 6957 | U.S. BANK | R | 6/05/2015 | | | 175120 | | 267.38 |
| 0349 | UNITED WAY OF CRAWFORD COUNTY | R | 6/05/2015 | | | 175121 | | 107.89 |
| 5533 | UNIVERSITY BANK | R | 6/05/2015 | | | 175122 | | 31,024.02 |
| 4839 | VAN BECELAERE MACHINE WORKS, I | R | 6/05/2015 | | | 175123 | | 1,320.20 |
| 5589 | VERIZON WIRELESS SERVICES, LLC | R | 6/05/2015 | | | 175124 | | 5,769.17 |
| 5371 | PITTSBURG FAMILY YMCA | R | 6/05/2015 | | | 175129 | | 104.52 |
| 0205 | SAM'S CLUB | R | 6/08/2015 | | | 175131 | | 471.20 |
| 2876 | A-PLUS CLEANERS & LAUNDRY | R | 6/12/2015 | | | 175133 | | 5.00 |
| 7221 | LOGAN KELLER BENHAM | R | 6/12/2015 | | | 175134 | | 77.88 |
| 5506 | MIKE E BROWN | R | 6/12/2015 | | | 175135 | | 504.00 |
| 1 | CANALES, LUCIA | R | 6/12/2015 | | | 175136 | | 65.00 |
| 6865 | MICHAEL S COLE | R | 6/12/2015 | | | 175137 | | 392.00 |

VENDOR SET: 99 City of Pittsburg, KS

BANK: 80144 BMO HARRIS BANK

DATE RANGE: 6/03/2015 THRU 6/16/2015

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|--------------------------------|--------|---------------|-------------------|----------|-------------|-----------------|-----------------|
| 5759 | COMMUNITY HEALTH CENTER OF SEK | R | 6/12/2015 | | | 175138 | | 2,500.00 |
| 4263 | COX COMMUNICATIONS KANSAS LLC | R | 6/12/2015 | | | 175139 | | 158.95 |
| 0118 | FED EX | R | 6/12/2015 | | | 175140 | | 78.42 |
| 7371 | BAILEY FLORA | R | 6/12/2015 | | | 175141 | | 308.00 |
| 7151 | TOTALFUNDS BY HASLER | R | 6/12/2015 | | | 175142 | | 500.00 |
| 7372 | RANDY W. HEATHERLY | R | 6/12/2015 | | | 175143 | | 420.00 |
| 7340 | BRYAN MITCHELL HORGAN | R | 6/12/2015 | | | 175144 | | 224.00 |
| 7318 | KANSAS USSSA FASTPITCH | R | 6/12/2015 | | | 175145 | | 490.00 |
| 7305 | TAYLOR MARTIN | R | 6/12/2015 | | | 175146 | | 448.00 |
| 7176 | MEGAN MCCOY | R | 6/12/2015 | | | 175147 | | 250.00 |
| 7345 | MIKE FORD | R | 6/12/2015 | | | 175148 | | 504.00 |
| 1 | MORAN, GENARO | R | 6/12/2015 | | | 175149 | | 250.00 |
| 7170 | SHAWN MICHAEL PEREZ | R | 6/12/2015 | | | 175150 | | 420.00 |
| 0175 | REGISTER OF DEEDS | R | 6/12/2015 | | | 175151 | | 8.00 |
| 7370 | ADAM LEE REINEMANN | R | 6/12/2015 | | | 175152 | | 392.00 |
| 7342 | RYAN BYRD | R | 6/12/2015 | | | 175153 | | 420.00 |
| 7323 | SCOTT AARON ALUMBAUGH | R | 6/12/2015 | | | 175154 | | 84.00 |
| 7241 | MIGUEL R. SMITH | R | 6/12/2015 | | | 175155 | | 560.00 |
| 7179 | STEVE TANKSLEY | R | 6/12/2015 | | | 175156 | | 250.00 |
| 5589 | VERIZON WIRELESS SERVICES, LLC | R | 6/12/2015 | | | 175157 | | 193.46 |
| 7309 | MICHAEL F. WALKER | R | 6/12/2015 | | | 175158 | | 532.00 |
| 6904 | MIKE WATT | R | 6/12/2015 | | | 175159 | | 3,645.00 |

VENDOR SET: 99 City of Pittsburg, KS
 BANK: 80144 BMO HARRIS BANK
 DATE RANGE: 6/03/2015 THRU 6/16/2015

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|--------------------------------|--------|---------------|-------------------|----------|-------------|-----------------|-----------------|
| 2350 | WASTE CORPORATION OF MISSOURI | R | 6/12/2015 | | | 175160 | | 27.95 |
| 1108 | WESTAR ENERGY | R | 6/12/2015 | | | 175161 | | 91,816.47 |
| 7369 | JOSEPH EUGENE WRIGHT | R | 6/12/2015 | | | 175165 | | 532.00 |
| 7338 | ANTHONY J. YANEZ | R | 6/12/2015 | | | 175166 | | 168.00 |
| 7375 | DOUG ELROD | R | 6/16/2015 | | | 175315 | | 920.82 |
| 7374 | WAL-MART REAL ESTATE BUSINESS | R | 6/16/2015 | | | 175316 | | 124,695.50 |
| 2004 | AIRE-MASTER OF AMERICA, INC. | R | 6/16/2015 | | | 175317 | | 16.39 |
| 7330 | ATHCO, LLC | R | 6/16/2015 | | | 175318 | | 24,650.01 |
| 5283 | CLASS LTD | R | 6/16/2015 | | | 175319 | | 116.00 |
| 7373 | COMMERCE BANK | R | 6/16/2015 | | | 175320 | | 20,411.80 |
| 5759 | COMMUNITY HEALTH CENTER OF SEK | R | 6/16/2015 | | | 175321 | | 75.00 |
| 0748 | CONRAD FIRE EQUIPMENT INC | R | 6/16/2015 | | | 175322 | | 77.69 |
| 7116 | EMC INSURANCE COMPANIES | R | 6/16/2015 | | | 175323 | | 500.00 |
| 6088 | EMERGENCY RESPONSE SOLUTIONS, | R | 6/16/2015 | | | 175324 | | 2,158.70 |
| 6740 | FELD FIRE | R | 6/16/2015 | | | 175325 | | 35.00 |
| 6358 | FIRE X INC | R | 6/16/2015 | | | 175326 | | 87.50 |
| 1070 | KANSAS ATTORNEY GENERAL | R | 6/16/2015 | | | 175327 | | 240.00 |
| 6656 | KNIPP EQUIPMENT INC | R | 6/16/2015 | | | 175328 | | 643.00 |
| 6937 | L.B. FOSTER COMPANY | R | 6/16/2015 | | | 175329 | | 82,264.00 |
| 7190 | LEXISNEXIS RISK DATA MANAGEMEN | R | 6/16/2015 | | | 175330 | | 10.80 |
| 7368 | REX SCISM | R | 6/16/2015 | | | 175331 | | 3,990.00 |
| 5468 | OZ CUSTOM UPHOLSTERY | R | 6/16/2015 | | | 175332 | | 750.00 |

VENDOR SET: 99 City of Pittsburg, KS

BANK: 80144 BMO HARRIS BANK

DATE RANGE: 6/03/2015 THRU 6/16/2015

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|--------------------------------|--------|---------------|-------------------|----------|-------------|-----------------|-----------------|
| 6697 | PITTSBURG EMERGENCY PHYSICIAN, | R | 6/16/2015 | | | 175333 | | 259.42 |
| 0187 | PITTSBURG ROTARY CLUB | R | 6/16/2015 | | | 175334 | | 1,125.00 |
| 6894 | R.M.I. GOLF CARTS | R | 6/16/2015 | | | 175335 | | 125.00 |
| 6571 | ROUTE 66 ELECTRIC, LLC | R | 6/16/2015 | | | 175336 | | 644.00 |
| 1267 | RP3 INC | R | 6/16/2015 | | | 175337 | | 150.00 |
| 6716 | SID BOEDEKER SAFETY SHOE SERVI | R | 6/16/2015 | | | 175338 | | 1,272.97 |
| 4932 | ACCURACY, INC | R | 6/16/2015 | | | 175339 | | 3,307.80 |
| 1264 | UNIVERSITY OF KANSAS | R | 6/16/2015 | | | 175340 | | 400.00 |
| 0093 | US POST OFFICE | R | 6/16/2015 | | | 175341 | | 155.00 |
| 7053 | U.S. PEROXIDE, LLC | R | 6/16/2015 | | | 175342 | | 950.00 |
| 0038 | LEAGUE OF KANSAS MUNICIPALITIE | E | 6/10/2015 | | | 999999 | | 90.00 |
| 0046 | ETTINGERS OFFICE SUPPLY | E | 6/10/2015 | | | 999999 | | 1,037.07 |
| 0055 | JOHN'S SPORT CENTER, INC. | E | 6/10/2015 | | | 999999 | | 120.00 |
| 0062 | LINDSEY SOFTWARE SYSTEMS, INC. | E | 6/10/2015 | | | 999999 | | 825.00 |
| 0084 | INTERSTATE EXTERMINATOR, INC. | E | 6/10/2015 | | | 999999 | | 427.00 |
| 0105 | PITTSBURG AUTOMOTIVE INC | E | 6/10/2015 | | | 999999 | | 1,345.57 |
| 0112 | MARRONES INC | E | 6/10/2015 | | | 999999 | | 607.40 |
| 0117 | THE MORNING SUN | E | 6/10/2015 | | | 999999 | | 70.69 |
| 0129 | PROFESSIONAL ENGINEERING CONSU | E | 6/10/2015 | | | 999999 | | 23,935.97 |
| 0133 | JIM RADELL CONSTRUCTION INC | E | 6/10/2015 | | | 999999 | | 48,586.88 |
| 0142 | HECKERT CONSTRUCTION CO INC | E | 6/10/2015 | | | 999999 | | 27,011.53 |
| 0154 | BLUE CROSS & BLUE SHIELD | D | 6/05/2015 | | | 999999 | | 260.94 |

VENDOR SET: 99 City of Pittsburg, KS

BANK: 80144 BMO HARRIS BANK

DATE RANGE: 6/03/2015 THRU 6/16/2015

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|--------------------------------|--------|---------------|-------------------|----------|-------------|-----------------|-----------------|
| 0154 | BLUE CROSS & BLUE SHIELD | D | 6/12/2015 | | | 999999 | | 85.66 |
| 0181 | INGRAM | E | 6/10/2015 | | | 999999 | | 31.85 |
| 0194 | KANSAS STATE TREASURER | E | 6/10/2015 | | | 999999 | | 4,923.25 |
| 0207 | PEPSI-COLA BOTTLING CO OF PITT | E | 6/10/2015 | | | 999999 | | 112.30 |
| 0224 | KDOR | D | 6/05/2015 | | | 999999 | | 1,695.60 |
| 0224 | KDOR | D | 6/10/2015 | | | 999999 | | 4,804.99 |
| 0272 | BO'S 1 STOP INC | E | 6/10/2015 | | | 999999 | | 640.00 |
| 0276 | JOE SMITH COMPANY, INC. | E | 6/10/2015 | | | 999999 | | 2,388.41 |
| 0292 | UNIFIRST CORPORATION | E | 6/10/2015 | | | 999999 | | 118.30 |
| 0300 | PITTSBURG FORD-MERCURY, INC. | E | 6/10/2015 | | | 999999 | | 52.10 |
| 0317 | KUNSHEK CHAT & COAL CO, INC. | E | 6/10/2015 | | | 999999 | | 812.00 |
| 0321 | KP&F | D | 6/05/2015 | | | 999999 | | 48,283.70 |
| 0329 | O'MALLEY IMPLEMENT CO INC | E | 6/10/2015 | | | 999999 | | 491.77 |
| 0332 | PITTCRAFT PRINTING | E | 6/10/2015 | | | 999999 | | 75.00 |
| 0337 | CROSS-MIDWEST TIRE | E | 6/10/2015 | | | 999999 | | 76.13 |
| 0375 | CONVENIENT WATER COMPANY | E | 6/10/2015 | | | 999999 | | 55.00 |
| 0409 | WISEMAN'S DISCOUNT TIRE INC | E | 6/10/2015 | | | 999999 | | 217.70 |
| 0414 | SELLERS EQUIPMENT INC | E | 6/10/2015 | | | 999999 | | 216.72 |
| 0525 | 3M | E | 6/10/2015 | | | 999999 | | 675.00 |
| 0534 | TYLER TECHNOLOGIES INC | E | 6/10/2015 | | | 999999 | | 390.00 |
| 0709 | PURVIS INDUSTRIES LTD | E | 6/10/2015 | | | 999999 | | 423.12 |
| 0728 | ICMA | D | 6/05/2015 | | | 999999 | | 928.93 |

VENDOR SET: 99 City of Pittsburg, KS
BANK: 80144 BMO HARRIS BANK
DATE RANGE: 6/03/2015 THRU 6/16/2015

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|--------------------------------|--------|---------------|-------------------|----------|-------------|-----------------|-----------------|
| 0746 | CDL ELECTRIC COMPANY INC | E | 6/10/2015 | | | 999999 | | 676.67 |
| 0823 | TOUCHTON ELECTRIC INC | E | 6/10/2015 | | | 999999 | | 20.00 |
| 0844 | HY-FLO EQUIPMENT CO | E | 6/10/2015 | | | 999999 | | 243.44 |
| 1050 | KPERS | D | 6/05/2015 | | | 999999 | | 37,818.86 |
| 1478 | KANSASLAND TIRE OF PITTSBURG | E | 6/10/2015 | | | 999999 | | 78.51 |
| 1619 | MIDWEST TAPE, LLC | E | 6/10/2015 | | | 999999 | | 66.97 |
| 2025 | SOUTHERN UNIFORM & EQUIPMENT L | E | 6/10/2015 | | | 999999 | | 2,255.37 |
| 2035 | O'BRIEN ROCK CO., INC. | E | 6/10/2015 | | | 999999 | | 4,446.99 |
| 2707 | THE LAWNSCAPE COMPANY, INC. | E | 6/10/2015 | | | 999999 | | 997.50 |
| 2994 | COMMERCIAL AQUATIC SERVICE INC | E | 6/10/2015 | | | 999999 | | 421.07 |
| 3248 | AIRGAS USA LLC | E | 6/10/2015 | | | 999999 | | 2,132.80 |
| 3570 | AMERICAN EXPRESS, INC | D | 6/04/2015 | | | 999999 | | 201.48 |
| 3802 | BRENNTAG MID-SOUTH INC | E | 6/10/2015 | | | 999999 | | 2,061.00 |
| 4072 | MERCHANT E-SOLUTIONS | D | 6/04/2015 | | | 999999 | | 455.04 |
| 4085 | GILMORE & BELL | E | 6/10/2015 | | | 999999 | | 1,350.00 |
| 4307 | HENRY KRAFT, INC. | E | 6/10/2015 | | | 999999 | | 228.49 |
| 4354 | LIFESTYLE LEASING INC | E | 6/10/2015 | | | 999999 | | 1,800.00 |
| 4390 | SPRINGFIELD JANITOR SUPPLY, IN | E | 6/10/2015 | | | 999999 | | 13.24 |
| 4452 | RYAN INSURANCE | E | 6/10/2015 | | | 999999 | | 83.00 |
| 4618 | TRESA MILLER | E | 6/10/2015 | | | 999999 | | 815.79 |
| 4766 | ACCURATE ENVIRONMENTAL | E | 6/10/2015 | | | 999999 | | 327.36 |
| 5049 | CRH COFFEE INC | E | 6/10/2015 | | | 999999 | | 49.70 |

VENDOR SET: 99 City of Pittsburg, KS

BANK: 80144 BMO HARRIS BANK

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| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|--------------------------------|--------|---------------|-------------------|----------|-------------|-----------------|-----------------|
| 5185 | FERGUSON ENTERPRISES INC | E | 6/10/2015 | | | 999999 | | 1,246.65 |
| 5640 | CORRECT CARE SOLUTIONS LLC | E | 6/10/2015 | | | 999999 | | 18.00 |
| 5677 | BANK OF AMERICA, INC | D | 6/03/2015 | | | 999999 | | 484.09 |
| 5855 | SHRED-IT USA INC | E | 6/10/2015 | | | 999999 | | 164.18 |
| 5904 | TASC | D | 6/05/2015 | | | 999999 | | 7,006.56 |
| 6117 | ALEXANDER OPEN SYSTEMS, INC | E | 6/10/2015 | | | 999999 | | 4,645.00 |
| 6203 | SOUTHWEST PAPER CO INC | E | 6/10/2015 | | | 999999 | | 547.77 |
| 6415 | GREAT WEST TANDEM KPERS 457 | D | 6/05/2015 | | | 999999 | | 3,320.00 |
| 6577 | GREENSPRO INC | E | 6/10/2015 | | | 999999 | | 420.00 |
| 6583 | R.E. PEDROTTI CO, INC | E | 6/10/2015 | | | 999999 | | 1,390.00 |
| 6952 | ADP INC | D | 6/12/2015 | | | 999999 | | 761.68 |
| 7038 | SIGNET COFFEE ROASTERS | E | 6/10/2015 | | | 999999 | | 82.50 |
| 7049 | ED ROEHR AUTO RADIO, INC | E | 6/10/2015 | | | 999999 | | 4,085.83 |
| 7195 | STANDARD AND POOR'S FINANCIAL | E | 6/10/2015 | | | 999999 | | 12,750.00 |
| 7202 | APPLIED SPECIALTIES, INC | E | 6/10/2015 | | | 999999 | | 3,252.40 |
| 7240 | JAY HATFIELD CERTIFIED USED CA | E | 6/10/2015 | | | 999999 | | 1,222.46 |
| 7283 | CORESOURCE, INC | D | 6/04/2015 | | | 999999 | | 33,311.26 |
| 7283 | CORESOURCE, INC | D | 6/11/2015 | | | 999999 | | 18,982.64 |
| 7285 | ALLSTATE BENEFITS | D | 6/04/2015 | | | 999999 | | 571.20 |
| 7290 | DELTA DENTAL OF KANSAS INC | D | 6/05/2015 | | | 999999 | | 2,514.25 |
| 7290 | DELTA DENTAL OF KANSAS INC | D | 6/12/2015 | | | 999999 | | 1,738.42 |

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|---------------------|-----------------|---------|---------------|-------------------|----------|-------------|-----------------|-----------------|
| * * T O T A L S * * | | | | | | | | |
| | | NO | | INVOICE AMOUNT | | DISCOUNTS | | CHECK AMOUNT |
| | REGULAR CHECKS: | | 76 | 429,630.79 | | 0.00 | | 429,630.79 |
| | HAND CHECKS: | | 0 | 0.00 | | 0.00 | | 0.00 |
| | DRAFTS: | | 18 | 163,225.30 | | 0.00 | | 163,225.30 |
| | EFT: | | 59 | 163,653.98 | | 5.53CR | | 163,648.45 |
| | NON CHECKS: | | 0 | 0.00 | | 0.00 | | 0.00 |
| | VOID CHECKS: | 0 | VOID DEBITS | 0.00 | | | | |
| | | | VOID CREDITS | 0.00 | 0.00 | | | |
| TOTAL ERRORS: 0 | | | | | | | | |
| | | NO | | INVOICE AMOUNT | | DISCOUNTS | | CHECK AMOUNT |
| VENDOR SET: 99 | BANK: 80144 | TOTALS: | 153 | 756,510.07 | | 5.53CR | | 756,504.54 |
| BANK: 80144 | TOTALS: | | 153 | 756,510.07 | | 5.53CR | | 756,504.54 |

VENDOR SET: 99 City of Pittsburg, KS
 BANK: EFT MANUAL EFTS
 DATE RANGE: 6/03/2015 THRU 6/16/2015

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|--------------------------------|--------|---------------|-------------------|----------|-------------|-----------------|-----------------|
| 0046 | ETTINGERS OFFICE SUPPLY | E | 6/15/2015 | | | 999999 | | 152.95 |
| 0055 | JOHN'S SPORT CENTER, INC. | E | 6/15/2015 | | | 999999 | | 10,648.50 |
| 0073 | K P & P INC | E | 6/08/2015 | | | 999999 | | 75.00 |
| 0087 | FORMS ONE, LLC | E | 6/15/2015 | | | 999999 | | 68.00 |
| 0199 | KIRKLAND WELDING SUPPLIES | E | 6/08/2015 | | | 999999 | | 34.00 |
| 0272 | BO'S 1 STOP INC | E | 6/15/2015 | | | 999999 | | 593.00 |
| 0332 | PITTCRAFT PRINTING | E | 6/15/2015 | | | 999999 | | 1,218.38 |
| 0335 | CUSTOM AWARDS PLUS INC | E | 6/15/2015 | | | 999999 | | 678.19 |
| 0375 | CONVENIENT WATER COMPANY | E | 6/15/2015 | | | 999999 | | 42.95 |
| 0571 | WILBERT MFG. & SUPPLY | E | 6/15/2015 | | | 999999 | | 507.40 |
| 0577 | KANSAS GAS SERVICE | E | 6/15/2015 | | | 999999 | | 3,660.63 |
| 0753 | CRAWFORD COUNTY MENTAL HEALTH | E | 6/15/2015 | | | 999999 | | 12,500.00 |
| 0806 | JOHN L CUSSIMANIO | E | 6/15/2015 | | | 999999 | | 260.00 |
| 0866 | AVFUEL CORPORATION | E | 6/15/2015 | | | 999999 | | 18,746.25 |
| 1478 | KANSASLAND TIRE OF PITTSBURG | E | 6/08/2015 | | | 999999 | | 94.34 |
| 1629 | PITTSBURG BEAUTIFUL | E | 6/15/2015 | | | 999999 | | 2,145.00 |
| 2186 | PRODUCERS COOPERATIVE ASSOCIAT | E | 6/08/2015 | | | 999999 | | 879.18 |
| 2433 | THE MORNING SUN | E | 6/15/2015 | | | 999999 | | 621.75 |
| 2554 | HENRY C MENGhini | E | 6/08/2015 | | | 999999 | | 122.08 |
| 2921 | DP2 BILLING SOLUTIONS, LLC | E | 6/15/2015 | | | 999999 | | 4,879.92 |
| 2960 | PACE ANALYTICAL SERVICES INC | E | 6/08/2015 | | | 999999 | | 3,792.00 |
| 2994 | COMMERCIAL AQUATIC SERVICE INC | E | 6/15/2015 | | | 999999 | | 125.29 |

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|---------------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 3126 | W.W. GRAINGER, INC | E | 6/15/2015 | | | 999999 | | 128.70 |
| 3463 | CONTROLS & ELECTRIC MOTOR | E | 6/15/2015 | | | 999999 | | 86.00 |
| 4500 | ANDREW HUYETT | E | 6/15/2015 | | | 999999 | | 500.00 |
| 4698 | THE MORNING SUN | E | 6/15/2015 | | | 999999 | | 158.07 |
| 4711 | PENGUIN RANDOM HOUSE, LLC | E | 6/15/2015 | | | 999999 | | 18.75 |
| 4970 | ERIC VANCE | E | 6/08/2015 | | | 999999 | | 1,690.00 |
| 4970 | ERIC VANCE | E | 6/15/2015 | | | 999999 | | 2,709.00 |
| 5195 | FERN AND ANGERMAYER LLC | E | 6/08/2015 | | | 999999 | | 600.00 |
| 5482 | JUSTIN HART | E | 6/08/2015 | | | 999999 | | 60.00 |
| 5635 | TONER CONNECTION LLC | E | 6/08/2015 | | | 999999 | | 313.95 |
| 5855 | SHRED-IT USA INC | E | 6/08/2015 | | | 999999 | | 89.68 |
| 6192 | KATHLEEN CERNE | E | 6/08/2015 | | | 999999 | | 600.00 |
| 6219 | DOUGLAS PUMP SERVICE | E | 6/15/2015 | | | 999999 | | 10,749.69 |
| 6508 | JOHN H BAILEY | E | 6/15/2015 | | | 999999 | | 169.12 |
| 6595 | AMAZON.COM, INC | E | 6/11/2015 | | | 999999 | | 14,744.58 |
| 6875 | DARON HALL | E | 6/08/2015 | | | 999999 | | 196.00 |
| 7028 | MATTHEW L. FRYE | E | 6/15/2015 | | | 999999 | | 400.00 |
| 7038 | SIGNET COFFEE ROASTERS | E | 6/15/2015 | | | 999999 | | 96.50 |
| 7192 | ADRIAN MC AFEE | E | 6/15/2015 | | | 999999 | | 205.62 |

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|------|--------|------------|----------------|----------|----------|--------------|--------------|
|-------------|------|--------|------------|----------------|----------|----------|--------------|--------------|

* * T O T A L S * *

| | NO | INVOICE AMOUNT | DISCOUNTS | CHECK AMOUNT |
|-----------------|----|-------------------|-----------|--------------|
| REGULAR CHECKS: | 0 | 0.00 | 0.00 | 0.00 |
| HAND CHECKS: | 0 | 0.00 | 0.00 | 0.00 |
| DRAFTS: | 0 | 0.00 | 0.00 | 0.00 |
| EFT: | 41 | 95,360.47 | 0.00 | 95,360.47 |
| NON CHECKS: | 0 | 0.00 | 0.00 | 0.00 |
| VOID CHECKS: | 0 | VOID DEBITS 0.00 | | |
| | | VOID CREDITS 0.00 | 0.00 | 0.00 |

TOTAL ERRORS: 0

| | NO | INVOICE AMOUNT | DISCOUNTS | CHECK AMOUNT |
|----------------------------------|----|----------------|-----------|--------------|
| VENDOR SET: 99 BANK: EFT TOTALS: | 41 | 95,360.47 | 0.00 | 95,360.47 |
| BANK: EFT TOTALS: | 41 | 95,360.47 | 0.00 | 95,360.47 |

| VENDOR I.D. | NAME | STATUS | CHECK DATE | INVOICE AMOUNT | DISCOUNT | CHECK NO | CHECK STATUS | CHECK AMOUNT |
|-------------|--------------------|--------|------------|----------------|----------|----------|--------------|--------------|
| 7053 | U.S. PEROXIDE, LLC | R | 6/05/2015 | | | 175130 | | 17,756.92 |

* * T O T A L S * *

| | NO | INVOICE AMOUNT | DISCOUNTS | CHECK AMOUNT |
|-----------------|----|----------------|-----------|--------------|
| REGULAR CHECKS: | 1 | 17,756.92 | 0.00 | 17,756.92 |
| HAND CHECKS: | 0 | 0.00 | 0.00 | 0.00 |
| DRAFTS: | 0 | 0.00 | 0.00 | 0.00 |
| EFT: | 0 | 0.00 | 0.00 | 0.00 |
| NON CHECKS: | 0 | 0.00 | 0.00 | 0.00 |
| VOID CHECKS: | 0 | | | |
| VOID DEBITS: | | 0.00 | | |
| VOID CREDITS: | | 0.00 | 0.00 | |

TOTAL ERRORS: 0

| | NO | INVOICE AMOUNT | DISCOUNTS | CHECK AMOUNT |
|----------------------------------|-----|----------------|-----------|--------------|
| VENDOR SET: 99 BANK: MAN TOTALS: | 1 | 17,756.92 | 0.00 | 17,756.92 |
| BANK: MAN TOTALS: | 1 | 17,756.92 | 0.00 | 17,756.92 |
| REPORT TOTALS: | 205 | 869,627.46 | 5.53CR | 869,621.93 |

Passed and approved this 23rd day of June, 2015.

Chuck Munsell, Mayor

ATTEST:

Tammy Nagel, City Clerk



Memorandum

TO: Daron Hall, City Manager

FROM: Blake Benson, Economic Development Director

DATE: June 17, 2015

SUBJECT: June 23, 2015 Agenda Item
Dharma Properties, LLC Industrial Revenue Bond

The City has received an application from Dharma Properties requesting issuance of approximately \$8 million in Industrial Revenue Bonds to support construction of a 75 room La Quinta Inn & Suites property at 2408 South Broadway. Per state guidelines, Dharma Properties has provided the appropriate cost/benefit analysis showing the impact of corresponding property tax exemption related to the project. Under the City's published schedule of tax exemption, a capital investment of \$8 million would qualify Dharma Properties for 10 years of property tax exemption.

Dharma Properties has agreed to provide an annual Payment In Lieu Of Taxes (PILOT) in the amount of \$24,289, which is the company's current property tax rate.

The Economic Development Advisory Committee (EDAC) met with representatives of Dharma Properties on June 10 to consider their request. The EDAC then voted unanimously to recommend issuance of the bonds and schedule of tax exemption.

Please place this item on the agenda for the City Commission meeting scheduled for Tuesday, June 23, 2015. Action being requested is the approval or denial of the EDAC recommendation and, if approved, authorize the Mayor to sign the appropriate documents.

CITY OF PITTSBURG, KANSAS

APPLICATION FOR ISSUANCE OF INDUSTRIAL REVENUE BONDS

I. GENERAL INFORMATION

1. Dharma Properties, LLC May 28, 2015
Name of Applicant Firm Date of Request
2. 3453 S Sabin Ct. Wichita, KS 66215 (620) 875-1904
Firm Address Firm Phone Number
- Dharmendra Bhakta (620) 875-1904
Name/Title of Responsible Officer Phone Number
3. Names and addresses of all persons or corporation who would be obligated as either applicant or personal guarantors of the bond documents:
- | | |
|---------------------------------------|--|
| <u>Dharma Properties, LLC</u> Name | <u>3453 S Sabin Ct. Wichita, KS 66215</u> Address |
| <u>Dharmendra Bhakta</u> Name | <u>3453 S Sabin Ct. Wichita, KS 66215</u> Address |
| <u>Manisha Bhakta</u> Name | <u>3453 S Sabin Ct. Wichita, Ks 66215</u> Address |
4. Names and addresses of the principal officers and directors of the applicant:
- | | |
|----------------------------------|--|
| <u>Dharmendra Bhakta</u> Name | <u>3453 S Sabin Ct. Wichita, KS 66215</u> Address |
| <u>Manisha Bhakta</u> Name | <u>3453 S Sabin Ct. Wichita, KS 66215</u> Address |
5. Nature of applicant's business: Hotel/Lodging
6. The products to be assembled or manufactured or service to be rendered:
Hotel/Lodging
7. Jim Gilhousen 1005 N Market St. Wichita, KS (316) 263-9662
Applicant's Attorney Phone Number
8. Gilmore & Bell, P.C. (316) 257-2091
Applicant's Bond Counsel Phone Number

9. N/A- Bank will purchase bonds
Applicant's Bond Underwriter _____ Phone Number _____
10. Estimated amount of issue: \$ 8,000,000
11. Number of years to retire bonds: 20 years
12. List all previous industrial revenue bond issues of applicant or parent company or subsidiary:
None
13. Describe all threatened or pending litigation and legal claims or regulatory issues:
None

II. NATURE OF IMPROVEMENTS

1. Amount requested for purchase of land: \$ 639,000
2. Amount requested for land improvements (bldgs): \$ 5,438,000
3. Amount requested for machinery and equipment: \$ 827,500
4. Capitalized debt service: \$ 166,215
5. Underwriting expense: \$ N/A
6. Cost of issuance: \$ 25,000
7. Other (including refunding of existing IRB's): \$ 726,850
- TOTAL REQUEST: \$ 7,822,565

III. IRB PROPOSAL

1. Will the issue refinance an existing project? No
2. Is the proposed project an expansion or replacement of another existing facility? No
3. Is the applicant presently located in the City of Pittsburgh? Yes
4. What type and size of building will be constructed?
45,940 sq. ft. La Quinta Inn with 75 rooms, two conference rooms, and an indoor pool.

5. Name and address of contractor and/or architect:

KB Construction, LLC, 1239 N Shore Ct. Wichita, KS 67212

6. What type of equipment will be financed? _____

Real Estate; Furnishing for rooms

7. If the applicant will be in competition with local firms,

a) Name the firms See Attached Exhibit A

b) Describe nature of the competition: See Attached Exhibit A

IV. MARKETING OF BONDS

1. Has a bond underwriter submitted an analysis indicating that the tenant's bonds are marketable? N/A

a) If yes, attach a copy to this application

2. Will the bonds be sold as a public offering or privately placed? Privately

3. Have arrangements for the marketing of the bonds been made? N/A

4. Has the tenant investigated conventional financing? Yes

5. Does the tenant intend to purchase all or any part of the industrial revenue bonds? Yes

V. PROPOSED LOCATION

1. Location of the proposed facility: 2408 S Broadway Pittsburg, KS 66762

2. If facility is a proposed expansion or replacement of another plant, state size and location of current operations:

N/A- Building a new hotel

3. What percentage of the facility will be occupied by the applicant? 100%
4. If the prospective location properly zoned? Yes
5. If a zoning change is pending, cite application number and present status. If application has not been made, briefly describe what change will be needed and plans for submitting application: N/A
6. If unusual demands for water or sewer will be made, specify the demands: Reroute sewer lines

VI. OWNERSHIP AND MANAGEMENT

1. Describe the organizational structure of applicant (proprietorship, partnership, subsidiary, corporation, etc.): Partnership

Note relationship to a parent company: N/A

VII. FINANCIAL RESPONSIBILITY

1. How many years has the applicant been in business? 14
2. What amount is the applicant to deposit in a reserve account for payment of debt service? \$0
3. What portion of the project is being financed from other company funds (in addition to bond issue)? \$0

Please explain The applicant will make application for an SBA 504 Debenture

4. Describe all threatened or outstanding litigation N/A

5. Attach proforma statements for the first five (5) years of operation after issuance of the bonds, including revenue projections, operating expense projections, and a debt amortization schedule.

VIII. TAX EXEMPTION/PAYMENT

1. Will the applicant request an ad valorem tax exemption? Yes
 - a) If yes, what does applicant intend to propose as an annual payment in lieu of taxes? \$24,289

IX. MEASURE OF ECONOMIC GROWTH AND BENEFIT

1. What dollar amount of sales is contemplated? \$1,878,344
2. What percentage of sales will be sold locally? 100%
3. What is the estimated amount of merchandise and services purchased locally, per year? 7.1% of sales
4. How many people will the project employ? 21

| | |
|--------------------|-----------|
| Type: Professional | <u>2</u> |
| Technical | <u>0</u> |
| Clerical | <u>3</u> |
| General Labor | <u>16</u> |
5. Number of current full-time employees at applicant's present location: N/A

X. In order to facilitate the timely processing of the application, please attach as part of the proposal the following items:

1. Certified copies of applicant's financial audits for the past three years.
2. Applicant's most recent annual or quarterly financial report.
3. Interim financial statements, to date, for the current fiscal year.
4. A financial audit, current to date, for each personal guarantor certified by a certified public accountant and the guarantor.
5. Applicant's tax returns as well as the tax return of each guarantor for the past three years.

XI. Applicant should be aware that additional financial data shall be required if requested by the City Manager, City Attorney, Bond Counsel, or the Bond Underwriter.

Dharma Properties, LLC
d/b/a
La Quinta Inn
Pittsburg, Kansas

Business Plan

by

Dharmendra and Manish Bhakta

2408 S. Broadway Street

Pittsburg, KS

620.875.1904

gm_dan02@msn.com

May 2015

**Dharma Properties, LLC d/b/a La Quinta Inn
Pittsburg, Kansas**

**Request for Industrial Revenue Bonds
\$8,000,000**

Dharma Properties, LLC is requesting financing for the construction of a 45,940 sq. ft. 75-room hotel with the La Quinta Inn & Suites flag. This construction will include a conference room with 75-80 person occupancy, a fitness room and an indoor pool.

Sources/Uses of Funds Overview

Project sources are:

| | |
|-------------|--------------------------------|
| \$3,911,282 | University Bank, Pittsburg, KS |
| \$2,737,898 | SBA 504 |
| \$1,173,385 | Borrower Injection |
| \$7,822,565 | Total Sources, SBA 504 |

Project uses are:

| | |
|-------------|-----------------------------------|
| \$ 639,000 | Land |
| \$5,438,000 | Building Construction |
| \$ 827,500 | Machinery and Equipment, Fixtures |
| \$ 166,215 | Interim Construction Interest |
| \$ 543,800 | 10% Construction Contingency |
| \$ 208,050 | Professional and Filing Fees |
| \$7,822,565 | Total Uses, SBA 504 |

Additional financing has been awarded to Dharma Properties, LLC for initial working capital and the franchise fees. Financing was awarded as follows:

| | |
|-----------|--------------------------------|
| \$150,000 | Kansas Capital Multiplier Fund |
|-----------|--------------------------------|

Additional cost needed for the sewer relocation and sidewalk necessary to provide access on S. Broadway east of hotel in the future will be provided by the City of Pittsburg, KS, as follows:

\$100,000

\$8,072,565 TOTAL PROJECT, ALL SOURCES/USES

Company History

Dharma Properties, LLC was organized in April 2008 as a limited liability company with the Kansas Secretary of State's Office as the owner of the independent (no franchise flag) motel property located at 2408 S. Broadway in Pittsburg, KS 66762. Dharma Properties, LLC is owned by a husband and wife team, Dharmendra (Dan) and Manisha Bhakta, with 51% and 49% ownership, respectively. The hotel will operate on a calendar year fiscal year, running from January 1 through December 31.

The Bhakta's co-owned and operated University Park Inn at this same location in 2000, then purchasing this hotel from their co-owners in 2002 and later rebranding the hotel as an Econo Lodge. Bhaktas dropped the franchise agreement in 2009 and operated under the Econo Lodge name until the 2012 storm damaged the facility beyond repair.

Management Experience

Dan and Manisha Bhakta will act as the General Manager for the facility to assure that all personnel are trained appropriately and that all systems are providing services as expected. Dan and Manisha both have more than 10 years of continued experience as motel owners, with 14 years of experience in the lodging industry.

Dan and Manisha Bhakta have previously owned Sahil Properties, LLC, which owned and operated a Studio 6 Hotel in Irving, Texas near Dallas/Fort Worth Airport since 2008. The Studio 6 was an extended stay hotel with 90 rooms. Sahil Properties, LLC has sold the property, allowing Dan & Manisha to focus on the La Quinta Inn to be constructed in Pittsburg, KS

In addition to Dharma Properties, Dan has a 50% ownership interest in MD, LLC. MD, LLC currently operates the Wheatfield Inn, a 26 room hotel, located in Anthony, KS. Dan's partner Mukesh Patel owns the remaining 50% of MD, LLC and is the resident manager for this hotel. See **Exhibit A: Resumes: Dan Bhakta, Manisha Bhakta** for complete management and operational skills summaries.

Project Overview

On February 29, 2012 a winter storm with high sustained straight-line winds destroyed the roof and much of the interior of the existing motel, resulting in demolition and plans for reconstruction of a new hotel. Dharma Properties, LLC is requesting financing for the construction of a 45,940 sq. ft. 75-room hotel with the La Quinta Inn & Suites flag. This construction will include two conference rooms with a occupancy of 75-80 people, a fitness room and an indoor pool. Dan and Manisha Bhakta executed the franchise agreement with La Quinta Inn & Suites on October 23, 2014. The executed franchise agreement expires 20 years after the opening date. See attached **Exhibit B: Excerpt from La Quinta Inn & Suites Franchise Agreement**.

The proposed La Quinta Inn & Suites will provide an additional 21 jobs to the local economy. Additionally, the proposed project will provide the local economy and taxing entities a positive benefit-to-cost ratio, with an increase of \$2.7M in personal incomes and \$44M in local retail sales over the 10 year abatement period

La Quinta Inn & Suites

La Quinta Inn & Suites is a select-service hotel primarily serving the midscale and upper-midscale segments under the La Quinta brand. La Quinta is the fastest growing principal select-service hotel brand in the United States primarily serving these segments in terms of percentage growth of number of hotels over the last ten years ended December 31, 2014, growing their total number of hotels from 362 in 2003 to 867 as of December 31, 2014, significantly outpacing the percentage growth of hotels franchised, owned and operated by Comfort, Holiday Inn Express and Hampton, the hotel brands one or more of which is most often included in the competitive sets.

La Quinta's system-wide portfolio, as of December 31, 2014, consisted of 867 hotels representing more than 86,000 rooms located predominantly across 47 U.S. states, as well as in Canada and Mexico, of which 353 hotels were owned and operated and 514 were franchised. They also had a pipeline of 207 franchised hotels representing more than 17,000 rooms as of December 31, 2014, to be located in the United States, Mexico, Canada, Colombia, Honduras, Nicaragua, and Guatemala.

<http://ir.lq.com/corporateprofile.aspx?iid=4424891>

Location

The new La Quinta Inn facility will be located exactly where the old Econo Lodge was originally located, with the target customer base being overnight stays related to Pittsburg State University activities, overnight relatives of Via Christi Hospital patients and people staying over for City of Pittsburg events. The location is within .5 miles south of Pittsburg State University, 1 mile west of Via Christi Hospital and 2 miles south of downtown Pittsburg. Several full-service sit-down dining establishments are within .5-2 miles of the property site. The future La Quinta Inn site is within .5 mile northwest of Meadowbrook Mall, which offers Del Rio Mexican Restaurant and Lounge and the Mall Deli. It is within one mile of Chatters Restaurant (full service family dining with lounge), 1 mile of several fast food restaurants (Pizza Hut, McDonalds, Taco Bell, Brahms, Kentucky Fried Chicken, and Subway) and three miles of franchise restaurants such as Chili's and Applebee's.

Broadway is the primary north-south commercial street in Pittsburg and the location is just approximately 50 feet off the intersection of Broadway and Centennial, with Centennial being the street on which the hospital is located and the exit onto Centennial being one of five from the Highway 69 By-Pass into primary city locations. The location area just south of the intersection of Broadway and Centennial has been labeled as stable in Pittsburg for several decades, and now is targeted by the City of Pittsburg for commercial expansion. A feasibility study completed by Hoffman Strategy Group/Jeff

Green Partners indicates that this location would be the best site to accommodate a new hotel. See attached **Exhibit C: City of Pittsburg Growth Potential Results, completed by Hoffman Strategy Group/Jeff Green Partners, dated 2012.**

Additionally, a Phase I Environmental Assessment has been prepared by Triad Environmental Services of Pittsburg, KS to address any potential environmental contamination issues which might exist at the site and might require remediation as part of the project site preparation work. See attached **Exhibit D: Phase I Environmental Assessment, 2408 South Broadway, Pittsburg KS.** Conclusions and Recommendations of this May 2014 report, which provided assurance that continuation of the plans for construction on the project was satisfactory, were:

- The overall condition of the site appeared to be well maintained and free of obvious environmental concerns.
- The four underground storage tanks (UST's) removed from within the 0.50 category significant distance were either cross gradient or down gradient, topographically, from the subject property and were all done under the supervision of Kansas Department of Health & Environment (KDHE). A "No Further Action" report was issued for three of them. The remaining "Active" site is across a surface drainage feature and is not anticipated to negatively impact the subject property.
- No evidence of suspect of toxic concentrations (no stressed vegetation, unusual odors, discolored soils or water, unexplained barren areas, etc.) and no apparent practices at the site that would be expected to prohibit use of the subject property as proposed were discovered.

Construction

The original building demolition, site preparation and re-grading of the project site cost has already been paid by owners Dan and Manisha Bhakta, and resulted in a project-ready construction site consisting of 2.93 acres. The proposed construction of the new 75-room La Quinta Inn will be completed by KB Construction, LLC from Wichita, KS. The cost of the new construction has been estimated by Kabir Bhakta, owner and president of KB Construction LLC. Kabir Bhakta has been in the hotel industry since 2008, working for Sona, Inc. as a project manager for the renovations of their hotels. Additionally, Kabir was awarded and is currently constructing a Hampton Inn in McPherson, KS as well as a Hampton Inn in Perryton, TX. See attached **Exhibit E: Resume: Kabir Bhakta- KB Construction, LLC.**

A finalized construction bid dated May 18, 2015 for the proposed La Quinta Inn revealed a total bid cost of \$6,385,500. The construction bid includes the hotel structure and Furniture, Fixtures, and Equipment (FF&E). FF&E of \$827,500 and soft costs of \$120,000 have been separated from the construction bid total, leaving a hard cost of \$5,438,000. The total project costs includes the finalized bid, land cost (valued at \$639,000), Interim construction interest, professional fees, and a 10% contingency on the hard construction costs. The furniture, fixtures and equipment, by requirement of the

executed franchise agreement with La Quinta Inn, must be purchased from one of three franchise-designated vendors and is itemized separately. KB Construction, LLC will be responsible for arranging all FF&E. See attached **Exhibit F: KB Construction LLC Finalized Construction Bid.**

Markets

The primary markets of access will be the friends and families of the students of Pittsburg State University, the residents of Pittsburg KS and hospital patients of Via Christi in Pittsburg KS. Per B. J. Harris, Director of the Crawford County Convention & Visitors Bureau, the average annual hotel occupancy in Pittsburg for the past five years has risen steadily. It should be noted that on May 9, 2011, a F5 tornado devastated the city of Joplin, MO, 25 miles southeast of Pittsburg, taking out existing hotels and leaving thousands with no homes and no available housing. As with any disaster, the overflow displaced population and disaster recovery personnel who flooded into the region were located in outlying communities throughout the two-year recovery period.

The rapid spike in hotel occupancies can be partially attributed to this temporary housing situation, but the ongoing regional growth seen in the Pittsburg-Joplin area as a result of the rebuilding efforts and the upgrade in infrastructures and installation of advanced technologies in communication and transportation has continued to be reflected in the hotel occupancy numbers. The total destruction of one of the two regional hospital trauma centers has additionally pushed some of the medical services handled solely in Joplin to be performed in the Via Christi Pittsburg location and there is an increased hospital-related hotel occupancy influence seen. With the ongoing growth of the region, these increased hotel occupancies are expected to be not only sustained, but to continue to grow, even though the growth is not expected to jump as dramatically as occurred between 2011 and 2012.

Market demand is validated by results provided in the feasibility study completed by the City of Pittsburg. See attached **Exhibit C: City of Pittsburg Growth Potential Results, completed by Hoffman Strategy Group/Jeff Green Partners, dated 2012.**

Competition

Since the primary customer market is guests staying overnight in relation to City of Pittsburg and Pittsburg State University events, and friends and relatives of peoples admitted to Via Christi Hospital, the competition is the other local hotels, as follows:

| | |
|------------------------------|-----------------------------------|
| Comfort Inn & Suites | 4009 N. Parkview Drive, Pittsburg |
| Holiday Inn Express & Suites | 4011 N. Parkview Drive, Pittsburg |
| Lamplighter Inn & Suites | 4020 N. Parkview Drive, Pittsburg |
| Regency Inn & Suites | 4023 N. Parkview Drive, Pittsburg |
| Super 8 Motel | 3108 N. Broadway, Pittsburg |

All of these hotels/motels are located within approximately two city blocks from each other on the northern end of Pittsburg, close to the intersection of Broadway and Atkinson where HWY 69 begins/ends the by-pass the highway section that circles around the west side of the city. The new La Quinta Inn & Suites will be located at the opposite end of town (approximately four miles from Atkinson to Centennial), at the opposite terminus of the Highway 69 by-pass. The proposed La Quinta Inn & Suites is about equal distance from the downtown Pittsburg area as the cluster of existing hotels, a geographic fact which is less influential in pulling overnight stay guests since City activities occur in locations all over the city and often occur in partnership with functions of Pittsburg State University. As the only hotel on the southern edge of the city, there is a strong positive influence for guests visiting town for either university or hospital occurrences which is not available to the hotels on the northern edge of the city. A comparative grid of amenities is shown below:

| | # Rooms | Meeting Room | Indoor Pool | Complimentary Breakfast | Fitness Room | Facility Age |
|-----------------------------------|------------|-----------------|----------------|----------------------------|-----------------|-----------------|
| Comfort Inn | 70 | N | Y | Y | Y | 13 |
| Holiday Inn | 72 | 2 | Y | Y | Y | 4 |
| Lamplighter | 100 | 5 | N | Y | Y | 20+ |
| Regency Inn | 55 | 0 | N | Y | N | 20+ |
| Super 8 | 64 | 0 | N | Y | N | 20+ |
| Holiday Lodge | 22 | 0 | N | Y | N | 20+ |
| La Quinta Inn & Suites | 75 | 2 | Y | Y | Y | New |

The La Quinta Inn & Suites will compete with the upper midscale hotels such as the 72-room Holiday Inn Express, the 70-room Comfort Inn, and the Lamplighter Inn, a larger 100-room economy hotel with meeting and banquet facilities. The market study referenced in **Exhibit C** determined that 70% of the hotel rooms sold in Pittsburg in 2012 was from the Holiday Inn Express, Comfort Inn and Lamplighter Inn. The average occupancy for these three hotels was 63% in 2012.

The remaining hotels in Pittsburg are the 64-room Super 8, the 55-room Regency Inn and the 22-room Holiday Lodge, and all compete in the economy market segment. The economy hotels averaged 45% occupancy in 2012.

Hotel demand in the Pittsburg market is projected to increase due to activities associated with a new performing arts center and an indoor events center being constructed at Pittsburg State University, and due to expansion at Via Christi Hospital and with area employers. In addition, a new hotel is expected to help Pittsburg retain some lodging lost to the Joplin, MO market, 25 miles southeast of Pittsburg.

Employment

There will be seven (7) new full-time employees and fourteen (14) new part-time employees. The table below outlines positions generated by the proposed La Quinta Inn & Suites.

| Title | No. | Full Time | Wage | Per Hr./Mo. |
|----------------------|------------|------------------|-------------|--------------------|
| Officers/Owners | 2 | FT | \$50,000 | Salary |
| Front Desk | 3 | FT | \$10/hr. | Hourly |
| Head House Keeper | 1 | FT | \$24,000 | Salary |
| Housekeeping/Laundry | 12-14 | PT | \$10/hr. | Hourly |
| Maintenance | 1 | FT | \$35,000 | Salary |

Cash Flow Projections

The recent retail/hospitality study commissioned by the City of Pittsburg (**Exhibit C**) calculated occupancy rate for a new hotel at 65% for year one increasing to 75% in year five. The cash flow projections for the proposed La Quinta Inn & Suites used the following occupancy rates: 65% for year one, 68% year two, and 70% year three. The cash flow projection for ADR uses a room rate of \$105 for year one, \$108 for year two, \$111 for year three, which is conservative compared to the average room rate determined by the market study.

Operating expenses were determined using assumptions derived from previous experience, the franchise agreement, and actual known costs. All fixed costs expenses for years 2 and 3 will increase 3% over the previous years. The variable costs will adjust based on the number of rooms occupied.

The cash flow projections anticipate gross revenues of \$1,878,344 for year 1, with 900,877 available for debt service after operating expenses. DSC ratio of 1.55 for year one, 1.75 for year two and 1.95 for year three. A reserve fund equal to 3% of revenue will accrue approximately \$56,000 per year for required franchise upgrades and major maintenance.

The debt coverage ratio when considering Dharma Properties and MD, LLC jointly is slightly enhanced (from 1.55 to 1.56) over Dharma Properties alone. The income and debt service obligations for MD, LLC are so minimal that there is a very limited influence (MD, LLC holds annual debt service payments of \$44, 400 with a 50% liability belonging to Dan Bhakta).

See Attached Exhibit G: 3 Year Cash Flow Projections with Assumptions.

The breakeven comparison below shows the annual revenue levels based on the percentage of occupancy and average room rate. Year 1 projections anticipate total revenues in excess of the breakeven costs of \$1,560,142 to adequately support operating expenses and debts service. The shaded areas below show the combinations of occupancy and average room rate which would provide annual revenues capable of adequate

coverage. It can be seen that 65% occupancy and \$105 average room rate will provide operating capital coverage for the YR1 expenses.

| | | Average Room Rate | | | | | |
|----------|--------|-------------------|-------------|-------------|-------------|-------------|-------------|
| | | 95 | 98 | 100 | 102 | 105 | 110 |
| O | | | | | | | |
| C | | | | | | | |
| C | 45.00% | \$1,170,281 | \$1,207,238 | \$1,231,875 | \$1,256,513 | \$1,293,469 | \$1,355,063 |
| U | 50.00% | \$1,300,313 | \$1,341,375 | \$1,368,750 | \$1,396,125 | \$1,437,188 | \$1,505,625 |
| P | 55.00% | \$1,430,344 | \$1,475,513 | \$1,505,625 | \$1,535,738 | \$1,580,906 | \$1,656,188 |
| A | 60.00% | \$1,560,375 | \$1,609,650 | \$1,642,500 | \$1,675,350 | \$1,724,625 | \$1,806,750 |
| N | 65.00% | \$1,690,406 | \$1,743,788 | \$1,779,375 | \$1,814,963 | \$1,868,344 | \$1,957,313 |
| C | 70.00% | \$1,820,438 | \$1,877,925 | \$1,916,250 | \$1,954,575 | \$2,012,063 | \$2,107,875 |
| Y | | | | | | | |

Sources/Uses of Funds

Project sources are:

| | |
|--------------------|--------------------------------|
| \$3,911,282 | University Bank, Pittsburg, KS |
| \$2,737,898 | SBA 504 |
| <u>\$1,173,385</u> | Borrower Injection |
| \$7,822,565 | Total Sources, SBA 504 |

Project uses are:

| | |
|-------------------|-----------------------------------|
| \$ 639,000 | Land |
| \$5,438,000 | Building Construction |
| \$ 827,500 | Machinery and Equipment, Fixtures |
| \$ 166,215 | Interim Construction Interest |
| \$ 543,800 | 10% Construction Contingency |
| <u>\$ 208,050</u> | Professional and Filing Fees |
| \$7,822,565 | Total Uses, SBA 504 |

Terms of Proposed Construction Financing:

1. Interim Construction Loan

| | |
|---------|-------------------------|
| Amount: | \$6,649,180 |
| Term: | 1 year Construction LOC |

Bank will file a first mortgage and fully fund construction. Mid-America, Inc./SBA will file a second mortgage, followed by KS Multiplier Fund filing a third mortgage. When the project is completed SBA issue a 504 debenture used to pay toward University's construction loan. Bank will then fund IRB equivalent to remainder of construction line of credit as an investment and repay balance of construction loan. Dharma Properties, LLC will then transfer deed to property to City subject to lease which will require lease payments to be paid directly to University Bank to repay IRB on debt terms for University's permanent loan.

Terms of Permanent Financing:

1. University Bank Permanent Loan
Amount: \$3,950,905
Term: 20 Year Maturity
Payment: \$26,905/Mo

2. SBA 504 Debenture
Amount: \$2,765,634 (Plus Applicable Fees)
Term: 20 Year Debenture
Payment: \$20,060/Mo

Working Capital:

| | | |
|----------|------------------|---|
| Uses: | \$55,000 | Franchise Fee paid to La Quinta |
| | <u>\$95,000</u> | Beginning Working Capital |
| | \$150,000 | Total Uses |
| Sources: | <u>\$150,000</u> | Kansas Multiplier Loan (10 Yr; 5% Interest) |

See Attached Exhibit H: Kansas Capital Multiplier Fund Award Letter

Additionally, Dharma Properties, LLC will make application to the city of Pittsburg for the approval/use of Industrial Revenue Bonds which will allow this project to qualify for ten-year property tax abatement. Further, the City of Pittsburg has pledged support and will offer an incentive package as followed:

- 1) Sanitary Sewer – Approved by the Economic Development Advisory Committee and the City Commission, the City will use revolving loan funds (RLF) to pay for the relocation of the sewer line, estimated by City staff to be \$88,000. This is a rough estimate prior to seeing the final site plans which at the City’s request will show the parking to the rear of the property.

- 2) Pedestrian Walkway – A 10 foot concrete pedestrian walkway to be built across 235 foot of frontage on the east side of the hotel (the front on Broadway) at approximately \$100 per linear foot. The actual cost of the walkway is estimated to be \$23,500. The walkway will be constructed along with the concrete work performed by the hotel contractor and 50% of the cost will be reimbursed to the hotel from the City’s RLF.

See Attached Exhibit I: City of Pittsburg Incentives Letter

It is anticipated that the Industrial Revenue Bonds would be approved prior to the start of the project, but not issued until the project is completed in 2016. The owners would gain

benefit from issuance of the IRB's in 2016 when the real estate would recognize full value after completion of the improvements and the full property tax abatement would be realized.

Financial records and filings will be done by Ken F. Gorges, EA of Neighborhood Income Tax Service in Wichita, KS. Gorges will complete payroll, all financial information required outside the management reports provided by the franchise information management system, including quarterly financial statements and all tax and corporate filings. Ken Gorges can be located at phone 316.773.5820.

Legal issues will be handled Jim Gilhousen at Crockett & Gilhousen PA, 1005 N Market St. Wichita, KS. Jim Gilhousen can be contacted at 316.263.9662.

Economic Impact

A cost-benefit analysis has been completed by Municipal Consulting, LLC dated May 27, 2015 to measure the effect of the proposed ten year tax abatement for the construction of the La Quinta Inn & Suites. See attached **Exhibit J: A Tax Abatement Cost-Benefit Analysis of Dharma Properties, LLC (Revised) for the City of Pittsburg**. Summary results as stated in the final report are:

| Taxing Entity | Benefit to Cost Ratio | Average Return on Investment |
|-----------------------------------|------------------------------|-------------------------------------|
| City of Pittsburg | 2.22 | 12.24% |
| Crawford County | 3.10 | 20.97% |
| Pittsburg USD 250 | 1.19 | 1.94% |
| Wildcat Extension District | 1.22 | 2.22% |
| State of Kansas | 15.26 | 142% |

**The Benefit-Cost Ratio for City, County, and State exceeds desired 1.3:1 ratio.*

Other economic impacts associated with the proposed La Quinta Inn & Suites include the increase in local personal incomes by \$263k in the first year and \$2.7M increase over the ten year abatement period. Additionally, local retail sales will increase by \$7.7M in years one, with a total increase of over \$44M for the first ten years.



**FRANCHISE AGREEMENT
BASIC TERMS**

- A. Effective Date: **October 23, 2014**
- B. Site Address: 2408 S Broadway St., Pittsburg, KS 66762
 Number of Guest Rooms: 72
 Facility Type: La Quinta Inn & Suites
 Development Method: New Construction
- C. Franchisee: Dharma Properties, LLC, a Kansas limited liability company
 Franchisee's Address: 2408 S Broadway, Pittsburg, KS 66762
 Telephone No.: 620-704-7085 Facsimile No.: 316-260-8555
 E-mail Address: gm_dan02@msn.com
 Franchisee's Operating Partner: Dharmendra M. Bhakta
 Operating Partner's Address: 3453 S Sabin Ct., Wichita, KS 67215
 Telephone No.: 620-875-1904 Facsimile No.: 316-260-8555
 E-mail Address: gm_dan02@msn.com
- D. Franchisor: La Quinta Franchising LLC, a Nevada limited liability company
 Franchisor's Address: 909 Hidden Ridge, Suite 600, Irving, Texas 75038,
 Attn: Franchise Dept.; Telephone No.: (214) 492-6600; Facsimile No.: (214) 492-6740
- E. Term: The time period commencing upon the Effective Date and, unless otherwise terminated in accordance with this Agreement, expiring 20 years after Opening Date.
- F. Assigned Area: Commencing at the centerpoint of the intersection of US-160/US-69 and Centennial Dr., traveling north along the centerline of US-160/US 69 for five (5) miles and traveling south along the centerline of US-160/US 69 for three (3) miles with two (2) mile on either side of that same centerline, as shown on the map attached hereto as Exhibit B. In the event of any conflict between this written description of the Assigned Area and the map, this written description will control.
- G. Principal Owner(s): See Exhibit A
- H. Initial Fee: \$55,000

- I. Royalty Fee: 4.5% of Gross Room Revenues of your Facility from the Opening Date through the end of the 24th full calendar month after the Opening Date; 5% of Gross Room Revenues beginning with the 25th full calendar month after the Opening Date and continuing through the end of the Term.
- J. Reservations Fee: 2% of Gross Room Revenues.
- K. Marketing Fee: 2½% of Gross Room Revenues.
- L. Pre-Opening and Field Opening Training: Franchisee and Franchisee's staff must complete Owner Orientation, Pre-Opening Training, and on-site Opening training prior to opening as a La Quinta Lodging Facility. All the provisions of 5.03(j) of this Agreement continue to apply.
- M. Construction Commencement: Section 5.03(b) of this Franchise Agreement is hereby deleted in the entirety and replaced with the following:
 - (b) If your Facility is to be newly constructed, you shall Commence Construction within eighteen (18) months after the Effective Date. Construction shall be completed, and your Facility shall open for business as a La Quinta Lodging Facility, within twelve (12) months after the date you Commence Construction; provided however that in no event shall you open your Facility without an Opening Approval Notice as described in Section 5.03(j).*
- N. Transfer to an Affiliate: We agree that we will not unreasonably withhold our approval of a Transfer by you to a Legal Entity in which the Principal Owners have at least a 35% minimum Ownership Interest and Control. If such a Transfer is approved, all the provisions of Section 14.02 apply except that the Transfer Fee pursuant to Section 14.02(h) will be \$20,000.

**Dharma Properties, LLC
d/b/a
La Quinta Inn & Suites**

Exhibit J

**Tax Abatement Cost-Benefit Analysis of
Dharma Properties, LLC for the City of
Pittsburg**

**A Tax Abatement Cost-Benefit Analysis of
Dharma Properties, LLC
for the City of Pittsburg
Completed by
Municipal Consulting, LLC
R. Steven Robb, Sole Owner
2207 N. Free King Hwy
Pittsburg, KS 66762
620-235-1874 or 620-704-6495
steverobb@cox.net
May 27, 2015**

ABOUT THIS REPORT:

This report uses data that was collected from the firm involved and budget reports from each of the taxing entities where the project is to be located. This data is summarized at the beginning of the report. In addition, various calculations were applied to the data using rates and information gathered from the current economic and financial conditions. The report is organized by the following Table of Contents:

| | |
|---|----|
| Report Title Page | 3 |
| Community Data Inputs | 4 |
| Data Inputs of the Firm | 5 |
| Overall Summary of Benefits, Costs and Ratios | 6 |
| City of Pittsburg Benefits, Costs and Ratios | 7 |
| Crawford County Benefits, Costs and Ratios | 8 |
| Pittsburg USD 250 Benefits, Costs and Ratios | 9 |
| Wildcat Extension District Benefits, Costs and Ratios | 10 |
| State of Kansas Benefits, Costs and Ratios | 11 |
| Economic Impact of the Project on the Community | 12 |

Some terms used in this report:

- **Rate of Return:** Incentives and tax abatements granted by the taxing entities are equivalent to a public investment in the firm. Comparing these investments to the various benefits received over the 10-year project period by the public entity produces an average annual rate of return for the period. *Generally, a rate of return that exceeds the entity's cost of capital would be considered a favorable investment.*
- **Present Value:** This is the amount that a future series of payments is worth today, given an assumed discount rate. The only way to accurately compare payments to be made or received in the future to the dollar value at present is with Present Value. *Generally, a positive present value indicates an acceptable investment.*

- **Benefit - Cost Ratio:** Typically referred to as the "Cost-Benefit Ratio," this is actually the ratio of the public entity benefits received over the 10-year project life to the public costs incurred over the same period. If the ratio is above 1.0, then the benefits exceed the costs, and if it is less than 1.0, the costs exceed the benefits. Generally, a public entity would like to have a Benefit-to-Cost ratio of 1.3 or better in order to grant a tax abatement and/or other incentives. However, the governing body may take into account the other economic benefits of the project in making that decision (See Page 12).

Disclaimer:

This report is prepared using a variety of assumptions regarding discount rate, inflation rate, and other economic variables. It also uses information submitted by the firm based on its best estimates of what they expect to occur in the next decade. Future business results and economic factors are not and cannot be guaranteed. Therefore, we provide no guarantee on the future performance of the firm, or that conditions within the taxing entities will remain as they are today. The governing body should make its decision on the best information presented, while fully recognizing that future performance could be substantially different.

Comments Specific to This Project:

The overall benefits and costs for each taxing entity are shown on Page 6 and summarized here in the following table:

| Taxing Entity | Benefit to Cost Ratio | Average Return on Investment |
|----------------------------|-----------------------|------------------------------|
| City of Pittsburg | 2.22 | 12.24% |
| Crawford County | 3.10 | 20.97% |
| Pittsburg USD 250 | 1.19 | 1.94% |
| Wildcat Extension District | 1.22 | 2.22% |
| State of Kansas | 15.26 | 142% |

Each of the taxing entities has a positive benefit-to-cost ratio. The benefit-to-cost ratio for the city, county and state all exceed the desired 1.3:1 ratio. This report assumes the firm will receive approval for an Industrial Revenue Bond issue from the City of Pittsburg, with a 100% property tax abatement on the new construction for ten years. The existing property tax payment will be frozen at \$24,289 for ten years, as reflected in the appropriate column of each taxing entity's benefits received. This cost-benefit report does not include any provisions for a Community Improvement District (CID). The analysis does include a Kansas Capital Multiplier loan of \$150,000, repayable at 5% interest in monthly payments over ten years.

If you have any questions or comments, you may reach me with the contact information above.

R. Steven Robb

Digitally signed by R. Steven Robb
DN: cn=R. Steven Robb, o=Municipal Consulting, LLC,
ou=Sole Owner, email=stevenrb@cox.net, c=US
Date: 2015.05.27 09:08:20 -0500

R. Steven Robb
Sole Owner
Municipal Consulting, LLC.



COST-BENEFIT ANALYSIS PROJECT SUMMARY

PROJECT NAME: Dharma Properties, LLC

DATE: 5/27/2015

GOVERNMENTAL ENTITIES INVOLVED:

CITY: City of Pittsburg

COUNTY: Crawford County

SCHOOL DISTRICT: Pittsburg USD 250

ADDITIONAL SCHOOL DISTRICT: None

SPECIAL TAXING DISTRICT #1 Wildcat Extension District #14

SPECIAL TAXING DISTRICT #2 None

SPECIAL TAXING DISTRICT #3 None

SPECIAL TAXING DISTRICT #4 None

SPECIAL TAXING DISTRICT #5 None

STATE: State of Kansas

INFLATION RATE: 2.00% **DISCOUNT RATE:** 3.00%

Dharma Properties, LLC

| | | | | | | | | | | |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|
| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 | Column 6 | Column 7 | Column 8 | Column 9 | Column 10 | Column 11 |
|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|

Community Data Inputs:

| | City | County | School #1 | School #2 | Sp. Dist. 1 | Sp. Dist. 2 | Sp. Dist. 3 | Sp. Dist. 4 | Sp. Dist. 5 | State |
|-----------------------------|-----------|-----------|------------|-----------|-------------|-------------|-------------|-------------|-------------|------------|
| Mill Levy | 48.491 | 48.782 | 49.604 | 0.000 | 1.152 | 0.000 | 0.000 | 0.000 | 0.000 | 1.500 |
| Market Value New Home | \$140,000 | \$145,000 | \$140,000 | \$0 | \$145,000 | \$0 | \$0 | \$0 | \$0 | \$190,800 |
| Sales Tax | 1.75% | 1.000% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 6.15% |
| Transient Guest Tax | 0.00% | 6.00% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Utility Revenue/HsHld | \$319.53 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Franchise Fees/HsHld | \$229.05 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Other Revenues/Res. | \$753.83 | \$54.36 | n/a | n/a | \$122.75 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,896.45 |
| Marg. Cost/Res./Student | \$106.81 | \$40.54 | \$1,183.07 | \$0.00 | \$36.03 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$568.94 |
| Other Revenues/Worker | \$692.90 | \$49.97 | n/a | n/a | \$112.73 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,597.42 |
| Marginal Cost/New Worker | \$98.17 | \$37.26 | n/a | n/a | \$33.08 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$484.26 |
| State Funding/Pupil | n/a | n/a | \$7,313.97 | \$0.00 | n/a | n/a | n/a | n/a | n/a | n/a |
| Federal Funding/Pupil | n/a | n/a | \$1,134.80 | \$0.00 | n/a | n/a | n/a | n/a | n/a | n/a |
| Visitor Daily Spending | \$35 | \$35 | | | | | | | | |
| Average Hotel Room Rate | \$105 | \$105 | | | | | | | | |
| Pull Factor | 1.09 | 0.75 | | | | | | | | |
| Percent of County Share | 75.00% | 100.00% | | | | | | | | |
| Annual Sales Tax per Capita | \$944 | \$653 | | | | | | | | |
| Housing Vacancy Rate | 13.80% | 9.20% | | | | | | | | |

Dharma Properties, LLC

Firm Data Inputs:

Firm's Investment in:

| | First Expansion | | | Second Expansion | | | Third Expansion | | | Fourth Expansion | | | Total |
|-------------------------------------|--------------------|--------------|--------------|------------------|--------------|--------------|-----------------|--------------|--------------|------------------|---------------|--------------|-------|
| | Land | Building | FFE | Land | Building | FFE | Land | Building | FFE | Land | Building | FFE | |
| | \$0 | \$5,981,800 | N/A | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Growth | Const. Per. | Yr. 1 | Yr. 2 | Yr. 3 | Yr. 4 | Yr. 5 | Yr. 6 | Yr. 7 | Yr. 8 | Yr. 9 | Yr. 10 | | |
| Sales | | \$1,878,344 | \$2,020,420 | \$2,137,037 | \$2,201,148 | \$2,267,183 | \$2,335,198 | \$2,405,254 | \$2,477,412 | \$2,551,734 | \$2,628,286 | \$22,902,015 | |
| Purchases | | \$119,719 | \$122,429 | \$124,237 | \$127,964 | \$131,803 | \$135,757 | \$139,830 | \$144,025 | \$148,345 | \$152,796 | \$1,346,905 | |
| Net Util. Rev. | | \$18,634 | \$18,634 | \$18,634 | \$19,193 | \$19,769 | \$20,362 | \$20,972 | \$21,602 | \$22,250 | \$22,917 | \$202,965 | |
| Franchise Fees | | \$2,500 | \$2,500 | \$2,500 | \$2,575 | \$2,652 | \$2,732 | \$2,814 | \$2,898 | \$2,985 | \$3,075 | \$27,231 | |
| PILOT - City | | \$7,877 | \$7,877 | \$7,877 | \$7,877 | \$7,877 | \$7,877 | \$7,877 | \$7,877 | \$7,877 | \$7,877 | \$78,767 | |
| PILOT - County | | \$7,924 | \$7,924 | \$7,924 | \$7,924 | \$7,924 | \$7,924 | \$7,924 | \$7,924 | \$7,924 | \$7,924 | \$79,240 | |
| PILOT - State | | \$244 | \$244 | \$244 | \$244 | \$244 | \$244 | \$244 | \$244 | \$244 | \$244 | \$2,437 | |
| PILOT - School | | \$8,058 | \$8,058 | \$8,058 | \$8,058 | \$8,058 | \$8,058 | \$8,058 | \$8,058 | \$8,058 | \$8,058 | \$80,575 | |
| PILOT - SD 1 | | \$187 | \$187 | \$187 | \$187 | \$187 | \$187 | \$187 | \$187 | \$187 | \$187 | \$1,871 | |
| PILOT - SD#2 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| PILOT - SD#3 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| PILOT - SD#4 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| PILOT - SD#5 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| New Employees | | 20 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21 | |
| Employees New to the City | | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | |
| Employees New to the County | | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | |
| Employees New to the State | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| New Students in the School District | | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | |
| Average Salaries of new employees | | \$13,172 | \$13,172 | \$13,172 | \$13,435 | \$13,704 | \$13,978 | \$14,258 | \$14,543 | \$14,834 | \$15,130 | N/A | |
| Tax Abatement-Land | | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | N/A | |
| Tax Abatement-Bldg. | | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | N/A | |
| Visitors | | 19,573 | 20,477 | 21,079 | 21,790 | 21,503 | 21,718 | 21,935 | 22,155 | 22,376 | 22,600 | 214,706 | |

| | City | County | State |
|--|------|--------|-------|
| Percentage of sales taxable in the | 100% | 100% | 100% |
| Percentage of purchases taxable in the | 100% | 100% | 100% |

Assumed Inflation Rate
2.00%

COST-BENEFIT ANALYSIS PROJECT SUMMARY

PROJECT NAME: Dharma Properties, LLC

DATE: 5/27/2015

| Entity | Total Benefits | Total Costs & Incentives | Net Benefits | Net Present Value of Net Benefits | NPV of Incentives & Taxes Abated | Ratio of Benefits to NPV of Incentives and Taxes Abated | Actual Benefit to Actual Cost Ratio | Avg. Annual Rate of Return |
|--------------------------------|----------------|--------------------------|--------------|-----------------------------------|----------------------------------|---|-------------------------------------|----------------------------|
| City of Pittsburgh | \$1,963,140 | \$882,588 | \$1,080,552 | \$917,454 | \$746,068 | 1.23 | 2.22 | 12.24% |
| Crawford County | \$2,742,666 | \$885,543 | \$1,857,123 | \$1,573,448 | \$750,545 | 2.10 | 3.10 | 20.97% |
| Pittsburg USD 250 | \$1,092,765 | \$914,869 | \$177,896 | \$148,979 | \$763,192 | 0.20 | 1.19 | 1.94% |
| Wildcat Extension District #14 | \$27,045 | \$22,139 | \$4,906 | \$4,098 | \$17,724 | 0.23 | 1.22 | 2.22% |
| State of Kansas | \$2,946,387 | \$193,033 | \$2,753,354 | \$2,326,704 | \$186,145 | 12.50 | 15.26 | 142.64% |

SUMMARY OF COSTS AND BENEFITS FOR: City of Pittsburgh

PROJECT: Dharma Properties, LLC

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 2.22

Ratio of Present Value of Total Benefits to Present Value of Total Costs: 2.22

Average ROI: 12.24%

DISCOUNT RATE: 3.00%
(Typical desired ratio would be 1.3 to 1)

DATE: 5/27/2015

| Year | Sales and Transient Guest Taxes | New Property Taxes | Utilities and Franchise Fees | Existing Tax Payment | Other City Revenues | Total Benefits | Net Present Value of Total Benefits | Incentives and Cost of Various City Services | Property Taxes Abated | Total Costs | Net Present Value of Total Costs | Net Benefits or Costs | Cumulative Net Benefits or Costs | Net Present Value of Net Benefits | Net Present Value of Taxes Abated |
|--------|---------------------------------|--------------------|------------------------------|----------------------|---------------------|----------------|-------------------------------------|--|-----------------------|-------------|----------------------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|
| Const. | \$17,665 | \$0 | \$0 | \$0 | \$0 | \$17,665 | \$17,665 | \$0 | \$0 | \$0 | \$0 | \$0 | \$17,665 | \$17,665 | \$0 |
| 1 | \$60,672 | \$80,262 | \$21,134 | \$7,877 | \$0 | \$169,945 | \$164,995 | \$0 | \$80,262 | \$80,262 | \$77,925 | \$89,683 | \$107,348 | \$87,071 | \$77,925 |
| 2 | \$64,814 | \$81,868 | \$21,134 | \$7,877 | \$0 | \$175,692 | \$165,607 | \$0 | \$81,868 | \$81,868 | \$77,168 | \$93,825 | \$201,172 | \$88,439 | \$77,168 |
| 3 | \$68,166 | \$83,505 | \$21,134 | \$7,877 | \$3,074 | \$183,756 | \$168,162 | \$436 | \$83,505 | \$83,940 | \$76,817 | \$99,815 | \$300,987 | \$91,345 | \$76,419 |
| 4 | \$70,200 | \$85,175 | \$21,768 | \$7,877 | \$3,135 | \$188,154 | \$167,173 | \$444 | \$85,175 | \$85,619 | \$76,072 | \$102,535 | \$403,523 | \$91,101 | \$75,677 |
| 5 | \$72,293 | \$86,878 | \$22,421 | \$7,877 | \$3,198 | \$192,667 | \$166,197 | \$453 | \$86,878 | \$87,332 | \$75,333 | \$105,336 | \$508,858 | \$90,864 | \$74,942 |
| 6 | \$74,450 | \$88,616 | \$23,093 | \$7,877 | \$3,262 | \$197,298 | \$165,234 | \$462 | \$88,616 | \$89,078 | \$74,602 | \$108,220 | \$617,078 | \$90,632 | \$74,215 |
| 7 | \$76,671 | \$90,388 | \$23,786 | \$7,877 | \$3,327 | \$202,049 | \$164,285 | \$471 | \$90,388 | \$90,860 | \$73,877 | \$111,190 | \$728,268 | \$90,407 | \$73,494 |
| 8 | \$78,958 | \$92,196 | \$24,500 | \$7,877 | \$3,394 | \$206,925 | \$163,348 | \$481 | \$92,196 | \$92,677 | \$73,160 | \$114,248 | \$842,516 | \$90,188 | \$72,780 |
| 9 | \$81,314 | \$94,040 | \$25,235 | \$7,877 | \$3,462 | \$211,927 | \$162,425 | \$490 | \$94,040 | \$94,531 | \$72,450 | \$117,397 | \$959,912 | \$89,975 | \$72,074 |
| 10 | \$83,741 | \$95,921 | \$25,992 | \$7,877 | \$3,531 | \$217,061 | \$161,514 | \$500 | \$95,921 | \$96,421 | \$71,746 | \$120,640 | \$1,080,552 | \$89,767 | \$71,374 |
| Total | \$748,945 | \$878,850 | \$230,196 | \$78,767 | \$26,382 | \$1,963,140 | \$1,666,604 | \$3,738 | \$878,850 | \$882,588 | \$749,150 | \$1,080,552 | \$1,080,552 | \$917,454 | \$746,068 |

Total Benefits: \$1,963,140

Total Costs: \$882,588

PV Total Benefits: \$1,666,604

PV Total Costs: \$749,150

\$250,000

\$200,000

\$150,000

\$100,000

\$50,000

\$0

1 2 3 4 5 6 7 8 9 10 11

— Total Benefits — Total Costs

SUMMARY OF COSTS AND BENEFITS FOR:
PROJECT: Dharma Properties, LLC

Crawford County

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:

3.10

DATE: 5/27/2015

Ratio of Present Value of Total Benefits to Present Value of Total Costs:

3.09

DISCOUNT RATE: 3.00%

Average ROI

20.97%

| Year | Sales and Transient Guest Taxes | New Property Taxes | Existing Tax Payment | Other County Revenues | Total Benefits | Net Present Value of Total Benefits | Cost of Various County Services | Property Taxes Abated | Total Costs | Net Present Value of Total Costs | Net Benefits or Costs | Cumulative Net Benefits or Costs | Net Present Value of Net Benefits | Net Present Value of Taxes Abated |
|--------|---------------------------------|--------------------|----------------------|-----------------------|----------------|-------------------------------------|---------------------------------|-----------------------|-------------|----------------------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|
| Const. | \$10,094 | \$0 | \$0 | \$0 | \$10,094 | \$10,094 | \$0 | \$0 | \$0 | \$0 | \$10,094 | \$10,094 | \$10,094 | \$0 |
| 1 | \$146,772 | \$80,744 | \$7,924 | \$0 | \$235,440 | \$228,583 | \$0 | \$80,744 | \$80,744 | \$78,392 | \$154,696 | \$164,790 | \$150,190 | \$78,392 |
| 2 | \$156,657 | \$82,359 | \$7,924 | \$0 | \$246,939 | \$232,764 | \$0 | \$82,359 | \$82,359 | \$77,631 | \$164,581 | \$329,371 | \$155,133 | \$77,631 |
| 3 | \$164,557 | \$84,006 | \$7,924 | \$222 | \$256,708 | \$234,924 | \$165 | \$84,006 | \$84,171 | \$77,029 | \$172,537 | \$501,908 | \$157,896 | \$76,877 |
| 4 | \$169,512 | \$85,686 | \$7,924 | \$226 | \$263,348 | \$233,981 | \$169 | \$85,686 | \$85,855 | \$76,281 | \$177,493 | \$679,401 | \$157,700 | \$76,131 |
| 5 | \$174,616 | \$87,400 | \$7,924 | \$231 | \$270,170 | \$233,051 | \$172 | \$87,400 | \$87,572 | \$75,540 | \$182,598 | \$861,999 | \$157,511 | \$75,392 |
| 6 | \$179,874 | \$89,148 | \$7,924 | \$235 | \$277,181 | \$232,135 | \$175 | \$89,148 | \$89,323 | \$74,807 | \$187,858 | \$1,049,857 | \$157,328 | \$74,660 |
| 7 | \$185,291 | \$90,931 | \$7,924 | \$240 | \$284,385 | \$231,231 | \$179 | \$90,931 | \$91,110 | \$74,081 | \$193,276 | \$1,243,133 | \$157,151 | \$73,935 |
| 8 | \$190,870 | \$92,749 | \$7,924 | \$245 | \$291,788 | \$230,341 | \$183 | \$92,749 | \$92,932 | \$73,361 | \$198,857 | \$1,441,989 | \$156,979 | \$73,217 |
| 9 | \$196,618 | \$94,604 | \$7,924 | \$250 | \$299,396 | \$229,462 | \$186 | \$94,604 | \$94,791 | \$72,649 | \$204,606 | \$1,646,595 | \$156,813 | \$72,506 |
| 10 | \$202,539 | \$96,497 | \$7,924 | \$255 | \$307,214 | \$228,596 | \$190 | \$96,497 | \$96,686 | \$71,944 | \$210,528 | \$1,857,123 | \$156,653 | \$71,802 |
| Total | \$1,777,399 | \$884,124 | \$79,240 | \$1,902 | \$2,742,666 | \$2,325,163 | \$1,419 | \$884,124 | \$885,543 | \$751,715 | \$1,857,123 | \$1,857,123 | \$1,573,448 | \$750,545 |

Total Benefits PV Total Benefits PV Total Costs

\$2,742,666

\$2,325,163

\$350,000

\$300,000

\$250,000

\$200,000

\$150,000



Total Benefits
Total Costs

1 2 3 4 5 6 7 8 9 10 11

SUMMARY OF COSTS AND BENEFITS FOR: Pittsburg USD 250
PROJECT: Dharma Properties, LLC

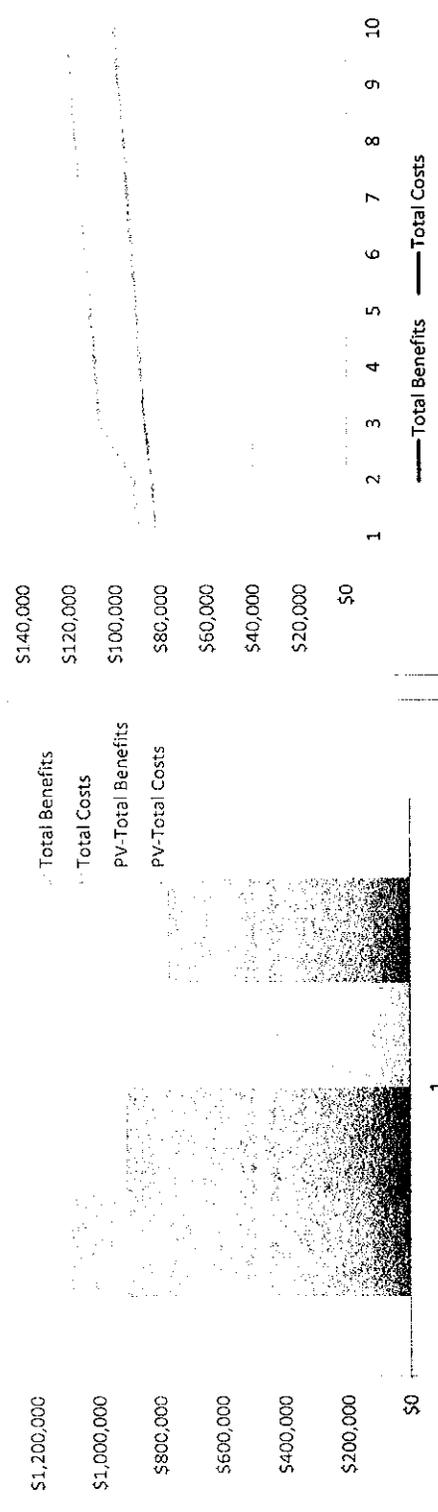
Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 1.19

Ratio of Present Value of Total Benefits to Present Value of Total Costs: 1.19

Average ROI: 1.94%

DATE: 5/27/2015 **DISCOUNT RATE:** 3.00% (Typical desired ratio would be 1.3 to 1)

| Year | New Property Taxes | Existing Property Tax Payment | Additional State, Federal and Other Funding | Total Benefits | Net Present Value of Total Benefits | Additional Costs | Property Taxes Abated | Total Costs | Net Present Value of Total Costs | Net Benefits or Costs | Cumulative Net Benefits or Costs | Net Present Value of Net Benefits | Net Present Value of Taxes Abated |
|--------|--------------------|-------------------------------|---|----------------|-------------------------------------|------------------|-----------------------|-------------|----------------------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|
| Const. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1 | \$82,105 | \$8,058 | \$0 | \$90,162 | \$87,536 | \$0 | \$82,105 | \$82,105 | \$79,713 | \$8,058 | \$8,058 | \$7,823 | \$79,713 |
| 2 | \$83,747 | \$8,058 | \$0 | \$91,804 | \$86,534 | \$0 | \$83,747 | \$83,747 | \$78,939 | \$8,058 | \$16,115 | \$7,595 | \$78,939 |
| 3 | \$85,422 | \$8,058 | \$13,185 | \$106,664 | \$97,613 | \$1,846 | \$85,422 | \$87,268 | \$79,862 | \$19,396 | \$35,511 | \$17,750 | \$78,173 |
| 4 | \$87,130 | \$8,058 | \$13,449 | \$108,636 | \$96,522 | \$1,883 | \$87,130 | \$89,013 | \$79,087 | \$19,623 | \$55,135 | \$17,435 | \$77,414 |
| 5 | \$88,873 | \$8,058 | \$13,718 | \$110,648 | \$95,446 | \$1,921 | \$88,873 | \$90,793 | \$78,319 | \$19,854 | \$74,989 | \$17,127 | \$76,662 |
| 6 | \$90,650 | \$8,058 | \$13,992 | \$112,700 | \$94,384 | \$1,959 | \$90,650 | \$92,609 | \$77,559 | \$20,090 | \$95,079 | \$16,825 | \$75,918 |
| 7 | \$92,463 | \$8,058 | \$14,272 | \$114,793 | \$93,337 | \$1,998 | \$92,463 | \$94,462 | \$76,806 | \$20,331 | \$115,410 | \$16,531 | \$75,181 |
| 8 | \$94,312 | \$8,058 | \$14,557 | \$116,927 | \$92,303 | \$2,038 | \$94,312 | \$96,351 | \$76,060 | \$20,577 | \$135,987 | \$16,243 | \$74,451 |
| 9 | \$96,199 | \$8,058 | \$14,849 | \$119,105 | \$91,284 | \$2,079 | \$96,199 | \$98,278 | \$75,322 | \$20,827 | \$156,814 | \$15,962 | \$73,728 |
| 10 | \$98,123 | \$8,058 | \$15,146 | \$121,326 | \$90,278 | \$2,121 | \$98,123 | \$100,243 | \$74,590 | \$21,082 | \$177,896 | \$15,687 | \$73,012 |
| Total | \$899,022 | \$80,575 | \$113,168 | \$1,092,765 | \$925,237 | \$15,847 | \$899,022 | \$914,869 | \$776,258 | \$177,896 | \$1,778,996 | \$148,979 | \$763,192 |



SUMMARY OF COSTS AND BENEFITS FOR: Wildcat Extension District #14
PROJECT: Dharma Properties, LLC

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period: 1.22

Ratio of Present Value of Total Benefits to Present Value of Total Costs: 1.22

Average ROI: 2.22%

DISCOUNT RATE: 3.00%

DATE: 5/27/2015

| Year | New District Property Taxes | Existing District Property Taxes | Other District Revenues | Total Benefits | Net Present Value of Total Benefits | Other District Costs | District Property Taxes Abated | Total Costs | Net Present Value of Total Costs | Net Benefits or Costs | Cumulative Net Benefits or Costs | Net Present Value of Net Benefits | Net Present Value of Taxes Abated |
|--------|-----------------------------|----------------------------------|-------------------------|----------------|-------------------------------------|----------------------|--------------------------------|-------------|----------------------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|
| Const. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1 | \$1,907 | \$187 | \$0 | \$2,094 | \$2,033 | \$0 | \$1,907 | \$1,907 | \$1,851 | \$187 | \$187 | \$182 | \$1,851 |
| 2 | \$1,945 | \$187 | \$0 | \$2,132 | \$2,010 | \$0 | \$1,945 | \$1,945 | \$1,833 | \$187 | \$374 | \$176 | \$1,833 |
| 3 | \$1,984 | \$187 | \$500 | \$2,671 | \$2,445 | \$147 | \$1,984 | \$2,131 | \$1,950 | \$541 | \$915 | \$495 | \$1,815 |
| 4 | \$2,024 | \$187 | \$510 | \$2,721 | \$2,418 | \$150 | \$2,024 | \$2,173 | \$1,931 | \$548 | \$1,463 | \$487 | \$1,798 |
| 5 | \$2,064 | \$187 | \$521 | \$2,772 | \$2,391 | \$153 | \$2,064 | \$2,217 | \$1,912 | \$555 | \$2,018 | \$479 | \$1,780 |
| 6 | \$2,105 | \$187 | \$531 | \$2,823 | \$2,365 | \$156 | \$2,105 | \$2,261 | \$1,894 | \$562 | \$2,580 | \$471 | \$1,763 |
| 7 | \$2,147 | \$187 | \$542 | \$2,876 | \$2,339 | \$159 | \$2,147 | \$2,306 | \$1,875 | \$570 | \$3,150 | \$463 | \$1,746 |
| 8 | \$2,190 | \$187 | \$552 | \$2,930 | \$2,313 | \$162 | \$2,190 | \$2,352 | \$1,857 | \$577 | \$3,727 | \$456 | \$1,729 |
| 9 | \$2,234 | \$187 | \$564 | \$2,985 | \$2,288 | \$165 | \$2,234 | \$2,400 | \$1,839 | \$585 | \$4,312 | \$449 | \$1,712 |
| 10 | \$2,279 | \$187 | \$575 | \$3,041 | \$2,263 | \$169 | \$2,279 | \$2,448 | \$1,821 | \$593 | \$4,906 | \$441 | \$1,696 |
| Total | \$20,879 | \$1,871 | \$4,295 | \$27,045 | \$22,862 | \$1,261 | \$20,879 | \$22,139 | \$18,764 | \$4,906 | \$4,906 | \$4,098 | \$17,724 |

| | | |
|----------|-------------------|---------|
| \$30,000 | Total Benefits | \$3,500 |
| \$25,000 | Total Costs | \$3,000 |
| \$20,000 | PV-Total Benefits | \$2,500 |
| \$15,000 | PV-Total Costs | \$2,000 |
| \$10,000 | Total Benefits | \$1,500 |
| \$5,000 | Total Costs | \$1,000 |
| \$0 | | \$500 |
| | | \$0 |

1 2 3 4 5 6 7 8 9 10

SUMMARY OF COSTS AND BENEFITS FOR:
PROJECT: Dharmma Properties, LLC

State of Kansas

Ratio of Actual Benefits to Actual Costs Over the 10-Year Period:
Ratio of Present Value of Total Benefits to Present Value of Total Costs:

15.26
13.50
142.64%

DISCOUNT RATE: 3.00% (Typical desired ratio would be 1.3 to 1)

Average ROI

| Year | Sales Taxes | Property Taxes | Corporate and Personal Income Taxes | Existing Property Tax Payment | Other State Revenues Cap. Mult. Loan Pmt. | Total Benefits | Present Value of Total Benefits | Cost of Various State Services | Cost of Educating New Students | Property Taxes Abated | Other Costs & Incentives Cap. Mult. Loan | Total Costs | Present Value of Total Costs | Net Benefits or Costs | Cumulative Net Benefits or Costs | Present Value of Net Benefits | Present Value of Taxes Abated and Incentives |
|--------|-------------|----------------|-------------------------------------|-------------------------------|---|----------------|---------------------------------|--------------------------------|--------------------------------|-----------------------|--|-------------|------------------------------|-----------------------|----------------------------------|-------------------------------|--|
| | | | | | | | | | | | | | | | | | |
| Const. | \$82,773 | \$0 | \$35,891 | \$0 | \$0 | \$118,664 | \$118,664 | \$0 | \$0 | \$0 | \$150,000 | \$150,000 | \$150,000 | -\$31,336 | -\$31,336 | -\$31,336 | \$150,000 |
| 1 | \$214,435 | \$2,483 | \$2,305 | \$244 | \$19,092 | \$238,558 | \$231,610 | \$0 | \$0 | \$2,483 | \$0 | \$2,483 | \$2,410 | \$236,076 | \$204,740 | \$229,200 | \$2,410 |
| 2 | \$228,990 | \$2,532 | \$2,305 | \$244 | \$19,092 | \$253,163 | \$238,631 | \$0 | \$0 | \$2,532 | \$0 | \$2,532 | \$2,387 | \$250,631 | \$455,370 | \$236,244 | \$2,387 |
| 3 | \$240,772 | \$2,583 | \$2,305 | \$244 | \$19,092 | \$264,995 | \$242,508 | \$0 | \$1,846 | \$2,583 | \$0 | \$4,429 | \$4,054 | \$260,566 | \$715,936 | \$238,455 | \$2,364 |
| 4 | \$247,941 | \$2,635 | \$2,351 | \$244 | \$19,092 | \$272,262 | \$241,901 | \$0 | \$1,883 | \$2,635 | \$0 | \$4,518 | \$4,014 | \$267,744 | \$983,680 | \$237,887 | \$2,341 |
| 5 | \$255,324 | \$2,687 | \$2,398 | \$244 | \$19,092 | \$279,745 | \$241,311 | \$0 | \$1,921 | \$2,687 | \$0 | \$4,608 | \$3,975 | \$275,137 | \$1,258,817 | \$237,335 | \$2,318 |
| 6 | \$262,928 | \$2,741 | \$2,446 | \$244 | \$19,092 | \$287,451 | \$240,736 | \$0 | \$1,959 | \$2,741 | \$0 | \$4,701 | \$3,937 | \$282,750 | \$1,541,567 | \$236,799 | \$2,296 |
| 7 | \$270,759 | \$2,796 | \$2,495 | \$244 | \$19,092 | \$295,386 | \$240,176 | \$0 | \$1,998 | \$2,796 | \$0 | \$4,795 | \$3,898 | \$290,591 | \$1,832,159 | \$236,277 | \$2,273 |
| 8 | \$278,824 | \$2,852 | \$2,545 | \$244 | \$19,092 | \$303,557 | \$239,630 | \$0 | \$2,038 | \$2,852 | \$0 | \$4,890 | \$3,861 | \$298,666 | \$2,130,825 | \$235,770 | \$2,251 |
| 9 | \$287,130 | \$2,909 | \$2,596 | \$244 | \$19,092 | \$311,971 | \$239,100 | \$0 | \$2,079 | \$2,909 | \$0 | \$4,988 | \$3,823 | \$306,982 | \$2,437,807 | \$235,276 | \$2,230 |
| 10 | \$295,685 | \$2,967 | \$2,648 | \$244 | \$19,092 | \$320,635 | \$238,583 | \$0 | \$2,121 | \$2,967 | \$0 | \$5,088 | \$3,786 | \$315,547 | \$2,753,354 | \$234,797 | \$2,208 |
| Total | \$2,665,561 | \$27,186 | \$60,286 | \$2,437 | \$190,918 | \$2,946,387 | \$2,512,849 | \$0 | \$15,847 | \$27,186 | \$150,000 | \$199,033 | \$186,145 | \$2,793,934 | \$2,753,354 | \$2,326,704 | \$179,079 |

| | Total Benefits | Total Costs |
|-------------|----------------|-------------|
| \$3,500,000 | \$350,000 | |
| \$3,000,000 | \$300,000 | |
| \$2,500,000 | \$250,000 | |
| \$2,000,000 | \$200,000 | |
| \$1,500,000 | \$150,000 | |
| \$1,000,000 | \$100,000 | |
| \$500,000 | \$50,000 | |
| \$0 | \$0 | |

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|-----|---|---|---|---|---|---|---|---|---|----|----|
| \$0 | | | | | | | | | | | |

Dharma Properties, LLC

Other Economic Impacts of the Project

| | In the First Year | Over 10 Years |
|--|----------------------|------------------|
| Number of Jobs Created (Includes related jobs from construction, etc.) | 81 | 21 |
| Number of New Residents in the Community | 0 | 4 |
| Number of Additional Students in the Local School District | 0 | 2 |
| Increase in Local Personal Incomes | \$263,440 | \$2,787,977 |
| Increase in Local Retail Sales | \$7,722,463 | \$44,815,738 |
| Increase in the Community's Property Tax Base | \$5,981,800 | \$5,981,800 |

RESOLUTION NO. 1172

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF PITTSBURG, KANSAS DETERMINING THE ADVISABILITY OF ISSUING TAXABLE INDUSTRIAL REVENUE BONDS FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION, FURNISHING AND EQUIPPING OF A HOTEL FACILITY TO BE LOCATED IN SAID CITY; AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

WHEREAS, the City of Pittsburg, Kansas (the "Issuer") desires to promote, stimulate and develop the general economic welfare and prosperity of the City of Pittsburg, and thereby to further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas; and

WHEREAS, pursuant to the provisions of the Kansas Economic Development Revenue Bond Act, as amended and codified in K.S.A. 12-1740 *et seq.* (the "Act"), the Issuer is authorized to issue revenue bonds for such purposes, and it is hereby found and determined to be advisable and in the interest and for the welfare of the Issuer and its inhabitants that revenue bonds of the Issuer in the not to exceed principal amount of \$8,000,000 be authorized and issued, in one or more series, to provide funds to pay the costs of the acquisition, construction, furnishing and equipping of a hotel facility (the "Project") to be located in the Issuer and to be leased by the Issuer to Dharma Properties LLC, a Kansas limited liability (the "Tenant").

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF PITTSBURG, KANSAS:

Section 1. **Public Purpose.** The governing body of the Issuer hereby finds and determines that the Project will promote, stimulate and develop the general economic welfare and prosperity of the Issuer, and thereby further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas.

Section 2. **Authorization to Acquire Project; Intent to Issue Bonds.** The Issuer is hereby authorized to proceed with the acquisition, construction, furnishing and equipping of the Project and to issue its revenue bonds, in one or more series, in the not to exceed principal amount of \$8,000,000 (the "Bonds") to pay the costs thereof, subject to satisfaction of the conditions of issuance set forth herein.

Section 3. **Conditions to Issuance of Bonds.** The issuance of the Bonds is subject to: (a) the passage of an ordinance authorizing the issuance of the Bonds; (b) the successful negotiation of a Trust Indenture, Guaranty Agreement, Lease, Bond Purchase Agreement or other legal documents necessary to accomplish the issuance of the Bonds, the terms of which shall be in compliance with the Act and mutually satisfactory to the Issuer and the Tenant; (c) the successful negotiation and sale of the Bonds to a purchaser or purchasers yet to be determined (the "Purchaser"), which sale shall be the responsibility of the Tenant and not the Issuer; (d) the receipt of the approving legal opinion of Gilmore & Bell, P.C. ("Bond Counsel") in form acceptable to the Issuer, the Tenant and the Purchaser; (e) the obtaining of all necessary governmental approvals to the issuance of the Bonds; (f) the commitment to and payment by the Tenant or Purchaser of all

expenses relating to the issuance of the Bonds, including, but not limited to: (i) expenses of the Issuer and the Issuer Attorney; (ii) any underwriting or placement fees and expenses; (iii) all legal fees and expenses of Bond Counsel; and (iv) all recording and filing fees, including fees of the Kansas Board of Tax Appeals; and (g) the execution and delivery by the Tenant of an agreement for payment in lieu of taxes in substantially the form presented to the governing body of the Issuer with this Resolution.

Section 4. Property Tax Exemption and Payment in Lieu of Taxes. The Issuer hereby determines that pursuant to the provisions of K.S.A. 79-201a *Second* the Project, to the extent purchased or constructed with the proceeds of the Bonds, should be exempt from payment of ad valorem property taxes for ten years commencing with the year following the year in which the Bonds are issued, provided proper application is made therefor. In making such determination the governing body of the Issuer has conducted the public hearing and reviewed the analysis of costs and benefits of such exemption required by K.S.A. 12-1749d. The Tenant is responsible for preparing such application and providing the same to the Issuer for its review and submission to the State Board of Tax Appeals. The tax exemption granted is subject to the execution and delivery by the Tenant of an agreement for payment in lieu of taxes in substantially the form presented to the governing body of the Issuer with this Resolution.

Section 5. Sales Tax Exemption. The Governing Body hereby determines that pursuant to the provisions of K.S.A. 79-3601 *et seq.* (the "Sales Tax Act"), particularly 79-3606(b) and (d) and other applicable laws, sales of tangible personal property or services purchased in connection with construction of the Project and financed with proceeds of the Bonds are entitled to exemption from the tax imposed by the Sales Tax Act; provided proper application is made therefore.

Section 6. Reliance by Tenant; Limited Liability of Issuer. It is contemplated that in order to expedite acquisition of the Project and realization of the benefits to be derived thereby, the Tenant may incur temporary indebtedness or expend its own funds to pay costs of the Project prior to the issuance of the Bonds. Proceeds of Bonds may be used to reimburse the Tenant for such expenditures made not more than 60 days prior to the date this Resolution is adopted. The Bonds herein authorized and all interest thereon shall be paid solely from the revenues to be received by the Issuer from the Project and not from any other fund or source. The Issuer shall not be obligated on such Bonds in any way, except as herein set out. In the event that the Bonds are not issued, the Issuer shall have no liability to the Tenant.

Section 7. Further Action. The City Clerk is hereby authorized to deliver an executed copy of this Resolution to the Tenant. The Mayor, City Clerk and other officials and employees of the Issuer, including the Issuer's counsel and Bond Counsel, are hereby further authorized and directed to take such other actions as may be appropriate or desirable to accomplish the purposes of this Resolution, including, but not limited to: (a) cooperate with the Tenant in filing an application for a sales tax exemption certificate with the Kansas Department of Revenue with respect to Bond-financed property; and (b) execution on behalf of the Issuer of the information statement regarding the proposed issuance of the Bonds to be filed with the State Board of Tax Appeals pursuant to the Act.

Section 8. Effective Date. This resolution shall become effective upon adoption by the Governing Body.

[BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK]

ADOPTED by the governing body of the City of Pittsburg, Kansas on June 23, 2015.

[SEAL]

Mayor

Attest:

City Clerk

CERTIFICATE

I hereby certify that the above and foregoing is a true and correct copy of the Resolution of the Issuer adopted by the governing body on June 23, 2015, as the same appears of record in my office.

DATED: _____ 2015.

City Clerk



COMMUNITY DEVELOPMENT
PITTSBURG PUBLIC HOUSING
603 N. PINE · Pittsburg KS 66762

(620) 232-1210
www.pittks.org
FAX: (620) 232-1210

INTEROFFICE MEMORANDUM

To: Pittsburg City Commission
From: Becky Gray, Director of Community Development and Housing
CC: Daron Hall
Date: June 17, 2015
Subject: Tenant Based Rental Assistance grant Application

The Housing and Community Development office has been coordinating efforts with other providers of housing and homeless services throughout the city and region to determine the most cost effective and appropriate manner of addressing homelessness. Collectively, we agree it is in the best interests of the people who are experiencing homelessness, as well as the City and the entities providing services, to use a “Housing First” model. In this model, people who are considered literally homeless are placed into housing as quickly as possible, with the understanding that whatever issues they are facing that led to their homelessness will be best addressed after they are stabilized and safe. Along with providing housing, this model stresses the importance of linking the participants with community resources to ensure they maintain stability, improve their family’s outcomes, and prevent repeated episodes of homelessness.

In addition, we are working to eliminate barriers to housing experienced by low-income households, whether or not experiencing homelessness. One of these barriers is an inability to pay security deposits.

The Housing and Community Development Department is applying for \$200,000 through the Kansas Housing Resources Corporation’s (KHRC) Tenant Based rental Assistance (TBRA) program. These funds will be used to provide utility deposit, rental deposit, and rental subsidy to households experiencing homelessness as well as security deposits for non-homeless low-income households. We project serving a total of 120 individuals, including children, with these funds.

Participants in this program will simultaneously apply for Section 8 subsidy, and only use the TBRA funding to fill the gap between homelessness and HUD Section 8. With your approval, and the appropriate signatures, we will submit this application to KHRC prior to the June 30th deadline.

TBRA Attachments

Project Need

Pittsburg, Kansas was home to CHOICES Homeless Shelter for Families with Children since 2006, serving over 320 individuals every year. During 2014, the entity that supported the shelter lost their funding and the doors closed. Since then, other social service entities within the community and the City's Housing and Community Development department have been working to fill the need for homeless services that was caused by the closure of the CHOICES shelter. Collectively, service providers have decided that a "Housing First" model will be the best way to address the needs in our community. The funding from this TBRA grant will be used to place people experiencing homelessness immediately into housing, where they can remain until they are either able to maintain housing on their own or obtain a HUD Section 8 voucher. Additionally, low income people, whether or not they are experiencing homelessness, struggle to pay security deposit. Therefore, we will use a portion of the TBRA grant funding to offer security deposits to all income qualifying households renting within the City of Pittsburg.

Identification of Need: Within the community of Pittsburg and the surrounding areas, service entities providing homeless services work very closely together as the Southeast Kansas Regional Homeless Provider Network. This Network meets regularly, sharing information on homeless resources and designing their programs to ensure people experiencing homelessness have access to all of the resources they need without any resources being duplicated. Information for this grant application comes from empirical information gleaned through this network. Moreover, lack of affordable housing is documented through many national research publications. For instance, the Assisted Housing Initiative is a project of the Urban Institute, made possible by support from Housing Authority Insurance, Inc., to provide fact-based analysis about public and assisted housing. The Urban Institute is a non-profit, nonpartisan research organization and retains independent and exclusive control over substance and quality of any Assisted Housing Initiative products. Their report shows that in Crawford County, Kansas, there are 36 affordable rental units for every 100 extremely low-income renter households. Without Federal assistance, such as Section 8 or this TBRA funding, there would only be 14 units available for every 100 households. In 2013, extremely low-income households of four earned no more than \$16,550¹.

¹ "The Housing Affordability Gap for Extremely Low-Income Renters in 2013." *The Housing Affordability Gap for Extremely Low-Income Renters in 2013*. N.p., n.d. Web. 17 June 2015.

Documentation of Need: The data table on the following page, from the US Census Bureau’s most recent American Community Survey results, documents the level of need for housing first support and subsidies within the community.

| | |
|---|--|
| Total non-institutionalized population: | 20,034 |
| Per capita income: | \$19,652 |
| Total number of Households : | 7,972 |
| Living on less than \$25,000 per year: | 40% or 3,189 |
| Families: | 24.8% or 1,977 |
| Married families: | 15.7% or 1,252 |
| Single Parent Households: | 12.3% or 981 |
| Non-family households | 60.6% or 4,831 |
| | |
| Number of people considered: | |
| Homeless: | 101 ² |
| Disabled: | 25.6% or 5,128 |
| Elderly: | 11.7% or 2,343 |
| | |
| Occupied units paying rent: | 3,910 |
| Number of rental households paying more than 50% ¹ of their income for rent (extremely rent-burdened): | 48.6% or 1,900 households ³ |
| Number of rental households paying between 30% to 34.9% of their income for rent (rent-burdened): | 11.9% or 465 households |
| Paying more than 30% of gross income as rent : | 60.5% or 2,366 households |
| | |
| Number of families on current waiting lists: | Section 8 = 98 TBRA = 39 |
| Number of families currently receiving assistance: | 351 ⁴ |
| Proposed tenants falling below 30% AMI: | 50% |
| Falling below 50% AMI | 100% |

² U.S. Census Bureau, 2010 Census. NOTE: The last time institutionalized population counts for the City of Pittsburg were conducted by the census bureau was 2010; this data includes the number of people in hospitals and homeless shelters who have no other home. This data does not include the number of people who were living in places not meant for human habitation.

³ US Census only reports on 35% and above.

⁴ This number only counts those receiving services through the City’s Community Development and housing Department; it does not include those receiving assistance through other community resources.

Project Impact

The funding from this Tenant Based Rental Assistance grant will address the following need: placing homeless individuals and families into housing as quickly as possible in order to stabilize their situation and link them with other community resources. Additionally, a portion of these funds will assist income eligible households pay a housing security deposit if they are unable to do so on their own.

Currently, within the City of Pittsburg, there are no services to provide shelter to people experiencing homelessness; therefore, some unsheltered people live in overcrowded homes, doubling up with family or friends, some resort to trespassing in vacant properties to seek shelter, and some remain unsheltered, camping out in wooded and other overgrown areas. Thus, this TBRA funding will enhance the community by providing shelter in appropriate housing while individuals and families navigate the process of applying for HUD Section 8 housing or other subsidized housing programs, alleviating criminal trespass activities, and ensure safety of citizens. Additionally, it will eliminate the barrier to housing that some households experience with security deposits.

As designed, this grant funding will further the City's intent of providing housing to very low income people, serving as a stop-gap measure and providing up to two years of subsidized safety and security for those receiving Housing First assistance, and alleviate a barrier to housing by providing security deposits for those who are income eligible.

In conjunction with the TBRA subsidy, the City of Pittsburg's Housing and Community Development office will work with the client to apply for the HUD Section 8 housing choice voucher program as well as ensure the participant is linked with other community resources. Other resources who have participated in the design of this program, and who are prepared for the influx of clients, include, but are not limited to, the following: Wesley House, Catholic Charities, SKIL, Kansas Department for Children and Families, Community Mental Health Center of Crawford County, and the Pittsburg Police Department's Family resource Advocates.

One hundred twenty individuals, including children, will benefit from this program.

Within a week of executing grant award documents, the Community Development and housing office will provide notice to all of the social services resource providers within the community about the availability of the funds. After an applicant successfully completes their application paperwork and is approved for the program, a voucher will be issued, similar to the Section 8 process. The participant will also complete the appropriate paperwork to get them on the Section 8 waiting list. TBRA funds will be used to subsidize their housing until they are accepted onto the Section 8 program, or for two years, whichever comes first.

By linking participants with the other resources within our community, case management plans for self-sufficiency will be in place. Due to inadequate capacity, the City's Community Development and Housing department cannot take on the role of case management, and therefore will rely on the regional Homeless Provider Network for this activity.

Capacity

The City of Pittsburg's Housing and Community Development department operates under an Administrative Plan, which is reviewed annually and meets the criteria indicated in the Kansas Housing Resources Corporation's TBRA Policy.

The non-financial functions of this project will be managed by the Department of Housing and Community Development, a five member team with a combined tenure at the City of twenty-two years. Not only does the staff manage a HUD Section 8 voucher program and Tenant Based rental Assistance, they also manage Emergency Solutions Grant funding, Moderate Income Housing funds, and locally funded programs which will be leveraged with these HPG funds to significantly impact housing in our community. The local programs include an emergency repair grant program, a rehabilitation program, a paint reimbursement program, all of which have been in place for over five years.

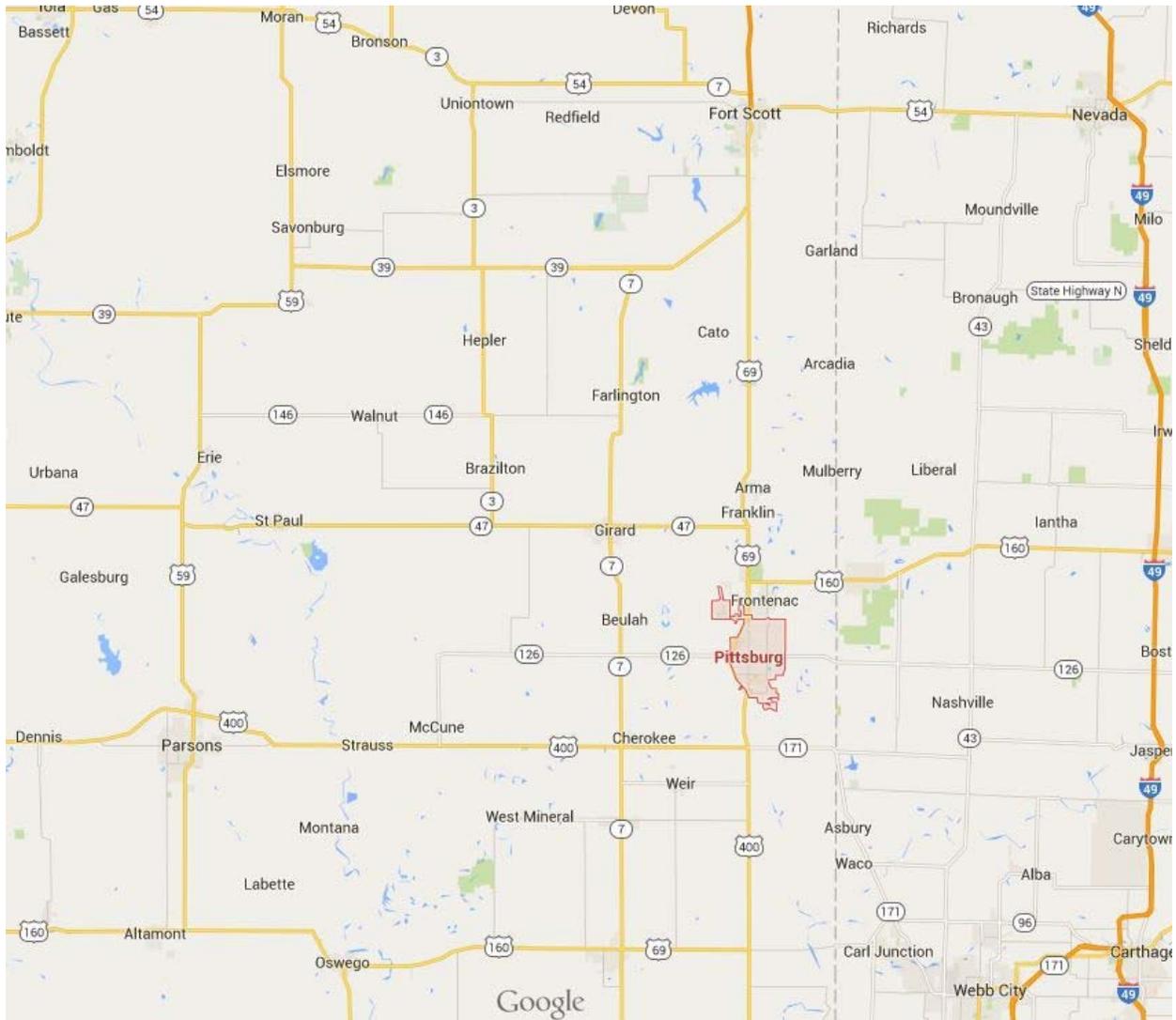
All of our programs are designed to serve low- and very low- income households. The Director of this department is charged with coordinating all social service programs and benevolent contributors within the city, and therefore has extensive knowledge about other programs and resources available in the community; there are very little resources for home preservation. The Manager of this department, who serves on the Board of Directors of Habitat for Humanity and participates with the regional Homeless Provider Network, will work to coordinate that and other auxiliary programs in the community to work in concert with the HPG funds.

The majority of this department's budget comes from Federal, State, and local grant programs, and we currently have no outstanding or unresolved audit or investigative findings.

Our department posts informational and marketing details on the City of Pittsburg's Facebook page as well as publishes press releases in our local paper, The Morning Sun. The City Manager announces the availability of program funding on a local radio station, and the city has a dedicated cable channel to provide information about local programs. Perhaps even more impactful, the Regional Homeless Provider Network will be notified both in person and through emails; this network will begin referring potential participants immediately.

Non-Local HOME Area

The City of Pittsburg is a non-Local HOME Participating Jurisdiction. The following map illustrates the location of the City of Pittsburg, whose political boundaries will also be the boundaries of the TBRA grant funding:



Within the City of Pittsburg, the US Census Bureau identifies the following demographic characteristics:

| | |
|--------------------------|-------------------|
| Single parent Households | 12.3% |
| Special populations: | |
| Elderly: | 43.4% |
| Cognitive Difficulty: | 21.2% |
| Disabilities: | |
| Total: | 13% of population |
| Under 5: | 1.6% |
| 5-17: | 5% |
| 18-64: | 11% |
| 65 and over: | 43.4% |
| County per capita | \$20,974 |
| County Median | \$37,378 |

53.5% of the structures are renter occupied

44.9% of the housing structures in city limits are greater than 55 years old.

Administrator

TBRA funds will flow through the City of Pittsburg's finance department, who operates an annual budget of approximately \$48 million per year. The City's financial management, review, and oversight is of such quality that our bond rating was recently raised to AA-. Furthermore, we have received the comprehensive annual financial report for eighteen years in a row. Our management and forecasting practices include a five year financial plan and a five year capital improvement plan, both of which are updated annually, as well as several adopted financial policies.

The non-financial functions of this project will be managed by the Department of Housing and Community Development, a five member team with a combined tenure at the City of twenty-two years. Not only does the staff manage a HUD Section 8 voucher program and Tenant Based Rental Assistance, they also manage Emergency Solutions Grant funding, Moderate Income Housing funds, and locally funded programs.

All of our programs are designed to serve low- and very low- income households. The majority of this department's budget comes from Federal, State, and local grant programs, and we currently have no outstanding or unresolved audit or investigative findings.

TENANT BASED RENTAL ASSISTANCE (TBRA)
2015 APPLICATION
AVAILABLE FUNDING: \$1,200,000

Applicant/Agency: CITY OF PITTSBURG, KS

A. Application Process

1. Submittal Requirements

The Kansas Housing Resources Corporation (KHRC) must receive **one original** of the application before 4:00 p.m. on Tuesday, June 30, 2015. An acknowledgment (receipt) will be provided upon request. Applications submitted via mail or other delivery system should be sent using that company's return receipt process, as this will be your notice that the application has been received. Submit the application package to:

Kansas Housing Resources Corporation
Attn: TBRA Program Manager
611 S. Kansas Avenue, Suite 300
Topeka, Kansas 66603-3803

2. Eligible Applicants

HOME Program funds for the Tenant Based Rental Assistance program will be made available to local units of government, public housing authorities, and non-profit agencies on a competitive basis.

3. Standard Application Forms

In an effort to provide the required information to the review team, to reduce required paperwork, and to encourage all eligible applicants to participate, only applications on standard forms will be considered. A complete set of forms must be submitted.

B. Application Instructions

1. Applications must include the following:

- Funding Summary (form provided in Application)
- Statement of Assurances and Certifications (form provided in Application)
- Narratives – Project Need and Project Impact
- Budget Worksheet
- Administrative Plan

2. The applicants should review the entire application form and instructions before beginning to prepare the application. Applicants must submit one original of the application.

3. Only information received by the Kansas Housing Resources Corporation prior to the application deadline will be considered in the selection process. Failure to submit required information will be grounds for rejection of the application.

C. Ratings Criteria (750 Points Maximum)

1. Project Need (300 points maximum)

Applicants will receive up to 300 points based on comparison with other TBRA Project Need descriptions according to the following criteria: The application should provide identification and documentation of how the level of need for the TBRA request was determined by the applicant. Information should include the number of families on the current waiting list, the number of families currently receiving assistance, the total population and per capita income of the community, the proposed program tenants who fall at or below 30% of the median income, the proposed number of homeless, disabled, elderly, or single parent households, and those paying over 50% of their income for rent.

2. Project Impact (300 points maximum)

Applicants will receive up to 300 points based on comparison with other TBRA Project Impact descriptions according to the following criteria: The applicant must describe how the program design addresses the identified need, how this program will enhance the community, and how this program will further the intent of providing housing to very-low income persons. The number of Section 8 or TBRA tenants from the/a previous year who moved to a Section 8 program or to self-sufficiency should be indicated. Other measures of success for previous tenants who received rental subsidies but later moved to self-sufficiency may be indicated. If services are offered in conjunction with rental assistance (e.g., homeless case management, disability support services, etc.) those services and the populations receiving them should be described. Note that participation in offered services *cannot* be a requirement for receiving TBRA.

3. Capacity (100) Points

Administrative Plans will be evaluated. Areas reviewed will include the minimum requirements for the Administrative Plan indicated in the KHRC TBRA Policy. Points will be awarded for rental housing experience, administrative support for previous TBRA grant awards (if applicable), proposed marketing efforts to the proposed geographical area, and accuracy of reports if previous TBRA grant awards have been made. Compliance review issues for existing TBRA grantees will be considered.

4. Non-Local HOME Areas (50) Points

Applicants in non- Local HOME Participating Jurisdictions (local PJs) will receive a funding preference. Within the HOME Program, the cities of Topeka, Lawrence, Wichita, Kansas City and Johnson County are considered local PJs. Local PJs receive HUD HOME funding directly. Applicants outside of these jurisdictions will receive 50 points. (NOTE: Applications serving local HOME PJs are restricted to serving special populations as identified in the Kansas Consolidated Plan.)

TENANT BASED RENTAL ASSISTANCE FUNDING SUMMARY

APPLICANT DATA

Name of Applicant : City of Pittsburg, KS

Contact Person: Lacie Cottrell, Community Development & Housing Manager

Telephone/Email: Area Code (620) Telephone 232-1210 E-maillacie.cottrell@pittks.org

Contact Address: P.O. Box 688, 603 N. Pine

City/Zip Code: Pittsburg, 66762

| | | | |
|-------------------------------------|--------------------------------|---|-----------|
| <input checked="" type="checkbox"/> | Local government | U.S. Congressional District(s)* | <u>2</u> |
| <input checked="" type="checkbox"/> | Public Housing Authority (PHA) | State Senate District* | <u>13</u> |
| <input type="checkbox"/> | Non-Profit | State Representative District* | <u>3</u> |
| <input type="checkbox"/> | For-profit | *Districts for agency city/county location only | |

| <input checked="" type="checkbox"/> | TBRA Proposed Activities | Total Proposed Households | (UNITS) |
|-------------------------------------|--------------------------|---------------------------|-----------|
| <input checked="" type="checkbox"/> | Rental Subsidies | Rental Subsidy | <u>25</u> |
| <input checked="" type="checkbox"/> | Security Deposits | Security Deposit Subsidy | <u>25</u> |
| <input checked="" type="checkbox"/> | Utility Deposits* | Utility Deposit Subsidy* | <u>25</u> |

**Utility Deposit cannot be used as a stand-alone activity. Must be utilized with rental subsidy, security deposit subsidy, or both.*

Total funding requested \$ 200,000

| | | | | | | | | | |
|--|------|------------|--------------|------|-----------|--|------|---------------------------|--|
| Has applicant previously been awarded a HOME Grant? | | | | | | Yes <input checked="" type="checkbox"/> | | | |
| | | | | | | No <input type="checkbox"/> | | | |
| Year | 2014 | \$ 100,000 | Year | 2010 | \$120,000 | Year | 2007 | \$150,00 | |
| Year | 2004 | \$ 150,000 | Year | 2003 | \$100,000 | Year | 1999 | \$75,000 | |
| FUNDING HISTORY-MOST RECENT TBRA GRANT (IF APPLICABLE)* | | | | | | | | | |
| Check if not APPLICABLE <input type="checkbox"/> | | | | | | | | | |
| data for grant award <u>2010</u> (Provide Grant Year)* January 1-December 31 <u>2011</u> (List Year)* (DATA BELOW FOR ONE CALENDAR YEAR JANUARY –DECEMBER AND ONE GRANT AWARD ONLY)* | | | | | | | | | |
| Total Tenant Households (UNITS) Served to Date from ONE Grant Award FOR ONE Calendar Year (Only) <u>175</u> | | | | | | | | | |
| Average TBRA Rental Subsidy Paid Per Unit | | | <u>\$N/A</u> | | | Total Household UNITS Receiving Rental Subsidies | | (Total Number) <u>N/A</u> | |
| Average TBRA Security Deposit Paid Per Unit | | | <u>\$372</u> | | | TOTAL HOUSEHOLD UNITS Receiving Security Deposit Subsidies | | (Total Number) <u>175</u> | |

| | | | |
|--|-------|---|-----------------------|
| Average TBRA Utility Deposit PAID PER UNIT (Provided with Rental Subsidy and/or Security deposit) | \$N/A | TOTAL Household UNITS Receiving Utility Deposit Subsidies | (Total Number) N/A |
|--|-------|---|-----------------------|

Project Summary

Please provide a brief description of the project. Describe how the proposed project is consistent with the Consolidated Plan. (See “Certification of Consistency” or “How to Use the Plan.”)

Please See "TBRA Attachments"

Please provide your TBRA Tenant Selection Policy (24 CFR 92.209 (c) that is included in your Administrative Plan.

Please see "TBRA Tenant Selection Policy"

Estimated number of tenant **households (total families/units)** who will benefit from the proposed 2015 TBRA Program: 50

Estimated number of **persons** (including children in households) who will benefit from the proposed 2015 Program: 120

| 2015 | | |
|---|--|---|
| Proposed TBRA Targeted Populations | | |
| Please indicate the proposed number of participants who you think will fall within the following categories | | |
| Category | Number | Percent to be Served (Percentages may involve a duplicate count). |
| Homeless | 60 | 50% |
| Single Parent Households | 6 | 12.3% |
| Special Populations to be served, if applicable (Elderly, People with Mental Illness, SPMI, other specific disabilities.) | Specific Special Populations to be Served: <u>Elderly 14</u> <u>Disabled 30</u> Numbers of each proposed Specific Special Population: _____ | 11.7% 25.6% |

PROJECT SUMMARY

TBRA HOME Program funds requested (do not include 5% Administrative Fee): \$ 200,000 _____

Maximum amount requested cannot exceed \$300,000.

FURTHERING FAIR HOUSING

All applicants who receive a grant award must affirmatively further fair housing. Title VII and Executive Order 11063 requirements apply to all recipients, regardless of community size and/or racial/ethnic characteristics. The fair housing provisions apply to the community as a whole and pertain to the sale or rent of housing, the financing of housing, and the provision of brokerage services. *MEANINGFUL STEPS TO FURTHER FAIR HOUSING MUST BE TAKEN.* Such steps must be documented and will be monitored by the Kansas Housing Resources Corporation.

Marketing Procedures

Describe your Marketing Plan for the proposed geographical area served. Please list all area newspapers, television stations, and radio stations in your area where you plan to advertise the availability of the TBRA program. Marketing efforts must take place in all geographical service areas. Marketing via referrals only, local presentations, or exclusive use of a waiting list are not considered effective marketing techniques. Press releases must be provided (possibly e-mailed) to all media within the jurisdiction of the grantee.

| | Name | City |
|---------------------|--|-------------------|
| Newspapers | The Morning Sun | Pittsburg, Kansas |
| Television Stations | KOAM KODE KSN | Joplin, Missouri |
| Radio Stations | KRPS | Pittsburg, Kansas |
| Other | City of Pittsburg Facebook City of Pittsburg Website City of Pittsburg Cable Channel 6 | |

OTHER ATTACHMENTS

- A detailed project location map must be attached to each application.
- Letters of commitment indicating support for the proposed TBRA Program and/or all proposed sources of non-federal matching/leveraging funds.
- TBRA Project Budget Form.
- Housing Administrative Plan
- OMB Circular A-133 related Subgrantee Single Audit report required for non-profits and governmental organizations that expend \$500,000 or more of federal funds combined from all sources during the applicant agency’s fiscal year. Medicare and Medicaid are not considered federal awards. A copy of the

applicant agency's latest fiscal year's audit including findings must be included with the TBRA application.

Check here if audit report is not required due to applicant agency expending less than \$500,000 annually in federal funding.

CITY OF PITTSBURG, KS

Applicant: _____

CERTIFICATIONS

The applicant certifies that the information contained in the Application Summary is true and correct and the appropriate governing body has duly authorized the document. The applicant agrees that, if approved, this, with the attached Certifications, will become a part of the agreement for activities and services authorized under the HOME Investment Partnerships Program.

Name: CHUCK MUNSELL

Name: LACIE COTTRELL

Title: MAYOR, CITY OF PITTSBURG

Title: COMMUNITY DEVELOPMENT & HOUSING MANAGER

Date: 6/23/2015

Date: 6/23/2015

Signature: _____

Signature: _____

Signature of Chief Elected Official

Date

If the applicant is a non-profit entity and not a local unit of government, the Executive Director and a Board member must sign the application.

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Signature of Executive Director

Date

Signature of Board Member

Date

**TENANT BASED RENTAL ASSISTANCE
BUDGET WORKSHEET**

| 2015 PROPOSED BUDGET FOR <u>ESTIMATED</u> PROGRAM HOUSEHOLDS | Number of Bedrooms | | | | |
|--|---------------------------|---------------|--------------|--------------|----------------|
| | 1 | 2 | 3 | 4 | 5+ |
| (1) Estimated Housing Cost (equals HUD FMR payment standard for county served. If more than one county is served use the FMR for one county in your jurisdiction) | 439 | 523 | 675 | 995 | N/A |
| (2) Average Monthly Adjusted Income x 0.30 | 132 | 157 | 203 | 299 | N/A |
| (3) Est. Monthly Subsidy Cost [(1) minus (2)] | 307 | 366 | 472 | 696 | N/A |
| (4) Enter number of months (24 months) | 24 | 24 | 24 | 24 | N/A |
| (5) Total Per Household Cost [(3) x (4)] | 7368 | 8784 | 11328 | 16704 | N/A |
| (6) Enter estimated number of families (households) to be assisted | 6 | 12 | 7 | 0 | N/A |
| (7) Basic Cost by BR Size [(5) x (6)] | 44208 | 105408 | 79296 | 0 | N/A |
| (8) Per Household Security Deposit Cost | 417 | 496 | 617 | 676 | N/A |
| (9) Estimated Number of Security Deposit Households | 12 | 24 | 14 | 0 | N/A |
| (10) Total Estimated Per Household Security Deposit cost [(8) x (9)] | 5004 | 11904 | 8638 | 0 | N/A |
| (11) Per Household Utility Deposit Cost | 149 | 149 | 149 | 149 | N/A |
| (12) Estimated Number of Utility Deposit Households (utility deposits must be provided with either rental subsidies or security deposits. They are not a "stand alone" activity) | 6 | 12 | 7 | 0 | N/A |
| (13) Total Utility Deposit Costs [(11) x (12)] | 894 | 1788 | 1043 | 0 | N/A |
| (14) Total Security and Utility Deposit Costs [(10) + (12)] | 5898 | 13692 | 9681 | 0 | N/A |
| (15) Total Cost by BR Size [(7) + (13)] | 45102 | 107196 | 80339 | 0 | N/A |
| (16) Total Estimated Cost (Add all costs in Row (14) Do not include 5% Administrative Fee Provided by KHRC) | | | | | 200,000 |

TENANT BASED RENTAL ASSISTANCE
PROJECT NARRATIVES

The following describes the criteria and information for an applicant to apply for 2015 HOME TBRA funds. All applicants shall complete the HOME Funding Summary. The remainder of the application shall consist of four sections: (1) Project Need, (2) Project Impact, (3) Capacity, (4) Map/description of geographical jurisdiction served. Narratives for these sections shall be typed on standard letter-sized paper with appropriate headings and subcategories.

1. Project Need – Applicants must identify and document the need in the community or jurisdiction for TBRA. Information in the narrative should include the following:
 - a. Per capita income from the U.S. census for the city/county jurisdiction served. Reference: www.quickfacts.census.gov.
 - b. Number of families on the current waiting list for housing assistance in the community and the approximate amount of time a family waits on the list to be assisted.
 - c. Tenant data-Number of families to be served who are below 50% of the area Median Income, homeless or rent burdened (paying more than 50% of their income for rent or paying more than 30% of their income for rent).
 - d. Description of any special population needs within the geographic area (elderly, disabled, handicapped, etc.)
 - e. Number and percentage of homeless and single-parent households in applicant’s service area.
 - f. Description of any other rental subsidy program(s) operating in the service area.
2. Project Impact – Applicants must describe how TBRA addresses the needs described in the Project Need narrative. Information should include:
 - a. The number of households (families) and total number of individuals including children as well as a list of specific counties that will receive the proposed assistance.
 - b. Timeline describing the initial distribution of assistance to the final commitment of funds during the proposed three-year grant award funding.
 - c. Description of the plan for continued assistance for families after the end of the program (Section 8, self-sufficiency, etc.)
 - d. List impact (self-sufficiency) in terms of tenants who have moved in a previous year from the TBRA program to Section 8 or who no longer qualify for assistance due to an increase in income level.
 - e. Description of other methods to be used to measure the success of the program.

3. Capacity

- a. Administrative Plan –The Plan must be attached and must meet minimum standards established in the KHRC TBRA Policy.
- b. Rental Housing Capacity- The agency must have administrative support for the program, a history of rental housing administration and a proposed marketing plan that covers the geographical jurisdiction and is not limited to agency referrals, local presentations, etc. If applicant is a previous TBRA grantee, compliance issues and attempts to resolve issues should be described.

4. Non-Local HOME Area

- a. A map of the jurisdiction served must be provided.
- b. Applicants serving areas outside Local HOME Participating Jurisdictions (local PJs) will receive a funding preference. The cities of Topeka, Lawrence, Wichita, and Kansas City, and Johnson County are considered local PJs. Applicants outside of these jurisdictions will receive 50 points. (NOTE: Applications serving local PJs are restricted to serving special populations, as identified in the Kansas Consolidated Plan.)

Statement of Assurances & Certifications

The grantee hereby assures and certifies with respect to the grant that:

1. It possesses legal authority to make application and to execute a housing program.
2. Its governing body has duly adopted or passed as an official act, a resolution, motion or similar action authorizing the person identified as the official representative of the grantee to submit the final statement, all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the grantee to act in connection with the submission of the final statement, and to provide such additional information as may be required.
3. That prior to submission of its application to the Kansas Housing Resources Corporation (KHRC), the grantee has met the citizen participation requirements, prepared its application and projected use of funds, and made the application available to the public, as required by Section 104(a)(2) of the Housing and Community Development Act of 1974, as amended, and implemented at 24 CFR 570.486.
4. It has developed its final statement (application) of projected use of funds so as to give maximum feasible priority to activities that benefit low-income families.
5. Its chief executive officer or other officer of the grantee approved by the KHRC:
 - a. Consents to assume the status of a responsible federal official under the National Environmental Policy Act of 1969 and other provisions of federal law as specified in 24 CFR 58.1(a); and
 - b. Is authorized and consents on behalf of the grantee and himself/herself to accept the jurisdiction of the federal courts for the purpose of enforcement of his/her responsibilities as such an official.
6. The loan will be conducted and administered in compliance with:
 - a. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and implementing regulations issued at 24 CFR Part I;
 - b. Fair Housing Amendments Act of 1988, as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provisions of brokerage service. Title VII and Executive Order 11063 requirements apply to all recipients, regardless of community size and/or racial/ethnic characteristics. The fair housing provisions apply to the community as a whole and pertain to the sale or rent of housing, the financing of housing, and the provision of brokerage services. *MEANINGFUL STEPS TO FURTHER FAIR HOUSING MUST BE TAKEN.* Such steps must be documented and will be monitored by the Kansas Housing Resources Corporation;
 - c. Section 109 of the Housing and Community Development Act of 1974, as amended, and the regulations issued pursuant thereto (24 CFR Section 570.602);
 - d. Section 3 of the Housing and Urban Development Act of 1968, as amended, and implementing regulations at 24 CFR Part 135;
 - e. Executive Order 11246, as amended by Executive Orders 11375 and 12086, and implementing regulations issued at 41 CFR Chapter 60;
 - f. Executive Order 11063, as amended by Executive Order 12259, and implementing regulations at 24 CFR Part 107;

- g. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended and implementing regulations when published for effect;
 - h. The Age Discrimination Act of 1975, as amended, (Pub. L. 94-135), and implementing regulations when published for effect;
 - i. The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended and the implementing regulations at 24 CFR 570.488;
 - j. Anti-displacement and relocations plan requirement of Section 104(d) of Title I, Housing and Community Development Act of 1974, as amended;
 - k. Relocation payment requirements of Section 105(a)(11) of Title I, Housing and Community Development Act of 1974, as amended;
 - l. The labor standards requirements as set forth in 24 CFR 92.354 and HUD regulations issued to implement such requirements;
 - m. Executive Order 11988 relating to the evaluation of flood hazards and Executive Order 11288 relating to the prevention, control, and abatement of water pollution;
 - n. The regulations, policies, guidelines, and requirements of OMB Circular Nos. A-87, A-128, and A-133 as they relate to the acceptance and use of federal funds under this federally assisted program; and
 - o. The American Disabilities Act (ADA) (P.L. 101-336: 42 U.S.C. 12101) provides disabled people access to employment, public accommodations, public services, transportation and telecommunications.
7. The conflict of interest provisions of 24 CFR 92.356 apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or subrecipients which are receiving funds. None of these persons may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter, and that it shall incorporate or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purpose of this certification.
 8. It will comply with the provisions of the Hatch Act that limits the political activity of employees.
 9. It will give the state, HUD, and the Comptroller General or any authorized representative access to and the right to examine all records, books, papers, or documents related to the grant.
 10. It will comply with the lead paint requirements of 24 CFR Part 35.
 11. The local government will not attempt to recover any capital costs of public improvements assisted in whole or in part with HOME funds by assessing properties owned and occupied by low and moderate income persons unless:
 - a. HOME funds are used to pay the proportion of such assessment that related to non-HOME funding, or
 - b. The local government certifies to the state that for the purposes of assessing properties owned and occupied by low and moderate income persons who are not very low income that the local government does not have sufficient HOME funds to comply with the provision of a. above.

12. It accepts the terms, conditions, selection criteria, and procedures established by this program description and that it waives any right it may have to challenge the legitimacy and the propriety of these terms, conditions, criteria, and procedures in the event that its application is not selected for HOME funding.
13. It will comply with the regulations, policies, guidelines, and requirements with respect to the acceptance and use of federal funds for this federally assisted program.
14. It will comply with all parts of Title I of the Housing and Community Development Act of 1974, as amended, which have not been cited previously, as well as with other applicable laws.

The grantee hereby certifies it will comply with the above stated assurances.

Signature,
(Authorized local elected official if grantee is a governmental entity, or authorized Executive Director if grantee is a non-profit agency).

CHUCK MUNSELL
Name (typed or printed)

MAYOR
Title

CITY OF PITTSBURG, KANSAS
Applicant Agency/Housing Authority

6/23/ 2015
Date



INTEROFFICE MEMORANDUM

To: Pittsburg City Commission
From: Becky Gray, Director of Community Development and Housing
CC: Daron Hall
Date: June 17, 2015
Subject: USDA Housing Preservation Grant Application

The United States Department of Agriculture is offering rural Housing Preservation grants, which can be used to pay for labor and materials to repair or replace the following in low- and very-low income owner occupied homes:

- Electrical wiring,
- Foundations,
- Roofs,
- Insulation,
- Heating systems,
- Water/waste disposal systems, and
- Handicap accessibility features

Although there is no match requirement for these funds, applicants who leverage other funding score higher on the pre-application evaluation. We intend to use our local home owner repair loan, emergency repair loan, and paint Pittsburg programs as leverage. We are able to retain up to 15% of the grant for administration costs.

The Community Development and Housing Department is asking the Commission to approve the submission of a pre-application to the USDA, requesting \$50,000 in Home Preservation Grant funding. If the pre-application is approved, a full application process will begin.

Fiscal Year 2015 Pre-application for Section 533 Housing Preservation Grants (HPG)

Instructions

Applicants are encouraged, but not required, to submit this pre-application form electronically by accessing the website: <http://www.rd.usda.gov/program-services/housing-preservation-grants>. Click on the **Forms & Resources** tab to access the “Fiscal Year 2014 Pre-application for Section 533 Housing Preservation Grants (HPG).” Please note that electronic submittals are not on a secured website. If you do not wish to submit the form electronically by clicking on the **Send Form** button, you may still fill out the form, print it and submit it with your application package to the State Office. You also have the option to save the form, and submit it on an electronic media to the State Office.

Supporting documentation required by this pre-application may be attached to the email generated when you click the **Send Form** button to submit the form. However if the attachments are too numerous or large in size, the email box will not be able to accept them. In that case, submit the supporting documentation for this pre-application to the State Office with your complete application package. Under item **IX. Documents Submitted**, indicate the supporting documents that you are submitting either with the pre-application or to the State Office.

I. Applicant Information

a. **Applicant’s Name:**

b. **Applicant’s Address:**

Address, Line 1:

Address, Line 2:

City:

State:

Zip:

c. **Name of Applicant’s Contact Person:**

d. **Contact Person’s Telephone Number:**

e. **Contact Person’s Email Address:**

f. **Entity Type:**

(Check One)

State Government

Non-Profit Corporation

Faith-based Organization

Other consortia of an eligible entity

Local Government

Federally Recognized Indian Tribes

Community Organization

II. Project Information

a. **Project Name:**

b. **Project Address:**

Address, Line 1:

Address, Line 2:

City:

State:

Zip:

c. **Organization DUNS number:**

d. **Grant Amount Requested:**

e. This grant request is for one of the following types of assistance:

- Homeowner assistance program
- Rental property assistance program
- Cooperative assistance program

f. In response to e. above, answer one of the following:

- The Number of low- and very-low income persons that the grantee will assist in the Homeowner assistance program: **OR**
- The number of Units for low- and very-low income persons in the Rental property or Cooperative assistance program:

g. This proposal is for one of the following:

- Housing Preservation Grant (HPG) program (no set-aside)
- Set-aside for Grant located in a Rural Economic Area Partnership (REAP) zone

III. Low-income Assistance

Check the percentage of very low-income persons that this application proposes to assist in relation to the total population of the project:

- More than 80 percent (20 points)
- 61 percent to 80 percent (15 points)
- 41 percent to 60 percent (10 points)
- 20 percent to 40 percent (5 points)
- Less than 20 percent (0 points)

Points:

IV. Percent of HPG Fund Use

Check the percentage of HPG fund use (excluding administrative costs) in comparison to the total cost of unit preservation. This percentage reflects maximum repair or rehabilitation results with the least possible HPG funds due to leveraging, innovative financial assistance, owner's contribution or other specified approaches.

- 50 percent or less of HPG Funds (20 points)
- 51 percent to 65 percent of HPG Funds (15 points)
- 66 percent to 80 percent of HPG Funds (10 points)
- 81 percent to 95 percent of HPG Funds (5 points)
- 96 percent to 100 percent of HPG Funds (0 points)

Points:

V. Administrative Capacity

The following three criteria demonstrate your administrative capacity to assist very low- and low-income persons to obtain adequate housing (30 points maximum).

- a. Does this organization or a member of its staff have at least one or more years of experience successfully managing and operating a rehabilitation or weatherization type of program? (10 points) Yes No **Points:**
- b. Does this organization or a member of its staff have at least one or more years of experience successfully managing and operating a program assisting very low- or low-income persons obtain housing assistance? (10 points) Yes No **Points:**
- c. If this organization has administered grant programs, are there any outstanding or unresolved audit or investigative findings which might impair carrying out the proposal? (10 points for No) No Yes **Points:**
If Yes, please explain:

VI. Area Served

Will this proposal be undertaken entirely in rural areas outside Metropolitan Statistical Areas, also known as MSAs, in areas identified as “rural” by section 520 of the Housing Act of 1949, as amended (42 U.S.C. 1490)? (10 points)

Yes No **Points:**

VII. Percent of HPG Funds for Administration

Check the percentage of HPG funds that will be used for Administration purposes:

- More than 20 percent (Not eligible)
- 20 percent (0 points)
- 19 percent (1 point)
- 18 percent (2 points)
- 17 percent (3 points)
- 16 percent (4 points)
- 15 percent or less (5 points)

Points:

VIII. Alleviating Overcrowding

Does the proposed program contain a component for alleviating overcrowding as defined in 7 CFR1944.656? (5 points) Yes No **Points:**

IX. Documents Submitted

Check if the following documents are being submitted electronically with this pre-application or will be mailed to the State Office with your complete pre-application package.

NOTE: You are only required to submit supporting documents for programs in which you will be participating as indicated in this pre-application. Points will be assigned for the items that you checked based on a review of the supporting documents. **Please refer to the NOFA for the complete list of documents that you are required to submit with your complete pre-application package.**

| Reference | Item | Submitted with this Pre-application | Submitted to State Office |
|-----------|---|-------------------------------------|---------------------------|
| III. | Low Income Assistance | | |
| IV. | Percent of HPG Fund Use | | |
| V. | Administrative Capacity | | |
| VI. | Area Served | | |
| VII | Percent of HPG Funds for Administration | | |
| VIII. | Alleviating Overcrowding | | |

X. HPG 2015 Scoring

PLEASE NOTE: The scoring below is based on the responses that you have provided on this pre-application form and may not accord with the final score that the Agency assigns upon evaluating the supporting documentation that you submit. Your score may change from what you see here if the supporting documentation does not adequately support your answer or, if required documentation is missing.

| | Scoring Items for HPG 2015 | Points Earned |
|----|---|---------------|
| 1. | Low Income Assistance (5, 10, 15, 20) | |
| 2. | Percent of HPG Fund Use (5, 10, 15, 20) | |
| 3. | Administrative Capacity (10, 20, 30) | |

| | Scoring Items for HPG 2015 | Points Earned |
|----|---|----------------------|
| 4. | Area Served (10) | |
| 5. | Percent of HPG Funds for Administration (1, 2, 3, 4, 5) | |
| 6. | Alleviating Overcrowding (5) | |
| | Total Score: | |

Important

By submitting this electronic pre-application file and its supporting documents you have completed one step of the application process.

You **must** also complete the electronic application at the <http://www.grants.gov> website.

Your complete package, with all forms and supporting documents as listed in the NOFA, must be submitted to the local Rural Development State Office where the project is located for your applications to be processed.

Low Income Assistance

According to the US Census Bureau’s 2013 American Community Survey the Area median income within the City of Pittsburg is \$31,786 per household. Using this data, 40% of the households in the City are considered either Low Income or very Low Income.

The following table illustrates this data.

| | | | % of Pittsburg Households | |
|---------------------------------------|---------------|---------------------|----------------------------------|-----------------------|
| Pittsburg, Kansas Area Median Income: | | \$31,786 | | |
| Low Income | 50-80% of AMI | \$15,893 - \$25,429 | 17.7% | (\$15,000 – \$25,000) |
| Very Low Income | 50% of AMI | \$15,893 | 22.3% | (less than \$15,000) |

With 22.3% of the households in Pittsburg falling into the Very Low Income category, we are confident that over 80% of the Section 533 Housing Preservation Grant (HPG) funding will be used to rehabilitate very low income homes.

Percentage of HPG Fund Use

The City of Pittsburg is dedicated to improving its housing stock and has recently made housing preservation and development a priority. Through a Land Banking program, we are identifying clusters of parcels where we will concentrate our preservation and rehabilitation efforts as well as incent new construction, thereby revitalizing the entire neighborhood.

The HPG funds will be one source of funding for this targeted approach, where we will leverage other funding dollar for dollar to improve, renovate, or preserve owner occupied homes. Using this approach, we can assure that no more than 50% of the cost of unit renovation will be paid for by HPG funds.

Administrative Capacity

The HPG funds will flow through the City of Pittsburg’s finance department, who operates an annual budget of approximately \$48 million per year. The City’s financial management, review, and oversight is of such quality that our bond rating was recently raised to AA-. Furthermore, we have received the comprehensive annual financial report for eighteen years in a row. Our management and forecasting practices include a five year financial plan and a five year capital

improvement plan, both of which are updated annually, as well as several adopted financial policies.

The non-financial functions of this project will be managed by the Department of Housing and Community Development, a five member team with a combined tenure at the City of twenty-two years. Not only does the staff manage a HUD Section 8 voucher program and Tenant Based rental Assistance, they also manage Emergency Solutions Grant funding, Moderate Income Housing funds, and locally funded programs which will be leveraged with these HPG funds to significantly impact housing in our community. The local programs include an emergency repair grant program, a rehabilitation program, a paint reimbursement program, all of which have been in place for over five years.

All of our programs are designed to serve low- and very low- income households. The Director of this department is charged with coordinating all social service programs and benevolent contributors within the city, and therefore has extensive knowledge about other programs and resources available in the community; there are very little resources for home preservation. The Manager of this department serves on the Board of Directors of Habitat for Humanity, and will work to coordinate that and other auxiliary programs in the community to work in concert with the HPG funds.

The majority of this department's budget comes from Federal, State, and local grant programs, and we currently have no outstanding or unresolved audit or investigative findings.

Area Served

The City of Pittsburg, located in Crawford County, Kansas, was incorporated in 1880 and is the largest population center in southeast Kansas. The City is located approximately 5 miles west of the Missouri border and 40 miles north of the Oklahoma border with a current incorporated area of 12.91 square miles. All of the HPG funding will be spent on homes that are within city limits, which is identified as an eligible location on the USDA's website.

Percent of HPG Funds for Administration

The City will dedicate a full 90% of the HPG funds to the rehabilitation and preservation of single family homes, and will only use 10% to offset the costs of grant administration. We are able to do this because of our employee's extensive experience operating similar programs and an infrastructure that is already in place to operate rehabilitation and preservation programs.

Alleviating Overcrowding

The City of Pittsburg intends to use these funds to preserve owner occupied structures, and therefore we will not necessarily be alleviating overcrowding.

(Published in The Morning Sun on June 13, 2015)

Notice Requesting Public Comment

The City of Pittsburg's Housing and Community Development office is preparing an application for \$50,000 of the Department of Agriculture's Rural Housing Service Section 533 Housing Preservation funds. These funds, when awarded, will be used to preserve, repair, or rehabilitate up to ten owner occupied homes within the City of Pittsburg. To be eligible for these grants, the homeowners must qualify as low- or very low- income, with a total annual income less than \$25,429, and must occupy the dwelling. These funds can be used to repair or replace electric wiring, foundations, roofs, insulation, heating systems, waste and waste disposal systems, and accessibility modifications. All public comments are welcome on or before June 29th, 2015, and should be directed to the Director of Housing and Community Development at PO Box 688, Pittsburg, Kansas 66762, or at 620-230-5550, or to becky.gray@pittks.org. Those interested are also welcome to provide comments regarding the application during the June 23rd, 2015, Pittsburg City Commission Meeting beginning at 5:30 p.m. in the Law Enforcement Center located at 201 North Pine in Pittsburg. Additional information may be obtained by contacting Becky Gray, Director of Housing and Community Development at 620-230-5550.



Interoffice Memorandum

TO: Daron Hall, City Manager

FROM: Jamie Clarkson, Director of Finance

DATE: June 16, 2015

SUBJECT: Special Presentation - Five Year Financial Forecast Overview

Staff presented the Five Year Financial Forecast for the years 2015 through 2019 to the City Commission on the May 2, 2015 working day. To aid in the preparation of the 2016 budget, an overview of the Five Year Financial Forecast and staff recommendations will be presented to the City Commission June 23, 2015.

If you have any questions, please do not hesitate to contact me.

cc: Tammy Nagel, City Clerk