

CITY CLERK ORIGINAL

C-7229-5
04/10/2015

AMENDMENT NO. 5

AGREEMENT FOR HEAVY DUTY CATERPILLAR EQUIPMENT PARTS, SERVICE AND ACCESSORIES (City of Glendale Solicitation No. RFP 10-18 Contract No. C-7229)

This Amendment No. 5 ("Amendment") to the Agreement for Heavy Duty Caterpillar Equipment Parts, Service and Accessories is made to be effective this 10th day of April, 2015 ("Effective Date"), by and between the City of Glendale, an Arizona municipal corporation ("City") and Empire Southwest, LLC, a Delaware foreign limited liability company authorized to do business in Arizona ("Contractor").

RECITALS

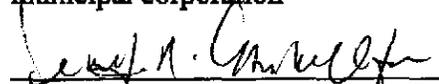
- A. City and Contractor previously entered into an Agreement for Heavy Duty Caterpillar Equipment Parts, Service and Accessories, Contract No. C-7229, dated March 9, 2010 ("Agreement"); and
- B. The Agreement had an initial two-year term beginning March 9, 2010 through March 8, 2012 and provided the option to extend the term an additional four (4) years in two-year increments; and
- C. City and Contractor previously entered into Contract Amendment No. 1 amending the compensation to increase the maximum annual expenditure to \$390,000; and
- D. City and Contractor previously entered into Amendment No. 2 extending the term of the Agreement from March 9, 2012 through March 8, 2013 and made certain rate adjustments; and
- E. City and Contractor previously entered into Amendment No. 3 extending the term of the Agreement from March 9, 2013 to March 8, 2014 and made certain rate adjustments; and
- F. City and Contractor previously entered into Amendment No. 4 extending the term of the Agreement from March 9, 2014 to March 8, 2015 and made certain rate adjustments; and
- G. City and Contractor wish to modify and amend the Agreement subject to and strictly in accordance with the terms of this Amendment.

AGREEMENT

In consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Contractor hereby agree as follows:

1. **Recitals.** The recitals set forth above are not merely recitals, but form an integral part of this Amendment.
2. **Term.** The term of the Agreement is extended for a one-year period from March 9, 2015 through March 8, 2016, unless otherwise terminated or canceled as provided by the Agreement. All other provisions of the Agreement except as set forth in this Amendment shall remain in their entirety.
3. **Compensation.** Contractor's compensation as provided in Exhibit B of the agreement is hereby amended as set forth in Exhibit B-Amendment No. 5, attached hereto.
4. **Insurance Certificate.** The existing insurance certificate is expiring and a new certificate applying to the extended term is required and must be received by the Contract Specialist within 10 business days of execution of this Agreement.
5. **Ratification of Agreement.** City and Contractor hereby agree that except as expressly provided herein, the provisions of the Agreement shall be, and remain in full force and effect and that if any provision of this Amendment conflicts with the Agreement or any prior Amendment, then the provisions of this Amendment shall prevail.

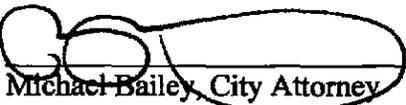
CITY OF GLENDALE, an Arizona
municipal corporation


Richard A. Bowers, Acting City Manager

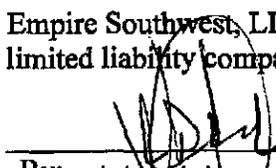
ATTEST:


Pamela Hanna, City Clerk (SEAL)

APPROVED AS TO FORM:


Michael Bailey, City Attorney

Empire Southwest, LLC, a Delaware foreign
limited liability company


By: John Helms

Its: VP / CFO

EXHIBIT B - AMENDMENT NO. 5

**AGREEMENT FOR HEAVY DUTY CATERPILLAR EQUIPMENT PARTS,
SERVICE AND ACCESSORIES**

AMENDED COMPENSATION

NOT TO EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project must not exceed \$390,000.

METHOD AND AMOUNT OF COMPENSATION:

See attached Rate Increase effective March 9, 2015.



Empire Southwest, LLC

1725 S. Country Club Dr.
Mesa, AZ 85210-6003
480.833.4300 tel
480.833.4489 fax

February 16, 2015

City of Glendale
Materials Management
5850 West Glendale Avenue, Suite 317
Glendale, Arizona 85301

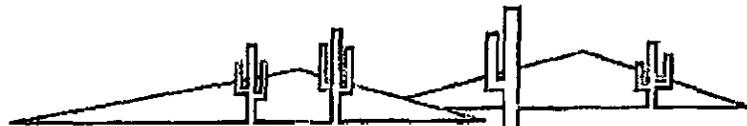
Ernie Ruiz,

Thank you for your continued business with Empire. Per your request, please find the following explanation of our labor rate adjustment process.

We review our labor rates annually to ensure we are in line with prevailing market conditions. We utilize an index drive model recommended by the Bureau of Labor Statistics as a guide to determine reasonable bounds for adjustments when necessary.

Current indexes used:

- Wages and salaries - Private industry Service-providing; natural resources, construction, and maintenance Series
Id: CIU202S0004000001 (I)
- Direct health and medical insurance carriers Individual comprehensive medical service plans Series
Id: PCU52411452411410103
- CPI - West Urban - All Items Series Id: CUUR0400SA0
- Heavy duty truck manufacturing Trucks, truck tractors, and bus chassis (chassis of own manufacture) 33,001 lb or more Series
Id: PCU3361203361202





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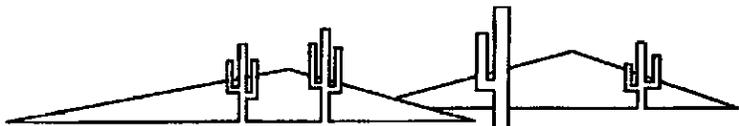
We utilize the percent change in our base year of 2008 to current weighted by cost of sale (Labor sales) to provide a recommended allowance for adjustments.

Since 2009 we have taken less than the index guidance allowed for our labor rates, a decision made due to external market conditions.

Regards,

Mike Kruse
Director of Product Support

encl/cc



EMPIRE

Caterpillar Parts, Service and Accessories
January 2015

Machinery Shop Rates (All Stores)	Regular Time	Overtime
Construction Equipment	\$109.50	\$143.45
Welding	\$109.50	\$143.45
AGCO/BCP/CCE	\$106.55	\$140.60
Lube Services	\$91.90	\$125.05
Agricultural (Special Rates)	\$101.55	\$134.70

Machinery Field Service (All Stores & Residents)	Regular Time	Overtime
1 st Man Rate	\$143.75	\$181.80
2 nd Man Rate	\$100.90	\$138.90
Lube Services (Field - TLC)	\$109.55	\$146.90
Boom Truck	\$143.75	\$181.80

Empire Precision Machining (EPM)	Regular Time	Overtime
Inspection	\$108.80	\$142.80
Weld Shop	\$105.25	\$137.85
Small Machines	\$108.80	\$142.80
Medium Machines	\$139.35	\$174.55
Large Machines	\$154.80	\$189.95
Metal Spray	\$143.45	\$177.50

Empire Hydraulic Service (EHS)	Regular Time	Overtime
Shop	\$95.85	\$128.25

Overtime Rates apply to any shop or field hours worked at customer request during the following times:

- Monday - Friday: Midnight - 5:00 a.m.
- Weekends: Saturday Noon - Monday 5:00 a.m.
- Holidays: All Day

Daily per diem charge for meals and lodging: \$109.95



Empire Power Systems (EPS)	Regular Time	Overtime
Highway Truck Engines – All locations	\$118.00	\$177.00
Commercial Engines – Shop	\$ 105.00	\$157.50
Commercial Engines – Field	\$118.00	\$177.00
Motor Homes	\$140.00	\$175.00
UPS/Switchgear Maintenance	\$150.00	\$220.00
<ul style="list-style-type: none"> • EPS Regular Rates apply to labor performed during regularly scheduled 8-hour shifts. • EPS Overtime Rates apply whenever an Empire Technician, at the customer's request, works more hours than their regularly scheduled shift. • EPS After-Hour Call-Out Fees will be charged to the customer when customer requests work to be performed at time that is not a part of the regular shift and is not contiguous with work performed on a regular shift. • Call-Out Fee: \$75.00 per occurrence 		
EPS Vehicle Rates*		
• Service Trucks: \$2.95 mileage rate based on customer type		
Environmental Fee		
A fee of \$25.00 per work order will be added to all in-shop service invoices to offset ongoing costs for disposal of waste, in compliance with Environmental Protection Agency standards.		

*Charge does not include any hook-up, installation or transportation labor.

Transport Rates					
Model	Type	Load	Permit	Escorts	Total
D8	Dozer	\$810.00	\$35.00	N/A	\$845.00
D9	Dozer	\$850.00	\$35.00	\$250.00	\$1,135.00
837	Scraper	\$750.00	\$35.00	\$250.00	\$1,035.00
836	Compactor	\$1,125.00	\$130.00	\$400.00	\$1,655.00
611	Waterpump	\$455.00	\$35.00	N/A	\$490.00
140	Motor grader	\$440.00	\$35.00	N/A	\$475.00
936	Wheel loader	\$440.00	\$35.00	N/A	\$475.00
950	Wheel loader	\$440.00	\$35.00	N/A	\$475.00