



ARIZONA CRIMINAL JUSTICE COMMISSION  
DUI ABATEMENT GRANT PROGRAM  
GRANT AGREEMENT

ACJC Grant Number DUI-10-002  
State Funded Grant Program

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This Grant Agreement is made this 15<sup>th</sup> day of November, 2009, by and between the OVERSIGHT COUNCIL ON DRIVING OR OPERATING UNDER THE INFLUENCE ABATEMENT hereinafter called "COUNCIL" and the TOWN OF PRESCOTT VALLEY, through the PRESCOTT VALLEY POLICE DEPARTMENT hereinafter called "GRANTEE". The COUNCIL enters into this Agreement pursuant to its authority under the provisions of A.R.S. § 41-2405 (B)(6), and having satisfied itself as to the qualification of GRANTEE;

NOW, THEREFORE, it is agreed between the parties as follows:

1. This Agreement will commence on November 15, 2009 and terminate on June 30, 2010. This Agreement expires at the end of the award period unless prior written approval for an extension has been obtained from the COUNCIL. A request for an extension must be received by the COUNCIL sixty (60) days prior to the end of the award period. The COUNCIL in its sole discretion may approve an extension that further the goals and objectives of the program and shall determine the length of any extension.
2. The GRANTEE agrees that grant funds will be used for enforcement purposes, prosecutorial, judicial activities, and alcohol abuse treatment services related to preventing and abating driving or operating under the influence occurrences in a motor vehicle or a motorized watercraft as specified in the grant application and the approved budget.
3. The COUNCIL will monitor the performance of the GRANTEE against goals and performance standards outlined in the grant application. Sub-standard performance as determined by the COUNCIL will constitute non-compliance with this Agreement. The GRANTEE shall operate in a manner consistent with and in compliance with the provisions and stipulations of the approved grant application and this Agreement. If the COUNCIL finds non-compliance, the GRANTEE will receive a written notice which identifies the area of non-compliance, and the appropriate corrective action to be taken. If the GRANTEE does not respond within thirty calendar days to this notice, and does not provide sufficient information concerning the steps which are being taken to correct the problem, the COUNCIL may suspend funding or permanently terminate this Agreement or revoke the grant. Any deviation or failure to comply with the purpose and/or conditions of this Agreement without prior written COUNCIL approval may constitute sufficient reason for the COUNCIL to terminate this Agreement, revoke the grant, require the return of all unspent funds, perform an audit of expended funds, and require the return of any previously spent funds which are deemed to have been spent in violation of the purpose or conditions of this grant.
4. This Agreement may be modified only by a written amendment signed by the COUNCIL Chair or by persons authorized by the COUNCIL Chair on behalf of the COUNCIL and GRANTEE. Any notice given pursuant to this Agreement shall be in writing and shall be considered to have been given when actually received by the following addressee or their agents or employees:
  - A. If to the COUNCIL:

Arizona Criminal Justice Commission  
1110 W. Washington Street, Suite 230  
Phoenix, Arizona 85007  
Attn: Program Manager

B. If to the GRANTEE:

Prescott Valley Police Department  
 7601 E. Civic Circle  
 Prescott Valley, AZ 86314  
 Attn: Police Chief Jim Maxson

5. For grant awards above \$100,000, the GRANTEE may make budget adjustments of up to ten (10) percent of the total grant within any approved budget category excluding equipment. If the GRANTEE wishes to make adjustments or reprogram in excess of ten (10) percent or purchase equipment, written approval from the COUNCIL in advance is required. For grant awards less than \$100,000, the GRANTEE may make budget adjustments within approved categories excluding equipment as long as there are no changes to the purpose or scope of the project. If the GRANTEE wishes to purchase equipment, written approval from the COUNCIL in advance is required.

<b>APPROVED LINE ITEM PROGRAM BUDGET</b>	
Personnel:	
Combined Overtime/Fringe Benefits	\$9,882
Professional & Outside/Consultant & Contractual Services	Not Approved
Travel In-State	Not Approved
Travel Out-of-State	Not Approved
Confidential Funds	Not Approved
Operating Expenses:	
Supplies	Not Approved
Registration/Training	Not Approved
Other	Not Approved
Equipment	
Capital	Not Approved
Non-capital	Not Approved
<b>TOTAL</b>	<b>\$9,882</b>

6. It is agreed and understood that the total to be paid by the COUNCIL under this Agreement shall not exceed \$9,882 in State funds.
7. The GRANTEE understands that financial reports are required for reimbursement of expenditures. The final request for re-imburement of grant funds must be received by the COUNCIL no later than 90 days after the last day of the award period.
8. Every payment obligation of the COUNCIL under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the COUNCIL. No liability shall accrue to the COUNCIL in the event this provision is exercised, and the COUNCIL shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.
9. The GRANTEE agrees to retain all books, account reports, files and other records, (paper and/or electronic) relating to this Agreement and the performance of this Agreement for no less than five (5) years from the last financial report submitted to the COUNCIL. All such documents shall be subject to inspection and audit at reasonable times.
10. The GRANTEE agrees to track, account for, and report on all funds (including specific outcomes and benefits) separately from all other funds for the same or similar purposes or programs.

Accordingly, the accounting systems of the GRANTEE and all subgrantees must ensure that funds from this award are not commingled with funds from any other source.

11. The GRANTEE agrees to abide by Federal and State laws and provide accounting, auditing and monitoring procedures to safeguard grant funds and keep such records to assure proper fiscal controls, management and the efficient disbursement of grant funds.
12. For the purpose of this grant, a capital expenditure is \$5,000 or above. If the GRANTEE'S policy defines a capital expenditure as less than \$5,000, the GRANTEE will use its own policy.
13. The GRANTEE agrees to maintain property records for equipment purchased with grant funds and perform a physical inventory and reconciliation with property records at least every two years or more frequently based on GRANTEE policy. The GRANTEE agrees that funds will not be used for the construction of new facilities.
14. The GRANTEE agrees that all personnel (including subgrantee personnel) whose activities are to be charged to the award will maintain timesheets to document hours worked for activities related to this award. The GRANTEE agrees to keep time and attendance sheets signed by the employee and supervisory official having first hand knowledge of the work performed by the grant funded employees.
15. The GRANTEE agrees that it will submit financial and activity reports to the COUNCIL on forms/format provided by the COUNCIL, documenting the activities supported by these grant funds and providing an assessment of the impact of these activities including the documentation of project milestones. In the event reports are not received on or before the indicated date(s), funding will be suspended until such time as delinquent report(s) are received. These reports are submitted according to the following schedule:

<b>Report Period:</b>	<b>Due Date:</b>
November 15 to March 31	April 25
April 1 to June 30	July 25

More frequent reports may be required for GRANTEES who are considered high risk.

16. All goods and services must be received or have reasonable expectations thereof and placed in service by the GRANTEE by the expiration of this award.
17. All goods and services must be paid by the GRANTEE within 60 days of the expiration of this award.
18. The GRANTEE agrees expend all encumbered funds within 60 days of expiration of this award and to remit all unexpended grant funds to the COUNCIL within 30 days of written request received from the COUNCIL.
19. The GRANTEE agrees to obtain COUNCIL approval for all sole-source procurements in excess of \$100,000.
20. The GRANTEE agrees to obtain COUNCIL approval prior to the expenditure of grant funds for consultant fees in excess of \$450 per day.
21. The GRANTEE agrees to utilize the *Computer Hardware and Software Vendor Guidelines* distributed by the COUNCIL when purchasing hardware and software with grant funds.
22. The GRANTEE agrees not to use grant funds for food and/or beverage unless explicitly approved in writing by the COUNCIL.

23. No funds shall be used to supplant Federal, State, county or local funds that would otherwise be made available for such purposes. Supplanting means the deliberate reduction of State or local funds because of the existence of any grant funds.
24. The GRANTEE assigns to the COUNCIL any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services applied by third parties to the GRANTEE in exchange for grant funds provided under this Agreement.
25. The parties agree to use arbitration in the event of disputes in accordance with the provisions of A.R.S. § 12-1518 et seq. The laws of the State of Arizona apply to questions arising under this Agreement and any litigation regarding this Agreement must be maintained in Arizona courts, except as pertaining to disputes which are subject to arbitration.
26. The GRANTEE understands that grant funds will not be released until all required reports and reversion of funds from the prior year grant are submitted to the COUNCIL.
27. The GRANTEE agrees that grant funds are not to be expended for any indirect costs that may be incurred by GRANTEE for administering these funds unless explicitly approved in writing by the COUNCIL. This may include, but is not limited to, costs for services such as accounting, payroll, data processing, purchasing, personnel, and building use which may have been incurred by the GRANTEE.
28. Each party (as "Indemnitor") agrees to indemnify, defend and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses, (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. If the GRANTEE is a State agency this paragraph does not apply.
29. Unless GRANTEE is a State agency, GRANTEE shall cause its contractor(s), if any to indemnify defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims" ) for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of GRANTEE'S contractor or any of its owners, officers, directors, agents, or employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Worker's Compensation Law or arising out of the failure of such contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligence or willful acts or omissions of the Indemnitee, be indemnified by contractor from and against any and all claims. It is agreed that contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this grant, the contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the contractor for the State of Arizona. Insurance requirements for any contractor used by GRANTEE are incorporated herein by this reference and attached to this Agreement as Exhibit "A".

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30. If the GRANTEE is a governmental political subdivision, the GRANTEE agrees to utilize the *Data Dictionary*, approved and distributed by the COUNCIL, as the data entry standard for information systems when improving or updating an existing Information System. The GRANTEE agrees to utilize the *Data Dictionary* as the data entry standard in any new system or when an existing Information System is replaced. (Please call for copy, we will email).
  31. If the GRANTEE is a governmental political subdivision, the GRANTEE agrees to utilize the National Information Exchange Model/Global Justice XML Data Model (NIEM/GJXDM) an object oriented data model that specifies a representation structure for the Global Justice XML Data Dictionary (GJXDD), approved by the COUNCIL as the standard for information sharing when improving, updating, or replacing an existing Information System.  
**Link:** *OJP IT GJXDM* <http://www.it.ojp.gov>
  32. If the GRANTEE is a governmental political subdivision, the GRANTEE should integrate their information sharing systems with other information sharing systems and networks within the state using existing networks as the backbone to achieve interstate connectivity. Unless the GRANTEE can demonstrate to the satisfaction of the COUNCIL that this requirement would not be costs effective or would impair the functionality of an existing or proposed information sharing system.
  33. If the GRANTEE is a governmental political subdivision, the GRANTEE should, to the extent possible and practical share criminal justice information with other authorized criminal justice agencies. The process control number (PCN) shall be used in accordance with A.R.S. § 41-1750 when sharing data with other criminal justice agencies as electronic data systems are developed or improved.
  34. If the GRANTEE is a state agency and the award is for technology development projects, for more than \$25,000 the GRANTEE must complete a Project Investment Justification (PIJ) and submit the justification to the Arizona Government Information Technology Agency (GITA), with a copy to the COMMISSION. Additionally, the GRANTEE agrees to submit required project status reports to GITA using their forms by the required due date with copies to the COMMISSION.
  35. The GRANTEE agrees to notify the COUNCIL within ten (10) days in the event that the project official is replaced during the award period. If the GRANTEE is a forensic laboratory all key laboratory personnel must meet all applicable qualifications required for their positions as outlined in the National DNA Quality Assurance Standards issued by the FBI. Additionally any change in laboratory accreditation or certification must be reported to the COUNCIL within ten (10) days of the change.
  36. No rights or interest in this Agreement shall be assigned by GRANTEE without prior written approval of the COUNCIL.
  37. The GRANTEE agrees that no funds provided, or personnel employed under this Agreement shall be in any way or to any extent engaged in conduct of political activities in violation of U.S.C. Title 5, Part II, Chapter 15, Section 1502.
  38. The GRANTEE certifies that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement.
  39. The GRANTEE agrees to cooperate and participate with any and all assessments, evaluation efforts or information and data collection requests, and acknowledges that the federal or state

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grantor agency has the right to obtain, reproduce, publish or use data provided under this award and may authorize others to receive and use such information.

40. The GRANTEE shall provide the COUNCIL with a copy of all interim and final reports and proposed publications (including those prepared for conferences and other presentations) resulting from this Agreement. Submission of such materials must be prior to or simultaneous with their public release
41. The GRANTEE agrees to follow its own agency equipment disposition policies when the equipment is no longer needed for the grant program. If the GRANTEE has no policy, reference the *Uniform Accounting Manual for Arizona Counties* authorized by the Auditor General for disposition guidelines and guideline development.  
**Link:** *Uniform Accounting Manual for Arizona Counties* <http://www.auditorgen.state.az.us>
42. The GRANTEE agrees to comply with the non-discrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, as amended; 42 USC 3789(d); Title VI of the Civil Rights Act of 1964, as amended; Section 504, Rehabilitation Act of 1973, as amended; Subtitle A, Title II of the Americans with Disabilities Act (ADA) (1990); Title IX of the Education Amendments of 1972 and the Department of Justice regulations 28 CFR Part 54; The Age Discrimination Act of 1975; Department of Justice Non-Discrimination Regulations, 28 CFR Part 42, Subparts C, D, E, G and I; Department of Justice regulations on disability discrimination 28 CFR Part 35; all applicable state laws of A.R.S. § 41-1463; and Executive Orders 1999-4 and 2000-4. These laws prohibit discrimination on the basis of race, color, religion, sex and national origin including Limited English Proficiency (LEP) in the delivery of service. In the event that a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing against the GRANTEE, the GRANTEE will forward a copy of the findings to the Office for Civil Rights, Office of Justice Programs and the COMMISSION. Additionally the GRANTEE ensures compliance with Executive Order 2005-30 federal immigration laws by state employers and contractors.
43. The GRANTEE agrees to comply with the applicable requirements of 28 C.F.R. Part 38, the Department of Justice regulation governing "Equal Treatment for Faith Based Organizations" (the "Equal Treatment Regulation"). The Equal Treatment Regulation provides in part that Department of Justice grant awards of direct funding may not be used to fund any inherently religious activities, such as worship, religious instruction, or proselytization. Recipients of direct grants may still engage in inherently religious activities, but such activities must be separate in time or place from the Department of Justice funded program, and participation in such activities by individuals receiving services from the GRANTEE or a sub-grantee must be voluntary. The Equal Treatment Regulation also makes clear that organizations participating in programs directly funded by the Department of Justice are not permitted to discriminate in the provision of services on the basis of a beneficiary's religion. Notwithstanding any other special condition of this award, faith-based organizations may, in some circumstances, consider religion as a basis for employment.  
**Link:** [http://www.ojp.gov/about/ocr/equal\\_fbo.htm](http://www.ojp.gov/about/ocr/equal_fbo.htm).
44. The GRANTEE assures that it will comply with all state and federal laws regarding privacy during the course of the award. All information relating to clients is to be treated with confidentiality in accordance with 42 USC section 3789g or 42 U.S.C. 1432(b)(3) that are applicable to the collection, disclosure, use and revelation of data information. The GRANTEE further agrees to submit a privacy Certificate that is in accordance with requirements of 28 CFR Part 22 if applicable to the program.
45. The GRANTEE assures that it will comply with all state and federal laws regarding privacy during the course of the award. All information relating to clients is to be treated with

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confidentiality in accordance with 42 USC section 3789g or 42 U.S.C. 1432(b)(3) that are applicable to the collection, disclosure, use and revelation of data information. The GRANTEE further agrees to submit a privacy Certificate that is in accordance with requirements of 28 CFR Part 22 if applicable to the program.

46. The GRANTEE certifies to comply with the Drug-Free Workplace Act of 1988, and implemented in 28 CFR Part 83, Subpart F, for grantees, as defined in 28 CFR, Part 83 Sections 83.620 and 83.650.
47. The GRANTEE agrees to complete and keep on file, as appropriate, Immigration and Naturalization Form (I-9). This form is to be used by recipients to verify that persons are eligible to work in the United States. Additionally the GRANTEE ensures compliance with Executive Order 2005-30 federal immigration laws by state employers and contractors.
48. The GRANTEE acknowledge that immigration laws require them to register and participate with the E-Verify program (employment verification program administered by the United States Department of Homeland Security and the Social Security Administration or any successor program) as they both employ one or more employees in this state. The GRANTEE warrants that they have registered with and participate with E-Verify. If the GRANTOR later determines that the GRANTEE has not complied with E-Verify, it will notify the non-compliant GRANTEE by certified mail of the determination and of the right to appeal the determination.
49. Pursuant to ARS § 35-391.06, the GRANTEE hereby warrant, and represent that they do not have, and its subcontractors do not have, and during the term hereof will not have a scrutinized business operation in either Sudan or Iran.
50. The GRANTEE agrees that projects supported with these funds will coordinate with federal, state and local homeland security and pre-sale of firearms checks as appropriate.
51. This Agreement is subject to cancellation pursuant to the provision of A.R.S. § 38-511. This Agreement may be cancelled at the COUNCIL'S discretion if not returned with authorized signatures to the COUNCIL within 90 days of commencement of the award.
52. If any provision of this Agreement is held invalid the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall be in full force and effect.
53. The GRANTEE agrees to comply with all grant management criteria included in the latest version of the ACJC Grant Management Reference Manual.  
**Link:** *ACJC Grants Management Reference Manual*  
[http://azcjc.gov/pubs/home/Grant\\_Management\\_Manual\\_9\\_2008.pdf](http://azcjc.gov/pubs/home/Grant_Management_Manual_9_2008.pdf)

IN WITNESS WHEREOF, the parties have made and executed the Agreement the day and year first above written.

**FOR GRANTEE:**

\_\_\_\_\_  
Mayor or City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name and Title

**Note:** If applicable, the Agreement must be approved by the appropriate county supervisory board or municipal council and appropriate local counsel (i.e. county or city attorney). Furthermore, if applicable, resolutions and meeting minutes must be forwarded to the COUNCIL with the signed Agreement.

**Approved as to form and authority to enter into Agreement (Excluding non-profits):**

\_\_\_\_\_  
Legal counsel for GRANTEE

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name and Title

**Statutory or other legal authority to enter into Agreement (Excluding non-profits):**

\_\_\_\_\_  
Appropriate A.R.S., ordinance, or charter reference

**FOR OVERSIGHT COUNCIL ON DRIVING OR OPERATING UNDER THE INFLUENCE ABATEMENT:**

\_\_\_\_\_  
Aaron Carreon-Ainsa, Chairperson  
OVERSIGHT COUNCIL ON DRIVING OR OPERATING  
UNDER THE INFLUENCE ABATEMENT

\_\_\_\_\_  
Date



ARIZONA CRIMINAL JUSTICE COMMISSION  
GRANT AGREEMENT

**Insurance Requirements  
Exhibit "A"**

**Insurance Requirements for Governmental Parties to a Grant Agreement:**

None.

**Insurance Requirements for Any Contractors Used by a Party to the Grant Agreement:**

*(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.)* The insurance requirements herein are minimum requirements and in no way limit the indemnity covenants contained in the Intergovernmental Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

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|--|-------------|
| • General Aggregate                                | \$2,000,000 |
| • Products – Completed Operations Aggregate        | \$1,000,000 |
| • Personal and Advertising Injury                  | \$1,000,000 |
| • Blanket Contractual Liability – Written and Oral | \$1,000,000 |
| • Fire Legal Liability                             | \$50,000    |
| • Each Occurrence                                  | \$1,000,000 |

- a. The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.***

*(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)*

- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

Exhibit "A" Continued

**2. Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: ***"The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor"***.

*(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)*

**3. Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$500,000
Disease – Each Employee	\$500,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**B. ADDITIONAL INSURANCE REQUIREMENTS:** The policies are to contain, or be endorsed to contain, the following provisions:

- 1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees *and the other governmental entity* shall be additional insureds to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by the Contract.
- 2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
- 3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of its Contract.

**C. NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Agreement shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days prior written notice has been given the State of Arizona. Such notice shall be sent directly to the GRANTEE and the Arizona Criminal Justice Commission 1110 W. Washington, Suite 230, Phoenix, AZ 85007 and shall be sent by certified mail, return receipt requested.

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Exhibit "A" Continued

- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the GRANTEE and the Arizona Criminal Justice Commission with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Agreement. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved before work commences. Each insurance policy required by this Agreement must be in effect at or prior to commencement of work under this Agreement and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Agreement, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Agreement shall be sent directly to the GRANTEE and the Arizona Criminal Justice Commission 1110 W. Washington, Suite 230, Phoenix, AZ 85007. The Commission project/contract number and project description are to be noted on the certificate of insurance. The State of Arizona and the Arizona Criminal Justice Commission reserves the right to require complete, certified copies of all insurance policies required by this Agreement at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

- F. **SUBCONTRACTORS:** Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the county or local government agency responsible separate certificates for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the *insurance requirements* must have prior approval from the State of Arizona Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.
- H. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.