



BENTONVILLE CITY COUNCIL AGENDA

**Regular City Council Meeting
Community Development
Planning Commission Meeting Room**

**Tuesday, September 25, 2018 6:00 p.m.
305 SW "A" Street**

**Public Comments on Tonight's Agenda Items (Limited Public Forum)
Questions, Comments and Discussion from City Council Members on Tonight's Agenda
Call to Order
Pledge of Allegiance
Moment of Silence – For our Military Forces
Roll Call
Approval of Minutes: September 11, 2018**

AGENDA

1. Recognition of Becky McCoy for her six-years of service on the Public Art Advisory Committee (PAAC). **(Pages 5-6)**

2. Planning:

- 2a. **Property Line Adjustment: Lot 18 Griffin Addition Phase II, Bentonville Lodging, LLC, 3100 SE East Pointe Avenue, C-2, General Commercial (PLA18-0030).**

(Pages 9-12)

The Planning Commission voted 7-0, recommending approval.

A property line adjustment of Lots 11 and 12 of Griffin Addition Phase II, creating new Lot 18. The plat dedicates a 27' public access easement per this plat. Adequate right-of-way exists along SE Griffin Drive and SE East Pointe Avenue.

- 2b. **Lot Split: Lots 43-45 of Denali Park Subdivision, Gavin & Gina Edwards, 101 NW Olinka Pass Street, A-1, Agricultural (LS18-0026).**

(Pages 13-15)

The Planning Commission voted 7-0, recommending approval.

A lot split creating Lots 43 through 45 of Denali Park Subdivision. The plat notes Lots 44 and 45 as non-buildable. The plat dedicates multiple utility easements of varying widths. The applicant is dedicating right-of-way on NW Olinka Pass and SW 2nd Street to meet the requirements of the Master Street Plan.

- 2c. **Rezoning: Michael Family Limited Partnership, SW 14th Street, From A-1, Agriculture, to C-2, General Commercial (RZ18-0027).**
(Pages 16-18)
The Planning Commission voted 7-0, recommending approval.

The Future Land Use Plan depicts this property as Office (O). The C-2, General Commercial zoning is not a recommended zoning district for this designation.

- 2d. **Rezoning: Jay Howard, 609 SE D Street, From R-3, Medium Density Residential to DN-4, Downtown Mixed-Use Residential (RZ18-0028).**
(Pages 19-21)
The Planning Commission voted 7-0, recommending approval.

The Future Land Use Plan depicts this property as Downtown Mixed Use Residential (DMUR). The DN-4, Downtown Mixed-Use Residential zoning is a recommended zoning district for this designation.

3. Appointment of Steven Baker to position 1 of the Public Art Advisory Committee (PAAC) vacated by Becky McCoy. Mr. Baker is an architect with Harrison French Architecture and his application is attached. This position is a three-year term that expires 09/25/2021.
(Pages 22-24)
4. Reappointment of Jerris Palmer to a second term in position 3 of the Public Art Advisory Committee (PAAC). This will be her second and final term that expires in three years on 10/13/2021.
(Pages 25-27)
5. Public hearing and ordinance vacating a utility easement located at 507 SE E Street of Market Addition, to the City of Bentonville, Arkansas, Benton County, Arkansas.
(Pages 28-31)
6. Staff recommends a budget adjustment in an amount not to exceed \$40,000.00 for on-call Construction Inspection Services.
(Pages 32-34)
- 7a. Staff requests City Council approval allowing the Mayor to enter into an agreement with Tri Star Contractors, LLC in an amount not to exceed \$379,005.00 for the construction of the VBT West Terminal Apron, Phase II. The City has received a grant in the amount of \$250,000.00. The City has also received funds in the amount of \$129,005.00 from the sale of property that has been set aside for this project.
(Pages 35-38)
- 7b. Staff requests City Council approval accepting a grant in the amount of \$250,000.00 from the State of Arkansas Department of Aeronautics and a budget adjustment for the West Terminal Apron, Phase II Project for the Bentonville Municipal Airport.
(Pages 39-42)
8. Staff requests City Council approval allowing the Mayor and City Clerk to enter into an agreement with Allgeier, Martin and Associates, Inc. for professional services to design certain sidewalks within the City of Bentonville. The cost of this agreement is a not to exceed amount of \$175,330.90 and will come from Engineering and Street Sidewalk Accounts.
(Pages 43-55)

9. Adopt resolution certifying the rate of taxation levied on real and personal property in the City of Bentonville. This resolution is required by the Quorum Court and County Clerk in order to facilitate the millage levy to be collected in 2019. **(Pages 56-59)**
10. City Council approval of Mayor's recommendation to reappoint Richard Ham to the City of Bentonville's Airport Advisory Board. Term will expire on September 30, 2021. **(Pages 60-61)**
11. City Council approval of Mayor's recommendation to appoint Tregg Brown to the City of Bentonville's Airport Advisory Board. Term will expire on September 30, 2021. **(Pages 62-63)**
12. City Council approval of Mayor's recommendation to appoint Aubrey Patterson to the City of Bentonville's Traffic, Safety and Signage Committee. She will be replacing Chris Sooter in the City Council Member position on the Committee. **(Pages 64-65)**
13. Request for a waiver of bid to allow for the replacement of soon to expire ballistic vests and to source these vests from Cruse Uniforms in Springdale, Arkansas. (Vests are warrantied to provide rated protection for five (5) years from date of manufacture.) The 2018 Budget in the police department's Operating Supplies/Safety Expense (Account # 010-2010-421-20-60) for ballistic vests (both replacement and turn over) is \$30,600.00. To date, approximately \$6,255.00 has already been spent for this specific purpose. The estimated cost to replace twenty (20) soon to expire vests is \$17,629.00. This waiver of competitive bidding would allow adherence to state spending requirements and permit the purchase of these vests from Cruse Equipment in Springdale. The police department currently uses Cruse Equipment in Springdale for uniform and uniform related needs and a waiver of bid for these specific items was approved by City Council earlier this year. Being located in Springdale, Cruse Equipment promotes safety and convenience by allowing local, timely and cost effective measuring, fitting, and sourcing of these important pieces of safety equipment and our other uniform needs. **(Pages 66-68)**
14. Request that Council recognize a donation and approve a budget adjustment in the amount of \$2,500.00, so that these donated funds may be used for the purchase of minor equipment for the police department. Specifically, this budget adjustment will allow funds donated by the NWA AAPI (Northwest Arkansas American Association of Physicians of Indian Origin) to be used for officer safety and public safety related equipment to include emergency trauma kits and associated items. See also Budget Adjustment Request Form. **(Pages 69-70)**
- 15a. Parks and Recreation is requesting City Council approval of a bid award authorizing the Mayor and City Clerk to into agreement with Technogym for the purchase of fitness equipment at the Bentonville Community Center. **(Pages 71-73)**
- 15b. Park and Recreation is seeking approval of a budget adjustment for \$158,747.15 for the purchase of new fitness equipment. This budget adjustment is fully recovered from revenue produced at the Bentonville Community Center. **(Pages 74-76)**

- 16a. Staff recommends Council approval of a resolution authorizing the Mayor and City Clerk to enter into a Utility Agreement with the Arkansas State Highway Commission for construction of water utility relocations associated with ARDOT Project No. BB0903 - Interstate 49 and Hwy 71B (SE Walton Blvd) Interchange Improvements. A budget adjustment will be required to cover construction costs of this project. Costs are estimated at \$512,529.40 with \$400,439.22 qualifying for reimbursement leaving the City's share estimated at \$112,090.18. Final costs and final reimbursement factor will be adjusted to actual final project costs per ARDOT's Utility Accommodation Policy at the end of the project. **(Pages 77-84)**
- 16b. Staff recommends Council approval of a budget adjustment in the amount of \$112,090.18 to cover non-reimbursable construction costs for water utility relocations associated with the ARDOT's Project No. BB0903 - Interstate 49 Improvements at Hwy 71B Interchange. **(Pages 85-86)**
17. Staff recommends Council approval of a resolution authorizing the Mayor and City Clerk to enter into an amended professional services agreement with CEI Engineering in an amount not to exceed \$29,600.00 for construction engineering services associated with the Utility Agreement with the Arkansas State Highway Commission for ARDOT Project No. BB0903 - Interstate 49 Improvements at Hwy 71B Interchange. This contract will qualify for reimbursement per ARDOT's Utility Accommodation Policy. Costs for this agreement are in the overall budget adjustment for construction of the referenced project. This will bring CEI's total contract for this project to \$67,300.00. **(Pages 87-97)**
18. Staff requests City Council and Mayor McCaslin award Bid # IFB-18-048 in the amount of \$57,500.00 to Instrument and Supply, Inc. & Enviro Care Company for purchase and installation of a # FGC-015 SPECO Gritsep Fluid Dynamic Grit Classifier at the City Wastewater Treatment Plant. **(Pages 98-111)**
19. A resolution authorizing the Mayor and City Council to modify the Power Supply Agreement with SWEPCO. **(Pages 112-188)**



CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
X	Informational	
	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Shellie Kerr

Department

Planning Services

Phone

271-6822

ACTION REQUIRED:

Recognition of Becky McCoy for her six-years of service on the Public Art Advisory Committee (PAAC).

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



MEMO



To: Mayor Bob McCaslin, City Council
From: Shelli Kerr, AICP, Interim Community Development Director
CC Date: September 25, 2018
Re: Recognizing Becky McCoy's service on the PAAC

City staff would like to formally thank and recognize Becky McCoy for her services on the Public Art Advisory Committee (PAAC). She served six years (two, three-year terms) from 2012 to 2018.

Mrs. McCoy is a PAAC founding member. In her first term, she played a vital role in the organizational development of the committee, assisting with researching other public art programs, creating bylaws, proposal forms, and calls for proposals.

Mrs. McCoy was an active member who brought her vast knowledge and boundless energy to this working committee. During her tenure, she actively participated in the development of the Outdoor Sculpture project that brought Sunkissed and PacMan to the North Bentonville Trail. She worked closely with the Ignite program to install student artwork as part of Tunnel Vision, the mural initiative on the city's pedestrian/bike tunnels. And, she assisted in the development of the Public Art Kit used to encourage developers to install art as a public amenity.

City staff greatly appreciates her time and commitment and wishes her the best of luck in her future endeavors.



City Council Agenda Items

For City Council Meeting of September 25, 2018

From the September 18, 2018 Planning Commission Meeting

Property Line Adjustment: Lot 18 Griffin Addition Phase II, Bentonville Lodging, LLC, 3100 SE East Pointe Avenue, C-2, General Commercial (PLA18-0030).

The Planning Commission voted 7-0, recommending approval.

A property line adjustment of Lots 11 and 12 of Griffin Addition Phase II, creating new Lot 18. The plat dedicates a 27' public access easement per this plat. Adequate right-of-way exists along SE Griffin Drive and SE East Pointe Avenue.

Lot Split: Lots 43-45 of Denali Park Subdivision, Gavin & Gina Edwards, 101 NW Olinka Pass Street, A-1, Agricultural (LS18-0026).

The Planning Commission voted 7-0, recommending approval.

A lot split creating Lots 43 through 45 of Denali Park Subdivision. The plat notes Lots 44 and 45 as non-buildable. The plat dedicates multiple utility easements of varying widths. The applicant is dedicating right-of-way on NW Olinka Pass and SW 2nd Street to meet the requirements of the Master Street Plan.

Rezoning: Michael Family Limited Partnership, SW 14th Street, From A-1, Agriculture, to C-2, General Commercial (RZ18-0027).

The Planning Commission voted 7-0, recommending approval.

The Future Land Use Plan depicts this property as Office (O). The C-2, General Commercial **Error! Reference source not found.** zoning is not a recommended zoning district for this designation.

Rezoning: Jay Howard, 609 SE D Street, From R-3, Medium Density Residential to DN-4, Downtown Mixed-Use Residential (RZ18-0028).

The Planning Commission voted 7-0, recommending approval.

The Future Land Use Plan depicts this property as Downtown Mixed Use Residential (DMUR). The DN-4, Downtown Mixed-Use Residential zoning is a recommended zoning district for this designation.



Consent Agenda Items

For Planning Commission meeting of September 4, 2018

Reviewer: Tyler Overstreet, Planner

- ❖ At the Technical Review meeting held on September 11, 2018 the Planning Commission requested these items be placed on the Consent agenda. The descriptions below shall serve as the staff report for each of the consent agenda items.

Property Line Adjustment: Lot 18 Griffin Addition Phase II, Bentonville Lodging, LLC, 3100 SE East Pointe Avenue, C-2, General Commercial (PLA18-0030)

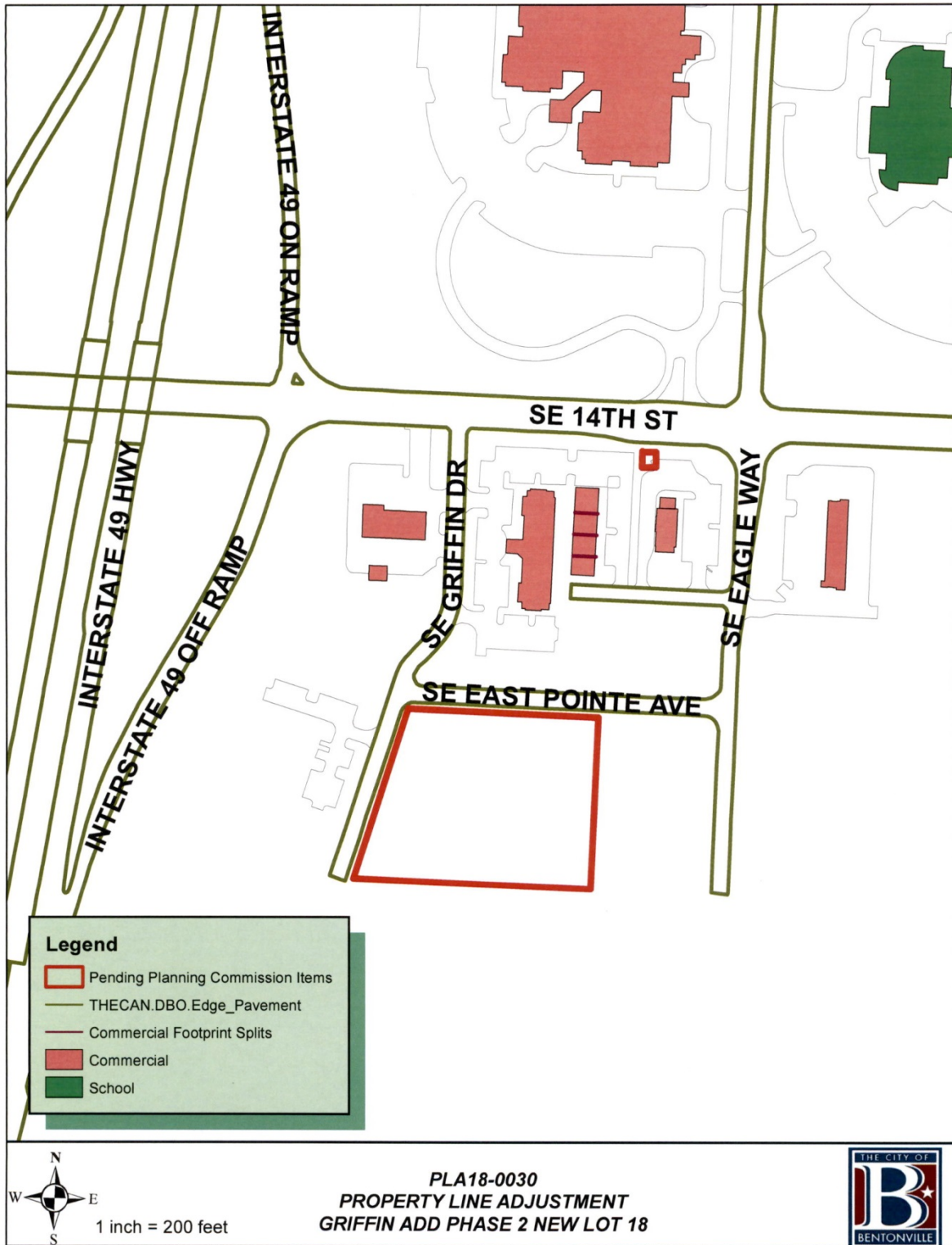
A property line adjustment of Lots 11 and 12 of Griffin Addition Phase II, creating new Lot 18. The plat dedicates a 27' public access easement per this plat. Adequate right-of-way exists along SE Griffin Drive and SE East Pointe Avenue.

(Please click on this link to access the vicinity map for this item: <http://geo.bentonvillear.com/mgweb/PZpending/>)

Lot Split: Lots 43-45 of Denali Park Subdivision, Gavin & Gina Edwards, 101 NW Olinka Pass Street, A-1, Agricultural (LS18-0026)

A lot split creating Lots 43 through 45 of Denali Park Subdivision. The plat notes Lots 44 and 45 as non-buildable. The plat dedicates multiple utility easements of varying widths. The applicant is dedicating right-of-way on NW Olinka Pass and SW 2nd Street to meet the requirements of the Master Street Plan.

(Please click on this link to access the vicinity map for this item: <http://geo.bentonvillear.com/mgweb/PZpending/>)



ORDINANCE NO. _____

**AN ORDINANCE ACCEPTING A PROPERTY LINE ADJUSTMENT OF LOTS
11 AND 12 OF GRIFFIN ADDITION PHASE II TO THE CITY OF
BENTONVILLE, ARKANSAS (PROJECT NUMBER: PLA18-0030).**

WHEREAS, pursuant to the provisions of Title 15 of the Bentonville Municipal Code, the property line adjustment of Lots 11 and 12 of Griffin Addition Phase II of the City of Bentonville, Benton County, Arkansas was submitted to the Bentonville Planning Commission on September 18, 2018; and,

WHEREAS, said property line adjustment is attached hereto as Exhibit "A"; and,

WHEREAS, the Bentonville Planning Commission considered said property line adjustment on the date stated and at other times, and voted to recommend the approval of said property line adjustment to the City Council; and,

WHEREAS, the property line adjustment of real property as described herein has been submitted to the City Council for the City of Bentonville, and after consideration and deliberation, said Council is of the opinion that said property line adjustment should be approved.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF
BENTONVILLE, ARKANSAS:**

Section 1: That the property line adjustment of Lots 11 and 12 of Griffin Addition Phase II to the City of Bentonville, Arkansas, should be and the same is hereby accepted and approved for all purposes.

Section 2: That the Mayor and City Clerk be and are hereby authorized and directed to evidence the acceptance of said property line adjustment by certifying said acceptance on the approved property line adjustment.

PASSED AND APPROVED this _____ day of _____, 2018.

APPROVED:

ATTEST:

MAYOR

CITY CLERK



LS18-0026
Denali Park Subdivision
Creating Lots 43 and 44

1 inch = 84 feet



ORDINANCE NO. _____

**AN ORDINANCE ACCEPTING A LOT SPLIT OF LOTS 43 THROUGH 45 OF
DENALI PARK SUBDIVISION TO THE CITY OF BENTONVILLE, ARKANSAS
(PROJECT NUMBER: LS18-0026).**

WHEREAS, pursuant to the provisions of Title 15 of the Bentonville Municipal Code, the lot split of Lots 43 through 45 of Denali Park Subdivision, Benton County, Arkansas, was submitted to the Bentonville Planning Commission on September 18, 2018; and,

WHEREAS, said lot split is attached hereto as Exhibit "A"; and,

WHEREAS, the Bentonville Planning Commission considered said lot split on the date stated, and at other times, and voted to recommend the approval of said lot split to the City Council; and,

WHEREAS, the lot split of real property as described herein has been submitted to the City Council of the City of Bentonville and, after consideration and deliberation, said Council is of the opinion that said lot split should be approved.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS:

Section 1: That the lot split of Lots 43 through 45 of Denali Park Subdivision to the City of Bentonville, Arkansas, should be and the same is hereby accepted and approved for all purposes.

Section 2: That the Mayor and City Clerk be and are hereby authorized and directed to evidence the acceptance of said lot split by certifying said acceptance on the approved lot split.

PASSED AND APPROVED this _____ day of _____, 2018.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

REZONING STAFF REPORT



Michael Family Limited Partnership

SW 14th Street

PC Date: 9/18/2018

Reviewer: Tyler Overstreet, Planner

Project Number	RZ18-0027
Applicant / Current Owner	Michael Family Limited Partnership P.O. Box 6768 Springdale, AR 72766
Site Area	+/- 16.93 acres
Current Zoning	A-1, Agricultural
Requested Zoning	C-2, General Commercial
Future Land Use Map Designation	Office (O)

Property Description

This property is located on SW 14th Street. The site is currently vacant property in a commercial area. Adjacent zonings are C-2 to the north, east, and south, and R-1 to the west.

Projected Traffic Impact

The proposed zoning designation has the potential to impact traffic in the area. However, the development's proximity to three arterial roads and the potential for shared access with adjacent properties should alleviate any potential traffic caused by the development.

Relationship to the General Plan

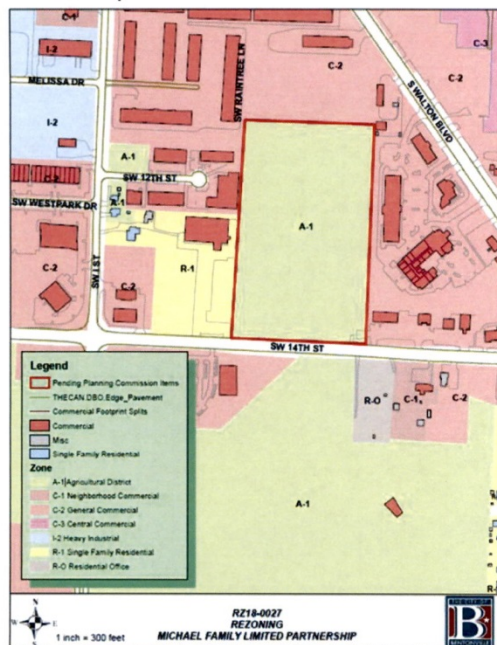
The Future Land Use Plan depicts this property as Office (O). The C-2, General Commercial **Error! Reference source not found.** zoning is not a recommended zoning district for this designation.

<http://geo.bentonvillear.com/mgweb/PZpending/>

Conclusion

The General Plan does not recommends the C-2, General Commercial as an appropriate zoning district for the Office (O) land use designation. However, adjacent existing zonings and the site's proximity to three major roadways (SW 14th Street, SW I Street, and S Walton Boulevard) may justify a more intense use.

Location Map





901 N 47th Street, Suite 200
Rogers, AR 72756

479.636.4838 (ph)
479.631.6224 (fax)

7 August 2018

City of Bentonville
Planning Department
305 SW A Street
Bentonville, AR 72712

Re: **Highway 102 Development**
Rezoning Application
Lot 2 of Michael Dill Plaza, Parcel #01-05072-000

The property currently zoned A-1 located on SW 14th street in Bentonville is being considered for a commercial development. The property, owned by Michael Family Limited Partnership, consists of approximately 16.93 acres. The proposed zoning designation is C-2, General Commercial, allowing for commercial land use. The property is currently under contract to a developer located in Central Arkansas, Richardson Properties, LLC.

There is an existing 8" PVC water line along the southern property line and an 8" PVC water line that partially runs parallel to the western property line located in parcel #01-09407-000. There are six 5X10" box culverts south of the lot to convey stormwater underneath 14th street. Additional water and sewer infrastructure will be built to meet city standards, and have the proper capacity and appropriate stormwater mitigation for this type of development.

Surrounding properties are zoned residential and commercial. This development will have an aesthetic similar to that of surrounding businesses in this relatively low trafficked area. Rezoning to general commercial would be expected to generate a slight increase in traffic. A majority of the surrounding area is zoned C-2, general commercial, and rezoning this lot as general commercial would be compatible with the surrounding properties and the city's master land use plan.

Please let me know if you need any additional information concerning this application.

Sincerely,
Crafton Tull

[Redacted Signature]
Daniel P. Ellis, P.E.

www.craftontull.com

ORDINANCE NO. _____

AN ORDINANCE CHANGING REAL ESTATE IN THE CITY OF BENTONVILLE, ARKANSAS, FROM ITS PRESENT ZONING CLASSIFICATION OF A-1, AGRICULTURAL TO C-2, GENERAL COMMERCIAL (PROJECT NUMBER: RZ18-0027).

WHEREAS, Michael Family Limited Partnership duly filed a petition with the Planning Commission requesting that the hereinafter described property situated in Benton County, Arkansas, be changed from its present zoning classification of A-1, Agricultural to C-2, General Commercial to be used in accordance with city zoning laws and state laws, which property is described as follows:

TRACT 2, MICHAEL-DILL PLAZA TO THE CITY OF BENTONVILLE, BENTON COUNTY, ARKANSAS, AS SHOWN IN THE BENTON COUNTY CLERK'S OFFICE RECORDS IN PLAT RECORD BOOK 13, PAGE 380; and,

WHEREAS, the Planning Commission duly met and considered the application and duly set the petition for public hearing to be held September 18, 2018 in the Council Chambers of the City of Bentonville; and,

WHEREAS, public notice of said hearing having been published in the Benton County Daily Record for the time and in the manner required by law; and,

WHEREAS, the Planning Commission voted to recommend to the City Council that the petition be approved and that said property be rezoned from its present classification of A-1, Agricultural to C-2, General Commercial.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS:

Section 1: That the above described real property is hereby changed from its present zoning classification of A-1, Agricultural to C-2, General Commercial to be used in accordance with the city zoning laws and state laws.

PASSED AND APPROVED this _____ day of _____, 2018.

APPROVED:

ATTEST:

MAYOR

CITY CLERK

REZONING STAFF REPORT



Howard

609 SE D Street and 610 SE E Street

PC Date: 9/18/2018

Reviewer: Tyler Overstreet, Planner

Project Number	RZ18-0028
Applicant / Current Owner	Jay Howard 2714 Otis Corley Drive Bentonville, AR 72712
Site Area	+/- .57 acres
Current Zoning	R-3, Medium Density Residential
Requested Zoning	DN-4, Downtown Mixed-Use Residential
Future Land Use Map Designation	Downtown Mixed Use Residential (DMUR)

<http://geo.bentonvillear.com/mgweb/PZ/pending/>

Location Map



Property Description

This property is located with frontage on SE E Street, SE 7th Street, and SE D Street. The previously approved Momentary Large Scale Development is directly east of the property. Adjacent zonings are RC-2 to the north, R-3 to the east and south, and R-1 to the west.

Projected Traffic Impact

The proposed zoning designation has the potential to impact traffic in the area. However, the downtown street network, and any potential development's required street improvements, should accommodate any increase in traffic caused by the rezoning.

Relationship to the General Plan

The Future Land Use Plan depicts this property as Downtown Mixed Use Residential (DMUR). The DN-4, Downtown Mixed-Use Residential Error! Reference source not found. zoning is a recommended zoning district for this designation.

Conclusion

The General Plan recommends the DN-4, Downtown Mixed-Use Residential as an appropriate zoning district for the Downtown Mixed Use Residential (DMUR) land use designation.

08.10.2018

Rezoning Narrative for:

609 SE D Street
Bentonville, AR 72712

The current zoning of the above property is R-3 Single Family Residential. The proposed rezoning is DN-4 Commercial. The property is owned by Art Park, LLC and will be used in accordance with the future land use plan map designation "Downtown Mixed Use Residential" including residential use. The reason for rezoning is to allow the property to be used in accordance with the city adopted future land use. The site currently contains two single family residences that will be demolished. A DN-4 zoning designation is appropriate given the current and future development planning for the market district. The new zoning will be in alignment with other multi-family residential projects being developed on adjacent sites.

The intended project is for a multi-family project that falls within the size and density requirements for DN-4 zoning. The design will complement the form and materiality of the surrounding properties. The property will include landscaped and park-like elements that connect to the street and adjacent park.

ORDINANCE NO. _____

AN ORDINANCE CHANGING REAL ESTATE IN THE CITY OF BENTONVILLE, ARKANSAS, FROM ITS PRESENT ZONING CLASSIFICATION OF R-3, MEDIUM DENSITY RESIDENTIAL TO DN-4, DOWNTOWN MIXED-USE RESIDENTIAL (PROJECT NUMBER: RZ18-0028).

WHEREAS, Jay Howard duly filed a petition with the Planning Commission requesting that the hereinafter described property situated in Benton County, Arkansas, be changed from its present zoning classification of R-3, Medium Density Residential to DN-4, Downtown Mixed-Use Residential to be used in accordance with city zoning laws and state laws, which property is described as follows:

SW ¼ & SE ¼ (SOUTH ½) OF BLOCK "K" IN ORCHARD ADDITION TO THE CITY OF BENTONVILLE, BENTON COUNTRY ARKANSAS; and,

WHEREAS, the Planning Commission duly met and considered the application and duly set the petition for public hearing to be held September 18, 2018 in the Council Chambers of the City of Bentonville; and,

WHEREAS, public notice of said hearing having been published in the Benton County Daily Record for the time and in the manner required by law; and,

WHEREAS, the Planning Commission voted to recommend to the City Council that the petition be approved and that said property be rezoned from its present classification of R-3, Medium Density Residential to DN-4, Downtown Mixed-Use Residential.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS:

Section 1: That the above described real property is hereby changed from its present zoning classification of R-3, Medium Density Residential to DN-4, Downtown Mixed-Use Residential to be used in accordance with the city zoning laws and state laws.

PASSED AND APPROVED this _____ day of _____, 2018.

APPROVED:

ATTEST:

MAYOR

CITY CLERK



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☐	Resolution	
☒	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Shelli Kerr

Department

Planning Services

Phone

271-6822

ACTION REQUIRED:

Appointment of Steven Baker to position 1 of the Public Art Advisory Committee (PAAC) vacated by Becky McCoy. Mr. Baker is an architect with Harrison French Architecture and his application is attached. This position is a three-year term that expires 09/25/2021.

COST TO CITY:

Cost of this Request: \$0

Additional Budget Amount \$0

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$	-
Funds Expended to Date		
Remaining Budget		-
Budget Adjustment		-
Remaining After Adjustment	\$	-

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



MEMO



To: City Council Members and City Clerk
From: Bob McCaslin, Mayor
CC Date: September 25, 2018
Re: Appointment of Steven Baker to the Public Art Advisory Committee

I recommend Steven Baker for appointment to the City of Bentonville's Public Art Advisory Committee to fill position 1 vacated by Becky McCoy.



Bob McCaslin, Mayor

Received 8-22-18



APPLICATION FORM

For appointment to City of Bentonville Boards & Commissions

Please Print or Type all Answers

FOR OFFICE USE ONLY

Board / Commission Appointed to:

Date of Appointment:

Term Expires:

Terminate:

Replaced:

APPLICANT INFORMATION

Name

If married, spouse's name:

Home Address

City Zip Code

Home/Cell Phone

Business Phone

Email Address

Occupation

Employer

Length of Residency in Bentonville

* Must be a Bentonville resident to serve on a Bentonville Board or Commission.

REFERENCES

Name

Phone

Email

Name

Phone

Email

Please select all commissions / boards for which you would like to be considered:

- ☐ Advertising & Promotion Commission
- ☐ Airport Advisory Board
- ☐ Bentonville Facility Board
- ☒ Board of Adjustment
- ☐ Bentonville Housing Authority
- ☐ Criminal Nuisance Abatement Board

- ☐ Library Advisory Board
- ☐ Ozark Regional Transit Authority (Bentonville representative)
- ☐ Parks & Recreation Advisory Board
- ☒ Planning Commission
- ☒ Public Art Advisory Committee
- ☐ Tree & Landscape Advisory Committee

1. What are your qualifications for serving on this commission or board, including education and expertise in the subject matter?

My experience as an Architect would allow me to make informed decisions about issues brought before any of these boards or commissions. Professionally I have worked with jurisdictions across the country to permit projects within requirements of boards of adjustment and planning. I am not an expert on art but I am also a passionate supporter of art and theater in our region. Architecture is a form of art and because of my professional background I understand the desire and need to locate art in the built environment and on city maintained properties.

2. Why would you like to be considered for appointment to this commission or board?

I would like to be considered because I care deeply about my community and have always been involved with non-profits and community organizations. Serving the community on one of these commissions or boards is a way to have a lasting effect on the betterment of NWA. I truly feel that serving in this capacity allows me to give back to my neighbors in a new and exciting way.

I do travel for work so I definitely cannot guarantee perfect attendance to meetings but when I am in town I don't have other family obligations that would interfere. I am a young, energetic, passionate member of the community ready to give back!

RETURN THIS APPLICATION TO: Submit by E-mail to Janice Hopkins, jhopkins@bentonvillear.com or deliver to the Mayor's Office, 117 West Central, Bentonville, AR 72712. If you have any questions, call 271-3112.

If you are not appointed, your application will be kept for one year and will automatically be resubmitted during that time. After a year if you want to be considered for a position, you will need to reapply.



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☐	Resolution	
☒	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Shelli Kerr

Department

Planning Services

Phone

271-6822

ACTION REQUIRED:

Reappointment of Jerris Palmer to a second term in position 3 of the Public Art Advisory Committee (PAAC). This will be her second and final term that expires in three years on 10/13/2021.

COST TO CITY:

Cost of this Request: \$0

Additional Budget Amount \$0

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$	-
Funds Expended to Date		
Remaining Budget		-
Budget Adjustment		-
Remaining After Adjustment	\$	-

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



MEMO



To: City Council Members and City Clerk
From: Bob McCaslin, Mayor
CC Date: September 25, 2018
Re: Re-appointment of Jerris Palmer to the Public Art Advisory Committee

I recommend Jerris Palmer for re-appointment to the City of Bentonville's Public Art Advisory Committee in position 3. This will be her second and final term that expires in three years on 10/13/21.



Bob McCaslin, Mayor

From: Jerris Palmer [REDACTED]
Sent: Friday, September 07, 2018 9:53 AM
To: Shelli Kerr
Subject: Re: PAAC reappointment

I would like to continue.

Sent from my iPhone

On Sep 5, 2018, at 3:06 PM, Shelli Kerr

Aaron, Tania and Jerris,

In October, each of you are coming to the end of your first three-year term on the Public Art Advisory Committee. You are eligible to serve one more three-year term. We feel you are an asset to the committee and support your reappointment if you wish to continue to serve.

As you decide, please know that we are in the process of transitioning the PAAC duties back to my department. In doing so, we are also recommending to move the meetings back to the second Tuesday of the month, at noon, in the Community Development Building (when and where we used to meet).

We find attendance is better at this time.

Please let me know your decision by Monday, Sept. 10.

Thank you,

Shelli

Shelli Kerr, AICP
Planning Services Manager
City of Bentonville, Arkansas
(479)271-3122



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☒	Ordinance	
☐	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by: Ellen Norvell

Department: Engineering

Phone: 271-3191

ACTION REQUIRED:

Public hearing and ordinance vacating a utility easement located at 507 SE E Street of Market Addition, to the City of Bentonville, Arkansas, Benton County, Arkansas.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



ORDINANCE NO _____

AN ORDINANCE VACATING A UTILITY EASEMENT LOCATED 507 SE E STREET OF MARKET ADDITION TO THE CITY OF BENTONVILLE, ARKANSAS, BENTON COUNTY ARKANSAS.

WHEREAS, a petition was filed by CRYSTAL BRIDGES MUSEUM, with the City Council of the City of Bentonville, Arkansas, asking the City Council to vacate a utility easement located in the City of Bentonville, Benton County, Arkansas, which portion is more particularly described as follows:

COMMENCING at the Southwest corner of Lot 1 of Market Addition to the City of Bentonville Arkansas, as shown in Plat Book 2016, Page 430 of the records of Benton County, Arkansas: thence South 88 degrees 06 minutes 27 seconds East – 410.79 feet; thence North 01 degrees 53 minutes 33 seconds East – 260.91 feet to the southwest line of an existing sewer easement, as described in Deed Book 467, Page 406 of the records of Benton County, Arkansas and to the POINT OF BEGINNING (POB); thence continuing along said easement line for the following two courses: North 57 degrees 25 minutes 40 seconds West – 412.66 feet; North 00 degrees 44 minutes 20 seconds East – 77.31 feet to the north property line of the parent tract; thence along said property line, South 74 degrees 59 minutes 41 seconds East – 15.48 feet to the east line of said sewer easement; thence leaving said property line, South 00 degrees 44 minutes 20 seconds West – 65.16 feet along the east line of said sewer easement to the northeast line of said sewer easement; thence leaving the east line of said sewer easement South 57 degrees 25 minutes 40 seconds East – 362.51 feet along the northeast line of said sewer easement; thence leaving the northeast line of said sewer easement South 37 degrees 41 minutes 35 seconds East – 44.42 feet to the POINT OF BEGINNING (POB), containing 6,882 sq. ft., or 0.158 acres.

WHEREAS, after due notice as required by law, the Council has at the time and place mentioned the notice, heard all persons desiring to be heard on the question; that all the owners of the property abutting the easement to be vacated have joined in the petition or consented to the granting of the petition; and the public interest and welfare will not be adversely affected by the abandonment of the above described utility easement.

NOW THEREFORE BE IT ORDAINED, by the City Council of the City of Bentonville, Arkansas:

Section 1: The City of Bentonville Arkansas releases, vacates and abandons all of its rights together with the rights of the public generally, in and to a utility easement designated as follows:

COMMENCING at the Southwest corner of Lot 1 of Market Addition to the City of Bentonville Arkansas, as shown in Plat Book 2016, Page 430 of the records of Benton County, Arkansas: thence South 88 degrees 06 minutes 27 seconds East – 410.79 feet; thence North 01 degrees 53 minutes 33 seconds East – 260.91 feet to the southwest line of an existing sewer easement, as described in Deed Book 467, Page 406 of the records of Benton County, Arkansas and to the POINT OF BEGINNING (POB); thence continuing along said easement line for the following two courses: North 57 degrees 25 minutes 40 seconds West – 412.66 feet; North 00 degrees 44 minutes 20 seconds East – 77.31 feet to the north property line of the parent tract; thence along said property line, South 74 degrees 59 minutes 41 seconds East – 15.48 feet to the east line of said sewer easement; thence leaving said property line, South 00 degrees 44 minutes 20 seconds West – 65.16 feet along the east line of said sewer easement to the northeast line of said sewer easement; thence

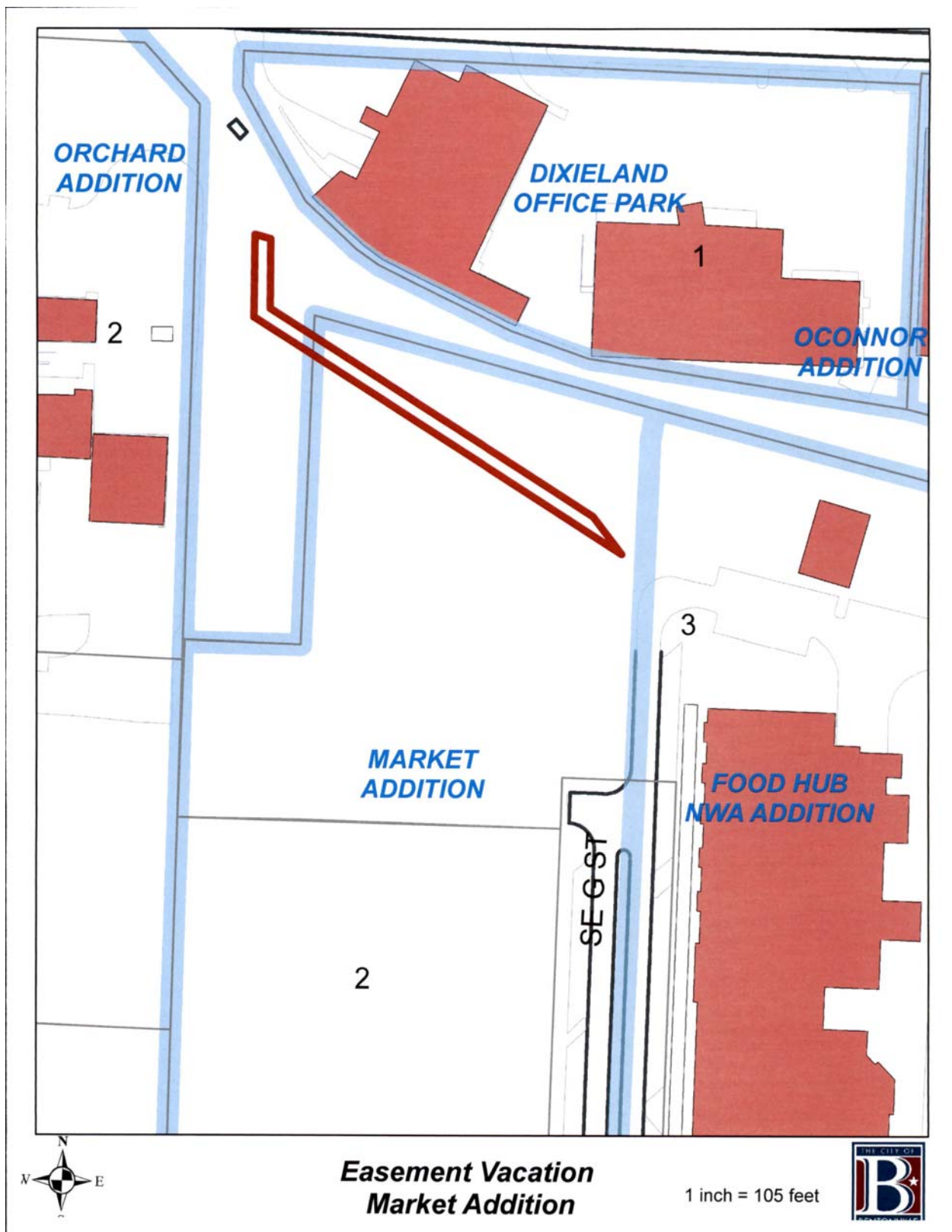
leaving the east line of said sewer easement South 57 degrees 25 minutes 40 seconds East – 362.51 feet along the northeast line of said sewer easement; thence leaving the northeast line of said sewer easement South 37 degrees 41 minutes 35 seconds East – 44.42 feet to the POINT OF BEGINNING (POB), containing 6,882 sq. ft., or 0.158 acres.

Section 2: A copy of this Ordinance, duly certified by the City Clerk, shall be filed in the Office of the Recorder of Benton County, Arkansas and recorded in the deed records of the County.

Section 3: This Ordinance shall take effect and be in force from and after its passage. The above and foregoing Ordinance was passed, approved, and adopted the _____ day of _____, 2018, at a regular meeting of the City Council of the City of Bentonville, Arkansas.

**LINDA SPENCE, City Clerk and
Recorder for the City of Bentonville,
Arkansas**

**BOB MCCASLIN, Mayor
City of Bentonville, Arkansas**





CHECK ALL THAT APPLY		
	Bid Award	Bid #
X	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Ellen Norvell

Department

Engineering

Phone

271-5993

ACTION REQUIRED:

Staff recommends a budget adjustment in an amount not to exceed \$40,000.00 for on-call Construction Inspection Services.

COST TO CITY:

Cost of this Request: \$40,000

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	
Budget Adjustment	
Remaining After Adjustment	\$

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

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PLEASE RECYCLE





Date of Request: September 17, 2018

Acct Number	Account Name	Revenue + (-)	Expense + (-)	Fund Balance + (-)
010-1630-463.32-10	Professional Services/Legal & Prof.		\$ 40,000.00	\$ (40,000.00)
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
	Totals	\$ -	\$ 40,000.00	\$ (40,000.00)

Budget adjustment for on-call Construction Inspection Services.

FOR ACTING USE ONLY

Council Action: Approved Disapproved Other _____

Date: _____ Date entered: _____ By: _____

Revised 5/1/07

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



Memorandum

To: City Council, Mayor McCaslin
From: Ellen Norvell, City Engineer
Date: Monday, September 17, 2018
Re: Budget Adjustment for Construction Inspection Services



Staff requests a budget adjustment in an amount not to exceed \$40,000 for on-call Construction Inspection Services. The Engineering Department will be losing an experienced construction inspector before the end of the month. Due to current construction activities and current staffing, the City will need additional assistance to verify that the City's standards are being achieved on development projects. We have advertised for a Construction Inspector, but we will need additional help until a suitable candidate can be hired and trained.

Thank you for your consideration of this request.



CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
X	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Ellen Norvell

Department

Engineering

Phone

271-5993

ACTION REQUIRED:

Staff requests City Council approval allowing the Mayor to enter into an agreement with Tri Star Contractors, LLC in an amount not to exceed \$379,005.00 for the construction of the VBT West Terminal Apron, Phase II. The City has received a grant in the amount of \$250,000.00. The City has also received funds in the amount of \$129,005.00 from the sale of property that has been set aside for this project.

COST TO CITY:

Cost of this Request: \$379,005.00

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$ -
Funds Expended to Date	-
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

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PLEASE RECYCLE



Memorandum



To: City Council, Mayor McCaslin
From: Ellen Norvell, City Engineer
Date: Friday, September 14, 2018
Re: Bid Award to Tri Star Contractors, LLC

Staff requests award of the bid for the construction of the West Terminal Apron, Phase II Project at the Bentonville Municipal Airport to Tri Star Contractors, LLC. Sealed bids were opened on September 11, 2018. Tri Star Contractors, LLC. was the lowest responsible bidder. Garver has checked the bids for accuracy and for compliance with the contract documents and recommends that the construction contract for the VBT West Terminal Apron, Phase II Project be awarded to Tri Star Contractors, LLC.

The City has been awarded a \$250,000 grant from the State of Arkansas Department of Aeronautics toward the VBT West Terminal Apron, Phase II Project. The City has also received \$129,005 from the sale of property that has been set aside for this project.

Staff further request a resolution authorizing the Mayor to enter into a contract(s) in the original bid amount of \$349,616.00 plus any reasonable and necessary change orders not to exceed \$379,005.00.

Thank you for your consideration of this request.

**BENTONVILLE MUNICIPAL AIRPORT
WEST TERMINAL APRON - PHASE 2
BID TABULATION
BID OPENING: SEPTEMBER 11, 2016; 2:00 PM**

ITEM NO.	SPEC. NO.	DESCRIPTION	UNIT	ESTIMATED QUANTITY	ENGINEER'S ESTIMATE		Tri Star Contractors LLC		APAC		Emery Sapp & Sons Inc.	
						UNIT PRICE		AMOUNT		AMOUNT		AMOUNT
1	SS-120-3.1	Site Preparation	LS	1		\$64,977.50		\$64,977.50		\$36,300.00	\$116,017.00	\$116,017.00
2	SS-210-6.1	Unclassified Excavation	CY	1,566		\$15.00		\$23,490.00		\$23.13	\$31,320.00	\$31,320.00
3	SS-210-6.2	Undercut Excavation	CY	3,000		\$25.00		\$75,000.00		\$32.70	\$98,100.00	\$171,000.00
4	SS-202-5.1	Tiedown Anchors	EA	18		\$600.00		\$10,800.00		\$760.00	\$13,680.00	\$12,060.00
5	SS-300-5.1	Lockout/Tagout and Constant Current Regulator Calibration Procedures	LS	1		\$2,000.00		\$2,000.00		\$1,050.00	\$1,050.00	\$1,000.00
6	SS-303-6.1	Aggregate Base Course, 8-in Thickness	SY	2,980		\$10.00		\$29,800.00		\$10.46	\$31,170.80	\$38,740.00
7	SS-310-5.1	L-86(T/L) Base Mounted Railway Edge Light, Installed	EA	32		\$1,300.00		\$41,600.00		\$1,890.00	\$60,480.00	\$57,600.00
8	SS-310-5.2	Existing L-86(T/L) Base Mounted Edge Light, Installed on New Station	EA	1		\$750.00		\$750.00		\$1,365.00	\$1,365.00	\$1,300.00
9	SS-310-5.3	L-85(R/L) LED Base Mounted, 3-Module Guidance Sign, Installed	EA	1		\$7,500.00		\$7,500.00		\$7,350.00	\$7,350.00	\$7,000.00
10	SS-407-5.1	ACHM Surface Course (1 1/2") (PG 70-22)	TN	700		\$100.00		\$70,000.00		\$92.77	\$64,939.00	\$64,939.00
11	SS-420-5.1	Seeding	AC	1		\$3,000.00		\$3,000.00		\$2,990.00	\$2,990.00	\$2,847.65
12	SS-421-5.1	Temporary Erosion Control	LS	1		\$10,000.00		\$10,000.00		\$2,085.00	\$1,985.00	\$1,985.00
13	SS-424-5.1	Sodding	SY	1,200		\$8.00		\$9,600.00		\$4.39	\$5,268.00	\$5,016.00
14	SS-460-4.1	Dust Control	LS	1		\$5,000.00		\$5,000.00		\$2,600.00	\$2,600.00	\$3,860.00
15	SS-716-5.1	Reflective Pavement Markings	SF	420		\$2.00		\$840.00		\$8.93	\$3,750.60	\$3,570.00
16	SS-716-5.2	Non-Reflective Pavement Markings	SF	420		\$1.50		\$630.00		\$6.25	\$2,625.00	\$2,490.00
17	L-108-5.1	No. 6 AWG, 54V L-824, Type C Cable, Installed in Trench, Duct Bank or Conduit	LF	2,750		\$1.75		\$4,812.50		\$3.15	\$8,662.50	\$8,250.00
18	L-108-5.2	No. 6 AWG, Solid, Bare Counterpose Wire, Installed in Trench, Above the Duct Bank or Conduit, Including Ground Rods and Ground Connectors	LF	1,600		\$1.75		\$2,800.00		\$3.15	\$5,040.00	\$4,800.00
19	L-108-5.3	Trenching for Direct-Buried Bare Counterpose Wire, 8" Minimum Depth	LF	1,600		\$1.00		\$1,600.00		\$3.15	\$5,040.00	\$4,800.00
20	L-110-5.1	Non-Encased, Electrical Conduit, 1-1/4" 2" C	LF	1,600		\$8.00		\$12,800.00		\$6.30	\$10,080.00	\$9,600.00
21	SP-C-01	Owner's Protective Insurance	LS	1		\$3,000.00		\$3,000.00		\$2,000.00	\$2,000.00	\$0.01
TOTALS								\$380,000.00		\$400,797.48	\$548,223.66	

Corrected Prices



RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE MAYOR AND CITY
CLERK TO ENTER INTO A CONTRACT WITH TRI STAR
CONTRACTORS, LLC FOR THE CIRCULAR APRON,
PHASE II PROJECT AT THE BENTONVILLE MUNICIPAL
AIRPORT**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE
CITY OF BENTONVILLE, ARKANSAS.**

Section 1: That the Mayor and City Clerk be and are hereby authorized to enter into a contract with Tri Star Contractors, LLC for the Circular Apron, Phase II Project at the Bentonville Municipal Airport.

Section 2: That the Mayor is hereby authorized to enter into reasonable and necessary change orders not to exceed a total contract price of \$379,005.

Section 3: This resolution shall be in full force and effect from and after the date of its passage.

PASSED and APPROVED this _____ day of _____, 2018.

APPROVED:

Bob McCaslin, Mayor

ATTEST:

Linda Spence, City Clerk



CHECK ALL THAT APPLY			
	Bid Award	Bid #	
X	Budget Adjustment		
	Change Order		
	Informational		
	Ordinance		
	Resolution		
	Other		

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Ellen Norvell

Department

Airport

Phone

271-3168

ACTION REQUIRED:

Staff requests City Council approval accepting a grant in the amount of \$250,000.00 from the State of Arkansas Department of Aeronautics and a budget adjustment for the West Terminal Apron, Phase II Project for the Bentonville Municipal Airport.

COST TO CITY:

Cost of this Request: \$0

Additional Budget Amount \$0

☐ One time amount

☐ Continuing O and M

Previously Budgeted	
Funds Expended to Date	-
Remaining Budget	-
Budget Adjustment	
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE





Date of Request: September 12, 2018

Justification:

Revised 5/1/07



Memorandum

To: City Council, Mayor McCaslin

From: Ellen Norvell, City Engineer

Date: Friday, September 14, 2018

Re: State of Arkansas Department of Aeronautics Grant Acceptance



Staff requests City Council approval of a budget adjustment and acceptance of a grant in the amount of \$250,000 from the State of Arkansas Department of Aeronautics. The grant will allow for the construction of the West Terminal Apron, Phase II Project at the Bentonville Municipal Airport.

Thank you for your consideration of this request.



STATE OF ARKANSAS DEPARTMENT OF AERONAUTICS

2315 Crisp Drive • Hangar 8
Little Rock, Arkansas 72202-4402
Telephone: (501) 376-6781 • Fax: (501) 378-0820



ASA HUTCHINSON
GOVERNOR

January 25, 2018

JERRY CHISM
DIRECTOR

COMMISSIONERS

Jay Brain
Rogers

Will Dawson
Clinton

Michael Hutchins
DeValls Bluff

Sam Jackson
Blytheville

Clark W. Mason
Little Rock

Edward R. Sanders
Hot Springs

Lloyd Wofford
Jonesboro

BENTONVILLE MUNICIPAL AIRPORT
ATTN: Chuck Chadwick, Airport Manager
City of Bentonville
117 West Central Avenue
Bentonville, AR 72712

Dear Mr. Chadwick:

During the January 25, 2018 meeting of the Arkansas Aeronautics Commission, an 80-20% Grant Request was approved for the Bentonville Municipal Airport. The request approved provides funding in the amount of \$250,000.00 for a new terminal apron – (Phase 1).

This grant has been assigned as Grant #3677-18 for identification purposes. When corresponding with our office regarding this project, please be sure to use this number. Contact us immediately if you will not be able to complete the project for amount approved. ***The Commission will not be responsible for any additional project costs unless this Agency has received notification in advance.***

The Commission has asked that we call your attention to Page Three (3) of your Application for State Airport Aid. ***This project should be started immediately and completed within one year.*** Please notify us if circumstances beyond your control prevent completion within the allotted time, otherwise, the grant may be canceled.

Payment of this grant will be made upon completion of your project. Please remember that grant funds are contingent upon the Department's appropriation for the fiscal year. Request payment of this grant in writing and include your documentation for the project at that time.

Sincerely,



Jerry Chism, Director

cc: State Senator Bart Hester; State Representative Jim Dotson

JC:kg



CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
X	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Bryan Wick

Department

Engineering

Phone

696-0227

ACTION REQUIRED:

Staff requests City Council approval allowing the Mayor and City Clerk to enter into an agreement with Allgeier, Martin and Associates, Inc. for professional services to design certain sidewalks within the City of Bentonville. The cost of this agreement is a not to exceed amount of \$175,330.90 and will come from Engineering and Street Sidewalk Accounts.

COST TO CITY:

Cost of this Request: \$175,330.90

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



Memorandum



To: Mayor and City Council
From: Bryan Wick, Project Manager
Date: Friday, September 14, 2018
Re: Bentonville Sidewalk Improvements

The City of Bentonville has identified, through the Trails and Active Transportation Committee (TAT), locations of sidewalks that could be beneficial to the system. Below are a list of the areas identified:

- Morningstar Road
- NW 15th Street
- SW D Street
- SW 20th Street

Allgeier, Martin and Associates Inc. has been selected, through a selection committee, to perform professional engineering services for these sidewalk locations. These services include survey, design, Right of Way/Easement Writing Services, and additional service incidental to the design of the project list above.

Staff would like to have these projects designed and a professional engineering estimate created so we can estimate the cost of each project and know how to properly budget for them in the upcoming future.

The cost of this agreement is a not to exceed amount of \$175,330.90. Funding for this project will come from the Engineering Sidewalk ACCT (73-84) in the amount of \$125,326.00 and the remainder will come from the Street Sidewalk ACCT (73-84) in the amount of \$50,004.90.

Staff is seeking City Council approval allowing the Mayor to enter into an agreement with Allgeier, Martin and Associates, Inc. for professional services related to the design of these sidewalks.

Please feel free to contact me if there are any questions regarding this agreement. I can be reached by email at bwick@bentonvillear.com or by phone at (479) 696-0227.

**AGREEMENT
BETWEEN
CITY OF BENTONVILLE, ARKANSAS
AND
ALLGEIER, MARTIN and ASSOCIATES, INC.
FOR
PROFESSIONAL SERVICES**

THIS IS AN AGREEMENT made as of _____, 2018 between the City of Bentonville, Arkansas (OWNER) and Allgeier, Martin and Associates, Inc., a Missouri corporation located in Joplin, Missouri (ENGINEER). OWNER intends to design 2018 - 2019 Sidewalk Improvements within the City (hereinafter called the Project).

OWNER and ENGINEER in consideration of their mutual covenants herein agree in respect of the performance of professional engineering services by ENGINEER and the payment for those services by OWNER as set forth below.

ENGINEER shall provide professional engineering services for OWNER in all phases of the Project to which this Agreement applies, serve as OWNER's professional engineering representative for the Project as set forth below, and shall give professional engineering consultation and advice to OWNER during the performance of services hereunder.

SECTION 1 - BASIC SERVICES OF ENGINEER

1.1 General.

1.1.1 ENGINEER shall perform professional design phase services as hereinafter stated which include customary civil engineering services.

1.1.2 In general, the Project includes the following:

1.1.2.1 Design of sidewalk improvements for: SW Morning Star Rd. along the East side from SW Harbin Ave. and to the North approximately 250 feet; NW 15th St. along the North and South sides between the existing Walmart property and Bella Vista Rd.; SW D St. along the East side from SW 14th St. to SW 20th St.; SW 20th St. along the South side from SW D St. to the private drive just West of S. Walton Blvd.

1.1.2.2 Right-of-Way/Easement Writing Services for the projects, which will include permanent and temporary construction easement exhibits, as well as written descriptions.

Upon execution of this Agreement by the OWNER, the ENGINEER shall proceed with the design phase of the project.

Basic services of the ENGINEER included as part of this Agreement include the following:

1.2 Design Phase.

Upon execution of this agreement, ENGINEER shall:

1.2.1 Conduct topographic surveys to the extent necessary for design of the Project facilities.

1.2.2 Prepare preliminary design documents consisting of final design criteria and preliminary drawings, and review same with regulatory agencies and OWNER.

1.2.3 Based on the information contained in the preliminary design documents, submit to the OWNER an opinion of probable project costs.

1.2.4 On the basis of the accepted preliminary design documents and the opinion of probable project cost, prepare for incorporation in the contract documents final drawings and specifications to show the character and extent of the Project.

1.2.5 Furnish to OWNER such documents and design data as may be required and assist in the preparation of the required documents so that OWNER may apply for approvals of such governmental authorities as have jurisdiction over design criteria applicable to the Project, and assist in obtaining such approvals by participating in submissions to and negotiations with appropriate authorities.

1.2.6 Advise OWNER of any adjustments to the latest opinion of probable Project cost caused by changes in extent or design requirements of the Project or construction costs and furnish a revised opinion of probable Project cost based on the drawings and specifications.

1.2.7 Prepare for review and approval by OWNER, his legal counsel and other advisors contract agreement forms, general conditions, supplementary conditions, and (where appropriate) bid forms, invitations to bid and instructions to bidders, and assist in the preparation of other related documents.

1.2.8 Furnish three copies of the above documents and present and review them in person with OWNER.

1.2.9 Submit four copies of the plans, specifications, bid and contract documents, and other related documents to the governmental agencies having jurisdiction over the project for their review and approval.

SECTION 2 - ADDITIONAL SERVICES OF ENGINEER

2.1 General

If authorized in writing by OWNER, ENGINEER shall furnish or obtain from others additional services of the following types which are not considered normal or customary basic services; these will be paid for by OWNER as indicated in Section 5.

2.1.1 Services to make measured drawings of or to investigate existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by OWNER.

2.1.2 Services resulting from significant changes in extent of the Project or its design including, but not limited to, changes in size, complexity, OWNER's schedule, or character of construction or method of financing; and revising previously accepted studies, reports, design documents or contract documents when such revisions are due to causes beyond ENGINEER's control.

2.1.3 Preparing documents for out-of-sequence work.

2.1.4 Investigations involving detailed consideration of operations, maintenance and overhead expenses; providing value engineering during the course of design; the preparation of feasibility studies, cash flow, and economic evaluations, rate schedules and appraisals; assistance in obtaining financing for the Project; evaluating processes available for licensing and assisting OWNER in obtaining process

Z:\Bentonville, AR\City of Bentonville\Transportation\2018 Sidewalk Improvements\Contracts\Agmt BentonvilleSidewalk2018 08-22-2018.docx
Last Printed date: 9/10/2018 1:41 PM

licensing; detailed quantity surveys of material, equipment, and labor; and audits or inventories required in connection with construction performed by OWNER.

2.1.5 Furnishing the services of special consultants requested by the OWNER for other than the normal civil, structural, mechanical, and electrical engineering; such as consultants for interior design, furnishings, communications, acoustics, and landscaping; and providing data or services of the types described in paragraph 3.3 when OWNER authorizes ENGINEER to provide such data or services in lieu of furnishing the same in accordance with paragraph 3.3.

2.1.6 Reviewing contractors' and subcontractors' payroll records.

2.1.7 Providing any type of field staking to enable contractor(s) to proceed with their work; and providing other special field surveys other than those for design purposes.

2.1.8 Services in connection with change orders to reflect changes requested by OWNER if the resulting change in compensation for basic services is not commensurate with the additional services rendered, services after the award of each contract in evaluating substitutions proposed by contractor(s), and in making revisions to drawings and specifications occasioned thereby, and services resulting from significant delays, changes, or price increased occurring as a direct or indirect result of material, equipment, or energy shortages.

2.1.9 Services during out-of-town travel required of ENGINEER other than visits to the site as required by Section 1.

2.1.10 Preparing for OWNER, on request, a set of reproducible record prints of drawings showing those changes made during the construction process, based on the marked-up prints, drawings, and other data furnished by contractor(s) to ENGINEER and which ENGINEER considers significant.

2.1.11 Additional or extended services during construction made necessary by (1) work damaged by fire or other cause during construction, (2) a significant amount of defective or neglected work of contractor(s), (3) prolongation of the contract time of any prime contract by more than sixty days, (4) acceleration of the progress schedule involving services beyond normal working hours, and (5) default by contractor(s).

2.1.12 Preparation or review of environmental assessments and impact statements and review and evaluation of the effect on the design requirement of the Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the project.

2.1.13 Services after completion of the construction phase, such as inspections during any guarantee period and reporting observed discrepancies under guarantees called for in any contract for the Project.

2.1.14 Preparing to serve or serving as a consultant or witness for OWNER in any litigation, public hearing, or other legal or administrative proceeding involving the Project (except as agreed to under basic services).

2.1.15 Negotiating for and obtaining land or easement rights and recording of said documents.

2.1.16 Geotechnical investigations to determine depth to rock and soils analysis.

2.1.17 Bidding, Construction and/or Resident Project Representation services.

2.1.18 Additional services in connection with the Project, including services normally furnished by OWNER and services not otherwise provided for in this agreement.

SECTION 3 - OWNER'S RESPONSIBILITIES

OWNER shall:

3.1 Provide all criteria and full information as to OWNER's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which OWNER will require to be included in the drawings and specifications.

3.2 Assist ENGINEER by placing at his disposal all available information pertinent to the Project, including previous reports and any other data relative to design or construction of the Project.

3.3 Furnish to ENGINEER, as required for performance of ENGINEER's basic services, data prepared by or services of others, including without limitation core borings, probings, and subsurface explorations, hydrographic surveys, laboratory tests and inspections of samples, materials, and equipment; appropriate professional interpretations of all of the foregoing; environmental assessment and impact statements; property, boundary, easement, right-of-way, utility surveys; property descriptions; zoning, deed and other land use restriction; and other special data or consultations not covered in Section 2; all of which ENGINEER may rely upon in performing his services.

3.4 Arrange for access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform his services.

3.5 Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by ENGINEER, obtain advice of an attorney, insurance counselor, and other consultants as OWNER deems appropriate for such examination and render decisions pertaining thereto within a reasonable time so as not to delay the services of ENGINEER.

3.6 Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

3.7 Provide such accounting, independent cost estimating, and insurance counseling services as may be required for the Project; such legal services as OWNER may require or ENGINEER may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by contractor(s); such auditing service as OWNER may require to ascertain how or for what purpose any Contractor has used the moneys paid to him under the construction contract; and such inspection services as OWNER may require to ascertain that contractor(s) are complying with any law, rule, or regulation applicable to their performance of the work.

3.8 Designate in writing a person to act as OWNER's representative with respect to the services to be rendered under this agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define OWNER's policies and decisions with respect to materials, equipment, elements, and systems pertinent to ENGINEER's services.

3.9 Give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of any development that affects the scope or timing of ENGINEER's services, or any defect in the work of contractor(s).

3.10 Furnish, or direct in writing ENGINEER to provide, necessary additional services as stipulated in Section 2 of this agreement or other services as required.

3.11 Bear all costs incidental to compliance with the requirements of this Section 3.

SECTION 4 - PERIOD OF SERVICE

4.1 The provisions of this Section 4 and the various rates of compensation for ENGINEER's services provided for elsewhere in this agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the design phase. ENGINEER's obligation to render services hereunder will extend for a period which may reasonably be required for the design of the Project.

4.2 Upon execution of this Agreement by the OWNER, ENGINEER shall proceed with the performance of the services called for in the design phase, and shall submit final design and contract documents and a revised opinion of probable Project cost within 285 calendar days. The ENGINEER shall proceed with the performance of the services called for in Section 1, as follows:

4.2.1 The topographic surveys (1.2.1), preparation of preliminary design documents (1.2.2), and delivery of the opinion of probable project costs (1.2.3) shall be completed within 60 calendar days.

4.2.2 Initiate design of improvements and review the 30 percent design documents with the OWNER within 60 calendar days following the completion of 4.2.1.

4.2.3 Review the 60 percent design documents with the OWNER within 90 calendar days following the completion of 4.2.2 and receipt of any subsequent comments that work.

4.2.4 Review the 90 percent design documents with the OWNER within 30 calendar days following the completion of 4.2.3 and receipt of any subsequent comments that work.

4.2.5 Complete design of the proposed improvements, including plans, specifications, bid and contract documents, and other related documents; review with OWNER within 45 calendar days following the completion of 4.2.4 and receipt of any subsequent comments that work.

4.2.6 The time periods listed in paragraph 4.2 will not begin until review comments, if any, for the preceding task have been received from the OWNER and authorization from the OWNER is received to begin the next phase of work.

4.3 If OWNER has requested significant modifications or changes in the extent of the Project, the time of performance of ENGINEER's services and his various rates of compensation shall be adjusted appropriately.

4.4 If OWNER fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this agreement.

4.5 If ENGINEER's services for design of the Project are delayed or suspended in whole or in part by OWNER for more than three months for reasons beyond ENGINEER's control or if ENGINEER for any reason is required to render services more than one year after substantial completion, the various rates of compensation provided for elsewhere in this agreement shall be subject to renegotiation.

SECTION 5 - PAYMENTS TO ENGINEER

5.1 Methods of Payment for Services and Expenses of Engineer

5.1.1 Payment for Services:

5.1.1.1 For Design Phase Services. OWNER shall pay ENGINEER for time expended in the performance of design phase services rendered under Section 1.2, at the labor rates and non-labor rates shown in Exhibit A, with a guaranteed not-to-exceed fee of \$175,330.90.

5.1.2 Additional Services. OWNER shall pay ENGINEER for additional services rendered under Section 2 as follows:

5.1.2.1 General. For time expended in the performance of additional services rendered under paragraphs 2.1.1 through 2.1.18, inclusive (except services covered by paragraph 2.1.5) on the basis of the labor rates shown in Exhibit A.

5.1.2.2 Special Consultants. For services and reimbursable expenses of special consultants employed by ENGINEER pursuant to paragraph 2.1.5, the amount billed to ENGINEER therefor times a factor of 1.10.

5.1.3 The term "Reimbursable Expenses" will have the meaning assigned to it in paragraph 5.4 below.

5.2 Times of Payments

5.2.1 For Design Phase Services ENGINEER shall submit statements for basic and additional services rendered upon submission or completion of deliverable items set forth in Section 1.2 of this Agreement. The amount of ENGINEER's professional fee billed will be based on the actual time and expenses incurred by ENGINEER's personnel in performance of the work set forth in this Agreement at the time of billing, with the cumulative amount billed at the time of delivery limited to the following not-to-exceed amounts:

<u>Deliverable Item</u>	<u>Cumulative Ceiling</u>
Design Surveying, Preliminary Design and Preliminary Cost Estimating	\$35,000.00
Engineering Design, 30% Complete	\$70,000.00
Engineering Design, 60% Complete	\$115,000.00
Engineering Design, 90% Complete	\$150,000.00
Engineering Design, FINAL	\$175,330.90

5.3 Other Provisions Concerning Payments.

5.3.1 If OWNER fails to make any payment due ENGINEER for services and expenses within sixty days after receipt of ENGINEER's bill therefor, the amounts due ENGINEER shall include a charge at the rate of 1% per month from said sixtieth day and in addition, ENGINEER may, after giving seven days' written notice to OWNER, suspend services under this agreement until he has been paid in full all amounts due him for services and expenses.

5.3.2 In the event of termination by OWNER under paragraph 7.1, ENGINEER will be paid for services rendered to date of termination by principals and employees assigned to the Project. In the event of any such termination, ENGINEER will be paid for all unpaid additional services and unpaid reimbursable expenses.

5.2 Definitions.

Reimbursable expenses mean the actual expenses incurred directly in connection with the Project for: furnishing and maintaining field office facilities; subsistence, lodging, and transportation of project staff and resident project representatives; reproduction of reports, drawings, and specifications; postage and express delivery services; survey materials; and similar Project-related items.

SECTION 6 - OPINIONS OF COST

6.1 Since ENGINEER 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 costs 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 Engineer cannot and does not guarantee that proposals, bids, or actual Project or construction cost will not vary from opinions of probably cost prepared by him. If prior to the bidding or negotiating phase, OWNER wishes greater assurance as to Project or construction cost he shall employ an independent cost estimator as provided in Section 3.

SECTION 7 - GENERAL CONSIDERATIONS

7.1 Termination.

The obligation to provide further services under this agreement may be terminated by either party upon seven days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

7.2 Reuse of Documents.

All documents, including drawings and specifications prepared by ENGINEER pursuant to this agreement are instruments of service in respect of the Project. They are not intended or represented to be suitable for reuse by OWNER or others on extensions of the Project or on any other project. Any reuse without written verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER; and OWNER shall indemnify and hold harmless ENGINEER from all claims, damages, losses, and expenses including attorneys' fees arising or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

7.3 Controlling Law. This agreement is to be governed by the laws of the State of Arkansas.

7.4 Successors and Assigns.

7.4.1 OWNER and ENGINEER each binds himself and his partners, successors, executors, administrators, assigns, and legal representatives to the other party to this agreement and to the partners, successors, executors, administrators, assigns and legal representatives of such other party, in respect to all covenants, agreements, and obligations of this agreement.

7.4.2 Neither OWNER nor ENGINEER shall assign, sublet, or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this agreement

without the written consent of the other, except as stated in paragraph 7.4.1 and except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this agreement. Nothing contained in this paragraph shall prevent ENGINEER from employing such independent consultants, associates, and subcontractors as he may deem appropriate to assist him in the performance of services hereunder.

7.4.3 Nothing herein shall be construed to give any rights or benefits hereunder to anyone other than OWNER and ENGINEER.

7.5 Insurance

ENGINEER shall, as part of this agreement, maintain professional liability insurance covering errors and omissions, with a liability limit of \$2,000,000.

7.6 Mutual Waiver of Consequential Damages

7.6.1 To the fullest extent permitted by law, the ENGINEER and the OWNER waive any and all claims against each other and their respective agents, servants and employees, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, for indirect, incidental, punitive, or consequential damages, including, without limitation, loss of use, profits, business, reputation or financing, principal office overhead and expenses, in any way pertaining to or arising out of this Agreement.

7.7 Third Parties

7.7.1 Nothing in this Agreement shall be construed to provide any rights or benefits to anyone other than the ENGINEER and the OWNER.

REMAINDER OF PAGE INTENTIONALL LEFT BLANK

SECTION 8 - SPECIAL PROVISIONS, EXHIBITS, AND SCHEDULES

8.1 The attached Exhibit A – Rate Schedule, consisting of one page is attached to and made a part of this agreement.

8.2 This agreement (consisting of pages 1 to 10, inclusive), together with the exhibits identified above constitute the entire agreement between OWNER and ENGINEER and supersede all prior written or oral understandings. This agreement and said exhibits may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

The parties hereto have made and executed this agreement as of the day and year first above written.

OWNER:
CITY OF BENTONVILLE, ARKANSAS

ATTEST:

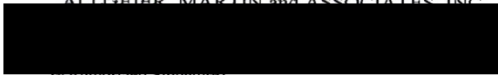
(Authorized Signature)

(Authorized Signature)

(Printed Name)

(Title)

ENGINEER:
ALL GEIER, MARTIN and ASSOCIATES, INC.


(Authorized Signature)

Chris Erisman, P.E.

Vice President

EXHIBIT A
ALLGEIER, MARTIN and ASSOCIATES, INC.
Consulting Engineers and Surveyors

RATE SCHEDULE

LABOR RATES

<u>Classification</u>	<u>Hourly Billing Rate</u>
	01/01/2018 thru 12/31/2018
Principal/Engineer V	\$210
Principal/Engineer IV	\$195
Principal/Engineer III	\$180
Project Manager/Engineer II	\$160
Project Manager/Engineer I	\$145
Technician III/GIS Specialist	\$132
Technician III	\$112
Technician II	\$100
Technician I	\$94
Two-Man GPS Survey Crew	\$185
One-Man GPS Survey Crew	\$145
Three-Man Survey Crew	\$201
Two-Man Survey Crew	\$160
Registered Land Surveyor II	\$170
Registered Land Surveyor I	\$150
Survey Crew Member	\$76
Right of Way Specialist	\$116
Project Representative III	\$112
Project Representative II	\$100
Project Representative I	\$92
Secretary/Assistant	\$76
Print Specialist	\$76

Note: All pre-approved overtime hours shall be invoiced at 1½ times the hourly billing rate shown above.

NON-LABOR RATES

<u>Item</u>	<u>Rate</u>
Travel	\$0.54 per mile (or current IRS rate)
Subsistence	Actual Cost
Lodging	Actual cost
Special Postage or Shipping	Actual cost
Printing	Actual cost
Surveying Materials	Actual cost
Subcontract Specialty Services	Cost + 10%

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE MAYOR TO
ENTER INTO AN AGREEMENT WITH ALLGEIER,
MARTIN AND ASSOCIATES, INC. FOR PROFESSIONAL
SERVICES FOR THE DESIGN OF SIDEWALKS WITHIN
THE CITY OF BENTONVILLE.**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY
OF BENTONVILLE, ARKANSAS.**

Section 1: That the Mayor be and is hereby authorized to enter into an agreement with Allgeier, Martin and Associates, Inc. for professional services for the design of certain sidewalks within the City of Bentonville in an amount of \$175,330.90 as set forth in the proposal attached hereto as Exhibit "A".

Section 2: This resolution shall be in full force and effect from and after the date of its passage.

PASSED and APPROVED this _____ day of _____, 2018.

APPROVED:

MAYOR

ATTEST:

CITY CLERK



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☒	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Jake Harper

Department

Accounting

Phone

271-6781

ACTION REQUIRED:

Adopt resolution certifying the rate of taxation levied on real and personal property in the City of Bentonville. This resolution is required by the Quorum Court and County Clerk in order to facilitate the millage levy to be collected in 2019.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



BENTON COUNTY

STATE OF ARKANSAS

RECEIVED SEP 13 2018

TENA O'BRIEN

COUNTY CLERK & VOTER REGISTRAR
215 EAST CENTRAL, SUITE 217
BENTONVILLE, AR 72712-5373

PROBATE COURT CLERK
COURTHOUSE, 102 N.E. "A" STREET
BENTONVILLE, AR 72712-5350

September 10, 2018

MEMORANDUM NOTICE

TO: MAYOR BOB McCASLIN – BENTONVILLE
RE: 2019 TAX LEVY – MILLAGE RATES FOR TAXES COLLECTED 2018

As you are aware, it is time once again for the Benton County Quorum Court to levy millage rates for the various taxing units in the county, including county, municipal, and school taxes for the 2019 collections on 2018 assessments.

As required by Arkansas Code Annotated §26-73-202, please submit your written certificate of the rate of taxation to be levied by your town/city on the real and personal property within your town/city so your levy is included in the Quorum Court Ordinance.

Please send a certified copy of the Resolution or Ordinance passed by the City Council which sets out in detail the millage rate for all funds for both real and personal property. The current millage levy for BENTONVILLE is as follows: **General 5.0 mills; Firemen's Pension 0.5 mills.**

I need this certificate by October 20, 2018 in order to prepare the Quorum Court ordinance to be enacted in November, as required by law.

Please note that Amendment 79 requires that the rates for real and personal property be levied at the same rate.

Sincerely,



Tena O'Brien *By: T. Underwood*

COUNTY CLERK (479) 271-1013 FAX (479) 271-1019	•	VOTER REGISTRAR (479) 271-5704	•	BENTONVILLE (479) 271-1013 FAX (479) 271-1019	•	SILLOAM SPRINGS (479) 238-0120 FAX (479) 524-8534	•	PROBATE COURT CLERK (479) 271-5727 FAX (479) 271-1712	•	ROGERS (479) 636-3727 FAX (479) 636-4922 ARCHIVIST (479) 636-1037 FAX (479) 636-1053
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RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A PROPERTY TAX LEVY
FOR THE CITY OF BENTONVILLE, ARKANSAS FOR THE
YEAR 2018 TO BE COLLECTED IN THE YEAR 2019.**

WHEREAS, Arkansas Code Annotated §26-25-102 provides that a city may levy a tax on the real and personal property located within the city for general purposes, in any one year, pursuant to the provisions of the Arkansas Constitution; and

WHEREAS, Arkansas Code Annotated §26-73-202 requires the city council of any municipal corporation to make out and certify to the county clerk the rate of taxation levied by the city on all the real and personal property within the city; and

WHEREAS, the City Council has determined that it is in the best interests of the City of Bentonville and its citizens to levy the rate of taxation on the real and personal property located within the said city as set forth herein, and to certify the same to the County Clerk, and authorize the Quorum Court of the County to levy said tax for the year 2018, to be collected in 2019.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
BENTONVILLE, ARKANSAS, THAT:**

Section 1. That the property tax rate for the City General purposes on the real and personal property situated within the City and to be collected in the year 2019 shall be fixed and levied at the rate of 5.0 mills on each dollar of assessed value of real and personal property.

Section 2. The property tax for Fireman's Pension purposes for the City on real and personal property situated within the City to be collected in the year 2019 shall be fixed and levied at the rate of .5 mills on each dollar of assessed value of real and personal property.

Section 4. The rate of taxation levied herein on the real and personal property within the city/town shall, by this Resolution, be certified to the County Clerk to be placed upon the tax books and collected in the same manner that the state and county taxes are collected.

Section 5. The Quorum Court of Benton County, Arkansas is authorized to levy the said tax as set forth herein for real and personal property located within the City of Bentonville for the year 2018, at its regular meeting in November according to law.

PASSED and APPROVED this _____ day of _____, 2018.

APPROVED:

Bob McCaslin, Mayor

ATTEST:

Linda Spence, City Clerk



September 20, 2018

To: City Council Members & City Clerk

From: Mayor Bob McCaslin

Subject: Reappointment of Richard Ham to the City of Bentonville's Airport Advisory Board.

I recommend Richard Ham for reappointment to the City of Bentonville's Airport Advisory Board. Mr. Ham's term will expire on September 30, 2021.

A handwritten signature in blue ink, appearing to read 'Bob McCaslin'.

Bob McCaslin

From: Rich Ham

Sent: Monday, August 20, 2018 2:24 PM

To: Assistant to the Mayor

Subject: Re: confirming your desire for re-appointment to Bentonville Airport Advisory Board

Karilea,

I have enjoyed being on the board and would be honored to be reappointed.

Please let me know if you need anything further from me to complete the process.

Busy here today! Students everywhere-

Thank you for your help.

Rich Ham

Richard G. Ham, Ed.D.

Associate Director

M.S. in Engineering Management

M.S. in Operations Management



September 20, 2018

To: City Council Members & City Clerk
From: Mayor Bob McCaslin
Subject: Appointment of Tregg Brown to the City of Bentonville's Airport Advisory Board.

I recommend Tregg Brown for appointment to the City of Bentonville's Airport Advisory Board. Mr. Brown's term will expire on September 30, 2021.

A handwritten signature in blue ink, appearing to read 'Bob McCaslin' or a similar name, is written above the printed name.

Bob McCaslin

From: Assistant to the Mayor
Sent: Tuesday, August 21, 2018 8:53 AM
To: Mayor McCaslin; Tregg Brown
Cc: Janice E. Hopkins

Subject: Correction RE: Question

Good morning Tregg,

Mayor McCaslin asked that I write to you and let you know that the term of the Airport Board appointment is a 3 year term and not a 4 year term. He apologizes for this error.

Have a great day! :)

Karilea

From: Mayor McCaslin
Sent: Monday, August 20, 2018 5:05 PM
To: Tregg Brown
Cc: Assistant to the Mayor; Janice E. Hopkins
Subject: Re: Question

Wonderful..... thank you

I will place on the second meeting in September

I appreciate your willingness to serve on this board

Mayor Bob McCaslin
117 West Central
Bentonville, AR. 72712
479-271-5966 Office

On Aug 20, 2018, at 5:02 PM, Tregg Brown wrote:
Yes I would
Tregg Brown

On Aug 20, 2018, at 2:55 PM, Mayor McCaslin wrote:

Tregg, I have an opening on the Bentonville Municipal Airport Advisory Board (4 year appointment, meets 1X per month) – would you have an interest in serving?

Mayor Bob McCaslin
City of Bentonville
117 West Central
Bentonville, AR. 72712



September 20, 2018

To: City Council Members & City Clerk

From: Mayor Bob McCaslin

Subject: Appointment of Aubrey Patterson to the City of Bentonville's Traffic, Safety and Signage Committee.

I recommend Aubrey Patterson for appointment to the City of Bentonville's Traffic, Safety and Signage Committee. She will be replacing Chris Sooter in the City Council Member position on the Committee.

Bob McCaslin

Mayor McCaslin

From: Chris Sooter
Sent: Friday, August 24, 2018 9:40 AM
To: Mayor McCaslin
Cc: Chris Sooter
Subject: Traffic, Safety and Signage Committee

Bob,

After having served many years on the TSS committee, I would like to request that my term come to an end and another council member be appointed to serve.

Thank you,
Chris

Chris W. Sooter | EVP Finance and Operations | Member Services, Inc.





CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
x	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by: Jon Simpson

Department

Police

Phone

271-3172

ACTION REQUIRED:

Request for a waiver of bid to allow for the replacement of soon to expire ballistic vests and to source these vests from Cruse Uniforms in Springdale, Arkansas. (Vests are warrantied to provide rated protection for five (5) years from date of manufacture.) The 2018 Budget in the police department's Operating Supplies/Safety Expense (Account # 010-2010-421-20-60) for ballistic vests (both replacement and turn over) is \$30,600.00. To date, approximately \$6,255.00 has already been spent for this specific purpose. The estimated cost to replace twenty (20) soon to expire vests is \$17,629.00. This waiver of competitive bidding would allow adherence to state spending requirements and permit the purchase of these vests from Cruse Equipment in Springdale. The police department currently uses Cruse Equipment in Springdale for uniform and uniform related needs and a waiver of bid for these specific items was approved by City Council earlier this year. Being located in Springdale, Cruse Equipment promotes safety and convenience by allowing local, timely and cost effective measuring, fitting, and sourcing of these important pieces of safety equipment and our other uniform needs.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



REQUEST FOR WAIVER OF BID

Date 9/25/2018

Requested by: Chief Jon Simpson

Department: Police Department

DESCRIPTION OF REQUEST:

Type of Equipment: Operating Supplies/Safety Expense

Year & Model: Not applicable

Serial # None

To Be Purchased From: Cruse Uniform Supplies

5320 W. Sunset

Springdale, Arkansas 72762

Amount: Base Amount: \$17,629.50

Tax:

*Other:

TOTAL

\$ 17,629.50

* List all other costs: (not to exceed above detailed budgeted amount)

JUSTIFICATION FOR REQUEST FOR WAIVER OF BID:

The 2018 Budget in the police department's Operating Supplies/Safety Expense for ballistic vests is \$30,600. To date, approximately \$6,255 has already been spent for this specific purpose. The estimated cost to replace twenty (20) soon to expire vests is \$17,629. This waiver of competitive bidding would allow adherence to state spending requirements and permit the purchase of these vests from Cruse Equipment in Springdale. The police department currently uses Cruse Equipment in Springdale for uniform and uniform related needs and a waiver of bid for these specific items was approved by City Council earlier this year. Being located in Springdale, Cruse Equipment promotes safety and convenience by allowing local, timely and cost effective

Department Head

Director of Finance & Administration

Revised 6-18-99

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE MAYOR AND THE CITY CLERK TO ENTER INTO AN AGREEMENT FOR THE PURCHASE OF BALLISTIC VESTS FOR THE BENTONVILLE POLICE DEPARTMENT AND WAIVING THE REQUIREMENT OF COMPETITIVE BIDDING.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS.

Section 1: That the Mayor and City Clerk be and are hereby authorized to enter into an agreement for the purchase of ballistic vests for the Bentonville Police Department from Cruse Uniforms in Springdale, Arkansas in an amount not to exceed the budgeted allotment as set forth in the agenda item herewith.

Section 2: Because having a local provider of ballistic vests promotes necessary officer safety and efficiency and because Cruse is the only local vendor of such supplies and has required vests and uniform components readily available, it would be neither practical nor feasible to advertise for competitive bidding, and that requirement is herein waived.

PASSED and APPROVED this ____ day of _____, 2018.

APPROVED:

MAYOR

ATTEST:

CITY CLERK



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☐	Resolution	
☒	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Jon Simpson

Department

Police

Phone

271-3172

ACTION REQUIRED:

Request that Council recognize a donation and approve a budget adjustment in the amount of \$2,500.00, so that these donated funds may be used for the purchase of minor equipment for the police department. Specifically, this budget adjustment will allow funds donated by the NWA AAPI (Northwest Arkansas American Association of Physicians of Indian Origin) to be used for officer safety and public safety related equipment to include emergency trauma kits and associated items. See also Budget Adjustment Request Form.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

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PLEASE RECYCLE







CHECK ALL THAT APPLY			
☒	Bid Award	Bid #	IFB-18-004
☐	Budget Adjustment		
☐	Change Order		
☐	Informational		
☐	Ordinance		
☐	Resolution		
☐	Other		

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

David Wright

Department

Parks and Rec

Phone

271-6813

ACTION REQUIRED:

Parks and Recreation is requesting City Council approval of a bid award authorizing the Mayor and City Clerk to into agreement with Technogym for the purchase of fitness equipment at the Bentonville Community Center.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

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PLEASE RECYCLE



Memo



To: City Council, Mayor McCaslin
From: Lee Farmer, Recreation Services Manager
Through: David Wright, Parks and Recreation Director
Date: September 17, 2018
Re: Council approval of bid award to Technogym for the purchase of new fitness equipment for the Bentonville Community Center.

Parks and Recreation is seeking City Council's approval of a bid award for bid IFB-18-044 for \$177,335.51 for the purchase of fitness equipment for the Bentonville Community Center. Only \$150,622.15 of the bid award will be spent from the 2018 budget with the remaining balance for service agreements being paid out over the following two years. The purchase of this fitness equipment is fully recouped by Community Center revenue produced.

When the Bentonville Community Center was opened in 2015, Technogym was awarded the bid to provide cardio and strength equipment for the facility. Over the last three years, the cardio equipment has seen abundant use by patrons, treadmills being the most utilized cardio product. In fact, our current treadmills have over 24,000 miles (on average) from this patron usage. Industry standard for commercial treadmills is three years or 20,000 miles. We reached the three-year mark with the equipment this past June and have exceeded the recommended mileage. The ability to move forward and replace this equipment not, as opposed to this being a 2019 budget item puts us in a position that the most recent equipment will be available for our patrons during the busy winter season.

In addition, the purchase of this equipment includes the renewal of our fitness technology package and maintenance services. A highlight of the technology package includes a custom app for our facility to allow patrons to track their workouts, reserve space in fitness classes, and learn about programs and events. The maintenance service package is a warranty package that provides repairs and replacement for any broken equipment as well as all routine maintenance.

If you have any questions regarding this item, please call me at 464.7275, or email lfarmer@bentonvillear.com.

Attachments:

Bid Tabulation

IFB-18-044
Technogym Fitness Equipment (Less trade in value)
Bid Opening Date and time:
08/28/2018 @ 2:00 P.M.

VENDOR	Accepting Trade Ins (Y/N)	Net Purchase Price	*
VO2 CONSULTING	Y	\$215,320.00	
ROYAL FITNESS	Y	\$162,350.00*	Partial Bid - Excluded My Wellness Hardware & Apps/Services
TECHNOGYM	Y	\$177,335.51*	Partial Bid - Excluded Dumbbells
Recommended Award			
Technogym			



CHECK ALL THAT APPLY			
	Bid Award	Bid #	
x	Budget Adjustment		
	Change Order		
	Informational		
	Ordinance		
	Resolution		
	Other		

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

David Wright

Department

Parks and Rec

Phone

271-6813

ACTION REQUIRED:

Park and Recreation is seeking approval of a budget adjustment for \$158,747.15 for the purchase of new fitness equipment. This budget adjustment is fully recovered from revenue produced at the Bentonville Community Center.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

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PLEASE RECYCLE





Memo



To: City Council, Mayor McCaslin
From: Lee Farmer, Recreation Services Manager
Through: David Wright, Parks and Recreation Director
Date: September 20, 2018
Re: Council approval of a Budget Adjustment for \$158,747.15 for the purchase of fitness equipment for the Bentonville Community Center.

Parks and Recreation is seeking City Council's approval of a budget adjustment in the amount of \$158,747.15 for the purchase of fitness equipment for the Bentonville Community Center. \$150,622.15 of this budget adjustment is a bid award for cardio fitness equipment. The remainder of this budget adjustment, which was not included in the bid, is the purchase of fitness dumbbells totaling \$8,125.00. This purchase of dumbbells does not require a formal bid but Parks and Recreation has secured quotes justifying the purchase. This budget adjustment is fully recovered from revenue produced at the Bentonville Community Center.

If you have any questions regarding this item, please call me at 464.7275, or email lfarmer@bentonvillear.com.



CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☒	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Mike Bender

Department

Public Works Director

Phone

271-6873

ACTION REQUIRED:

Staff recommends Council approval of a Resolution authorizing the Mayor and City Clerk to enter into a Utility Agreement with the Arkansas State Highway Commission for construction of water utility relocations associated with ARDOT Project No. BB0903 - Interstate 49 and Hwy 71B (SE Walton Blvd) Interchange Improvements. A budget adjustment will be required to cover construction costs of this project. Costs are estimated at \$512,529.40 with \$400,439.22 qualifying for reimbursement leaving the City's share estimated at \$112,090.18. Final costs and final reimbursement factor will be adjusted to actual final project costs per ARDOT's Utility Accommodation Policy at the end of the project.

COST TO CITY:

Cost of this Request: \$112,090

Additional Budget Amount \$112,090

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$ -
Funds Expended to Date	-
Remaining Budget	-
Budget Adjustment	112,090
Remaining After Adjustment	\$ 112,090

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



Memo



To: City Council, Mayor McCaslin

From: Mike Bender

CC:

Date: September 17, 2018

Re: Arkansas State Highway Commission Utility Agreement for Construction of Water Utility Relocations associated with ARDOT Project BB0903, I-49 / Hwy 71B Interchange Improvements

This memo addresses three Council items:

1. Staff recommends approval of a resolution authorizing the Mayor and City Clerk to enter into a Utility Agreement with Arkansas State Highway Commission for construction of water utility relocations associated with ARDOT Project No. BB0903 Interstate 49 Improvements at Hwy 71B Interchange.
2. Staff recommends approval of a resolution authorizing the Mayor and City Clerk to enter into an amended professional services agreement with CEI Engineering in an amount not to exceed \$29,600.00 for construction engineering services associated with the Utility Agreement with the Arkansas State Highway Commission for ARDOT Project No. BB0903 - Interstate 49 Improvements at Hwy 71B Interchange.
3. Staff recommends Council approval of a Budget Adjustment in the amount of \$112,090.18 to cover non-reimbursable construction costs for water utility relocations associated with ARDOT Project No. BB0903 - Interstate 49 Improvements at Hwy 71B Interchange. Budget adjustment to cover non-reimbursable costs of construction.

This ARDOT project includes constructing a single point urban interchange (SPUI) at the SE Walton (Hwy 71B) and I-49 interchange and widening Hwy 71B from I-49 west to SE Riviera Road. The City has water infrastructure located within the proposed rights-of-way and as such will be required to relocate utilities outside the rights-of-way. Based on engineering design and ARDOT's Utility

Accommodation Policy, approximately 78% of the construction costs will be reimbursable. This reimbursement factor may change slightly with final easement costs and final construction quantities.

The following is a summary of costs associated with this agreement:

Construction Costs (Estimated)	\$345,982.00
Construction Engineering	\$26,850.00
Easement Costs (Estimated)	\$138,697.40
Advertising Cost	\$500.00
Health Dept. Fee	\$500.00
Total Estimated Cost	\$512,529.40

This project is Federal Aid Project BIM-B49-0(212)

Reimbursement (78.13%) = \$400,439.22

City Responsibility = \$112,090.18

Please note the Construction Engineering costs do not match the CEI contract amendment. This estimate was based on the original contract which was dated March 2017. The amendment is adjusted to reflect CEI's 2018 billing rates which results in an increase of \$2,750.00. A change order with ARDOT will be necessary once bids are received and necessary changes will be made at that time.

Thank you for your consideration of this request.

ARKANSAS STATE HIGHWAY COMMISSION
HIGHWAY - UTILITY CONSTRUCTION/RELOCATION AGREEMENT

State Job No BB0903 (Utilities) County Benton
Federal Aid Project BIM-B49-0(212) Route 49 Section 29
Job Location Hwy. 71B Utility Owner Bentonville
Intchng. Impvts. (S) Water

THIS AGREEMENT, made and entered into this _____ day of _____, 20 ____, by and between the Arkansas State Highway Commission, acting by and through the duly authorized representatives of the Arkansas Department of Transportation, with headquarters at Little Rock, Arkansas, hereinafter referred to as the "Department," and the ***Bentonville Water of Bentonville, Arkansas*** acting by and through its duly authorized representatives, hereinafter referred to as the "Owner" WITNESSETH:

The Department proposes to make highway improvements as specified under the above referenced job number and the Owner will adjust or relocate its existing facilities as set out in the attached plans and cost estimate.

The Department will participate in the cost of said adjustment/relocation to the extent that eligibility is hereinafter established.

Payment will be made on **actual cost** basis as mutually agreed between Owner and Department.

This agreement is governed by all applicable State and Federal laws, rules, and regulations including the Arkansas State Highway Commission Utility Accommodation Policy adopted by Commission Minute Order 2010-146 as amended and supplemented, the Federal Aid Program Guide on Utility Adjustments and Accommodation on Federal Aid Highway Projects as amended and supplemented, and the provisions of 23 CFR § 645 as amended and supplemented.

DESCRIPTION OF WORK: **See Exhibit A on Page 4**

The Department agrees that the required adjustment is **78.13%** eligible for reimbursement for the total cost which is estimated to be **\$512,529.40** of which **\$400,439.22** to be paid by the Department and **\$112,090.18** is to be borne by Owner.

Owner will not commence work until authorized by the Department, and will then endeavor to begin within **60 calendar** days and complete within **150 calendar** days thereafter.

On completion of said work, Owner is responsible for the cleanup and restoration of the work area including the disposal of surplus materials and debris.

Final billing must include all supporting detail. Owner shall also submit one (1) set of as-built drawings at this time.

Payment will be 100% of lump sum bills and actual cost bills, at the discretion of the Department a 10% retainage can be withheld and released upon completion of an audit review. All final bills for utility relocation are subject to review and audit by state and/or federal auditors.

Expenses incurred under an actual cost agreement may be billed to the Department monthly in increments of \$5,000.00 or more.

Owner must maintain cost records and accounts to support the agreed adjustment/relocation work. Said records to be retained and available for inspection for a period of three (3) years from date of final payment.

Owner shall be responsible for any and all hazards to persons, property, and traffic.

With respect to traffic control, owner shall adhere to the requirements of the Manual of Uniform Traffic Control Devices as amended and supplemented.

To the extent applicable to this agreement, the Owner shall comply with the Buy America requirements (as specified in 23 U.S.C. 313 and 23 CFR 635.410). The Owner is not required to change its existing standards for materials as long as the Buy America requirements are met. Buy America requirements take precedence over regulations pertaining to the accommodation or regulation of the Owner's facilities (as specified in 23 CFR 645) on contracts and agreements involving Federal-Aid Highway Program funding and precedence over regulations which allow the Owner to furnish materials from company stock (as specified on 23 CFR 645.117(e)). Company Stock materials that do not meet Buy America requirements may not be permanently incorporated into a Federal-Aid Highway Program funded project. The Owner must provide a definitive statement that all products permanently incorporated into the project are covered under the Buy America requirements. This requirement is fulfilled via proper signature and submission of the statement of charges

form. In some circumstances, a waiver of the Buy America requirements may be granted by the Federal Highway Administration, to be determined on a project-by-project basis.

Rev. 08/07/2017

Job BB0903
Bentonville Water

Owner shall be responsible for and shall hold harmless the Arkansas State Highway Commission, the Department and their officers and employees from any and all claims, actions, causes of action, suits, damages, losses or liability whatsoever, arising out of Owner's performance of the work subject to this Agreement.

Notwithstanding anything hereinbefore written, neither the Owner nor the Department by execution of this Agreement waives or relinquishes any rights which either may legally have within the limits of the Law or Constitution, either State or Federal.

Bentonville Water

ARKANSAS HIGHWAY COMMISSION
Acting By and Through The
ARKANSAS DEPARTMENT of
TRANSPORTATION

Name (Typed or Printed)

(For) Director

Title

Right of Way Division Head

Signature

Section Head-Utilities Section

FEDERAL TAXPAYER IDENTIFICATION #

Name (Typed or Printed)

Title

Signature

EXHIBIT A

Adjust facilities to clear highway construction by abandoning eight hundred forty-three point eight six (843.86) feet of eight (8) inch water line complete with appurtenances. Restore service by installing eight hundred thirty-three (833) feet of eight (8) inch water line complete with appurtenances. Install forty-five (45) feet of six (6) inch water line to connect main to fire protection. Of the 843.86 feet of water line being abandoned, 659.29 feet is on private easement; therefore, the reimbursable factor is $659.29/843.86=78.13\%$. This work will be accomplished with contract forces by competitive bid.

Summary of Cost

Construction Cost	\$	345,982.00
Construction Engineering	\$	26,850.00
Easement Cost	\$	138,697.40
Advertising Cost	\$	500.00
Health Dept. Fee	\$	500.00
TOTAL COST	\$	512,529.40

Reimbursable Cost $\$512,529.40 \times 78.13\% = \$400,439.22$.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO A UTILITY AGREEMENT WITH THE ARKANSAS STATE HIGHWAY COMMISSION FOR CONSTRUCTION OF WATER UTILITY RELOCATIONS ASSOCIATED WITH THE ARKANSAS DEPARTMENT OF TRANSPORTATION PROJECT NO. BB0903 – INTERSTATE 49 IMPROVEMENTS AT HWY 71B INTERCHANGE

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS.

Section 1: That the Mayor and City Clerk be and are hereby authorized to enter into a utility agreement with the Arkansas State Highway Commission for construction of water utility relocations associated with the ARDOT Project No. BB0903 – Interstate 49 Improvements at Hwy 71B Interchange as set forth in the agreement attached hereto as Exhibit "A".

Section 2: This resolution shall be in full force and effect from and after the date of its passage.

PASSED and APPROVED this _____ day of _____, 2018.

APPROVED:

MAYOR

ATTEST:

CITY CLERK



CHECK ALL THAT APPLY		
	Bid Award	Bid #
X	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Mike Bender

Department

Public Works Director

Phone

271-6873

ACTION REQUIRED:

Staff recommends Council approval of a Budget Adjustment in the amount of \$112,090.18 to cover non-reimbursable construction costs for water utility relocations associated with the ARDOT's Project No. BB0903 - Interstate 49 Improvements at Hwy 71B Interchange.

COST TO CITY:

Cost of this Request: \$112,090

Additional Budget Amount \$112,090

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$ -
Funds Expended to Date	-
Remaining Budget	-
Budget Adjustment	112,090
Remaining After Adjustment	\$ 112,090

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE





Budget Adjustment #
(Assigned by Admin)

Department: Water

Date of Request: September 17, 2018

[illegible]

Justification:

Budget adjustment to cover non-reimbursable construction costs associated with water utility relocations for ARDOT Project No. BB0903 - Interstate 49 Improvements at Hwy 71B Interchange. This project will qualify for reimbursement according to ARDOT's Utility Accommodation Policy, estimated at 78.13% or \$400,439.22, but final reimbursement factor will not be determined until construction is complete. This ARDOT project falls under Federal Aid Project BIM-B49-0(212).

FOR ACTING USE ONLY

Council Action: Approved Disapproved Other _____

Date: _____ Date entered: _____ By: _____

Revised 5/1/07

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712
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PLEASE RECYCLE





CHECK ALL THAT APPLY		
☐	Bid Award	Bid #
☐	Budget Adjustment	
☐	Change Order	
☐	Informational	
☐	Ordinance	
☒	Resolution	
☐	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Mike Bender

Department

Public Works Director

Phone

271-6873

ACTION REQUIRED:

Staff recommends Council approval of a Resolution authorizing the Mayor and City Clerk to enter into an amended professional services agreement with CEI Engineering in an amount not to exceed \$29,600.00 for construction engineering services associated with the Utility Agreement with the Arkansas State Highway Commission for ARDOT Project No. BB0903 - Interstate 49 Improvements at Hwy 71B Interchange. This contract will qualify for reimbursement per ARDOT's Utility Accommodation Policy. Costs for this agreement are in the overall budget adjustment for construction of the referenced project. This will bring CEI's total contract for this project to \$67,300.00.

COST TO CITY:

Cost of this Request: \$29,600

Additional Budget Amount \$29,600

☐ One time amount

☐ Continuing O and M

Previously Budgeted	\$	-
Funds Expended to Date		-
Remaining Budget		-
Budget Adjustment		29,600
Remaining After Adjustment	\$	29,600

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



Memo



To: City Council, Mayor McCaslin

From: Mike Bender

CC:

Date: September 17, 2018

Re: Arkansas State Highway Commission Utility Agreement for Construction of Water Utility Relocations associated with ARDOT Project BB0903, I-49 / Hwy 71B Interchange Improvements

This memo addresses three Council items:

1. Staff recommends approval of a resolution authorizing the Mayor and City Clerk to enter into a Utility Agreement with Arkansas State Highway Commission for construction of water utility relocations associated with ARDOT Project No. BB0903 Interstate 49 Improvements at Hwy 71B Interchange.
2. Staff recommends approval of a resolution authorizing the Mayor and City Clerk to enter into an amended professional services agreement with CEI Engineering in an amount not to exceed \$29,600.00 for construction engineering services associated with the Utility Agreement with the Arkansas State Highway Commission for ARDOT Project No. BB0903 - Interstate 49 Improvements at Hwy 71B Interchange.
3. Staff recommends Council approval of a Budget Adjustment in the amount of \$112,090.18 to cover non-reimbursable construction costs for water utility relocations associated with ARDOT Project No. BB0903 - Interstate 49 Improvements at Hwy 71B Interchange. Budget adjustment to cover non-reimbursable costs of construction.

This ARDOT project includes constructing a single point urban interchange (SPUI) at the SE Walton (Hwy 71B) and I-49 interchange and widening Hwy 71B from I-49 west to SE Riviera Road. The City has water infrastructure located within the proposed rights-of-way and as such will be required to relocate utilities outside the rights-of-way. Based on engineering design and ARDOT's Utility

Accommodation Policy, approximately 78% of the construction costs will be reimbursable. This reimbursement factor may change slightly with final easement costs and final construction quantities.

The following is a summary of costs associated with this agreement:

Construction Costs (Estimated)	\$345,982.00
Construction Engineering	\$26,850.00
Easement Costs (Estimated)	\$138,697.40
Advertising Cost	\$500.00
Health Dept. Fee	\$500.00
Total Estimated Cost	\$512,529.40

This project is Federal Aid Project BIM-B49-0(212)

Reimbursement (78.13%) = \$400,439.22

City Responsibility = \$112,090.18

Please note the Construction Engineering costs do not match the CEI contract amendment. This estimate was based on the original contract which was dated March 2017. The amendment is adjusted to reflect CEI's 2018 billing rates which results in an increase of \$2,750.00. A change order with ARDOT will be necessary once bids are received and necessary changes will be made at that time.

Thank you for your consideration of this request.



I. PROJECT DESCRIPTION

This proposal is being prepared for a Water Main Relocation Project for the City of Bentonville (City) as associated with AHTD Job #BB0903. AHTD Job #BB0903 will include major modifications to the interchange at SE Walton Boulevard, Walnut Street, and Interstate 49 within the cities of Bentonville and Rogers, Arkansas. In anticipation of the proposed improvements to the interchange, the City of Bentonville will be relocating water mains along SE Walton Boulevard.

CEI Engineering is pleased to present the following proposal for construction engineering services associated with the water main relocations.

II. SCOPE OF BASIC SERVICES

A. Construction Engineering Services:

i. Field Staking:

CEI will perform construction field staking for locations and grades of the relocated work. Stakes will be set at 50' intervals along the proposed water main with grades to bottom of pipe. Stakes will also be set for bends and appurtenances according to the design plans. Fees below include the initial staking for these items only. Any re-staking due to re-design or stakes and hubs being removed for any reason will be done with the approval of additional fees via an extra work authorization (EWA).

Field Staking Fees \$5,500.00
Hourly, Not to Exceed, Plus Reimbursables

ii. Construction Observation:

CEI will perform construction observation services during construction of the project including: construction observation, photographic documentation, written daily documentation, plus providing reports and progress updates to the Owner once a week. Fee includes 3 hours per day of observation time by CEI's construction observer over a construction period of 2 months. Additionally, fee includes 10 hours per month over a construction duration of 2 months by CEI's office engineer for processing observation reporting, as well as providing general coordination. Total hours included is 140 hours. Should more time be needed, extra hours may be added via an extra work authorization (EWA).

Construction Observation Fees \$12,500.00
Hourly, Not to Exceed, Plus Reimbursables

iii. Preparation and calculation of periodic estimates, preparation and submission of change orders, and coordination with Department and Utility Owner Representatives:

CEI will prepare and calculate periodic estimates, prepare and submit change orders, and coordinate with Department and Utility Owner Representatives on an as requested basis. Fee includes 20 hours per month over a construction duration of two months for these services. Total hours included is 40 hours. Should more time be needed, extra hours may be added via an extra work authorization (EWA).

Miscellaneous Construction Engineering Fees (as outlined above) \$4,600.00
Hourly, Not to Exceed, Plus Reimbursables

- iv. Preparation and submission of final billing and one (1) complete set of as-built plans:
CEI will prepare and submit final billing and one (1) complete set of as-built plans to Owner upon completion of the project. Fee includes 30 hours for processing billing and compiling as-built drawings based upon as-constructed observations and field updates documented by CEI's construction observer. Should more time be needed, or should a precise survey of the location of installed water main/appurtenances be needed, extra hours may be added via an extra work authorization (EWA).

Final Billing and As-Built Fees \$4,500.00
Hourly, Not to Exceed, Plus Reimbursables

Reimbursable Fees for Construction Engineering Services..... \$2,500.00
Materials, Not to Exceed

Total Construction Engineering Services Fees \$29,600.00

III. RESPONSIBILITY OF CLIENT

Client will provide to CEI, the following items:
As-built plans of existing water mains and appurtenances, as well as any pertinent plans, photos, or documents of the area;
Regular Updates and Proposed Drawings for Job #BB0903, as needed
Attendance by the City at necessary Coordination Meetings;
Notice to Proceed.

IV. SERVICES NOT INCLUDED/ADDITIONAL SERVICES

In addition to the services described above, CEI is capable and available to provide the following services on an "as requested" basis. An Extra Work Authorization (EWA) form or contract amendment will be issued for any services outside the scope of this proposal. All EWA's or contract amendments will be approved and signed by the Client identified herein prior to beginning work. All additional services will be performed on an hourly basis per the current Schedule of Charges.

- Feasibility study to include any or all physical, political and/or financial opportunities or constraints.
- Coordination of Environmental Survey, Traffic Survey, and other Subconsultants.
- Water Distribution Report.
- Conditional Use Permits.
- Perspectives, renderings, and models.
- Traffic studies.
- Environmental Impact Analysis.
- Replatting.
- Preparation of covenants of development agreements.
- Retaining wall designs.
- Site lighting plans/photometrics.
- Off-site utility plans other than those immediately adjacent to the subject properties.
- Off-site street improvement plans such as road widening, accel/decel lanes and medians. *(However civil drawings indicating new curbcuts, curb and gutter, and city sidewalks will be included in Basic Services).*
- Alley vacation, easements abandonment's and right of way dedications.
- Historical or archeological studies.
- Updated Title Policy.
- Major stormwater drainage plans or relocation i.e. box culverts, large ditches and stormwater conductors in excess of four feet in diameter.
- Preparation of drainage study/report

V. SCHEDULE OF CHARGES

Charges for our services are divided into three categories: Labor, Consultants, and Reimbursable Expenses.

LABOR: For fees billed on an hourly basis, labor charges are billed by category as follows:

<u>ARKANSAS (01-01-18)</u>	
Officer / Branch Manager	\$ 200.00
Department Manager	\$ 180.00
Program Manager	\$ 160.00
Project Manager	\$ 150.00
Assistant Project Manager	\$ 125.00
Senior Project Engineer	\$ 150.00
Project Engineer	\$ 125.00
Registered Landscape Architect	\$ 125.00
Registered Land Surveyor	\$ 120.00
Survey Project Manager	\$ 120.00
Assistant Survey Project Manager	\$ 95.00
Sr. Survey Party Chief	\$ 90.00
Survey Party Chief	\$ 80.00
Survey Technician	\$ 75.00
Field Specialist	\$ 60.00
Project Designer	\$ 95.00
CAD Designer	\$ 85.00
CAD Technician	\$ 70.00
Construction Observer	\$ 80.00
Office Administrative Manager	\$ 90.00
Program Assistant	\$ 70.00
Administrative Assistant	\$ 65.00

SUB-CONSULTANT SERVICES: In cases where CEI retains another consultant to provide services outside of our area of practice, cost of such services will be charged at 110% of actual invoice cost.

REIMBURSABLE EXPENSES: Outside services, and related materials, will be charged at the actual invoice cost. In addition, direct out-of-pocket costs such as postage, delivery services, travel (other than vehicle mileage), and subsistence expenses will be charged at actual costs. Vehicle mileage is billed at the applicable I.R.S. rate allowed per mile.

All impact, permitting, expediting, and review fees will be charged at 15% over the cost of the fee unless the client is willing to pay those fees directly to the service provider.

VI. CREDIT POLICY

Terms will be given only to clients with approved credit. Invoices will be rendered monthly, either as final or progress billing. CEI payment terms are net 30 days. Invoices past 30 days due will be subject to a monthly service charge, which will be assessed in compliance with state usury laws. Should the account be placed for collection with an outside collector, the cost of such collections will be added to the principal amount owed. CEI may stop work on any account that is 60 days delinquent. In the event that CEI elects to stop work as provided herein, Client will be assessed a resumption of work charge equal to 20% of the total contract amount. Said resumption of work charge and all outstanding invoices must be paid in full by Client prior to the resumption of work on the project. Client agrees that the balance as stated on the invoice from CEI to Client is correct, conclusive, and binding on the Client unless Client within thirty (30) days from the date of the receipt of the invoice notifies CEI in writing of the particular item that is alleged to be incorrect.

Client's Initials _____

Required for contract to be valid

VII. STANDARD TERMS AND CONDITIONS

STANDARD OF PRACTICE

Services performed by CEI under this Agreement will be conducted in a manner consistent with the level of care and skill ordinarily exercised by engineers currently practicing in the same locale under similar conditions. No other representation, expressed or implied, and no warranty or guarantee is included or intended in this Agreement, or in any report, opinion, document, or otherwise. All other common law warranties are hereby expressly disclaimed.

Client agrees that payment of all CEI invoices under this Agreement is for services rendered on behalf of Client and payment is not conditioned on (1) the receipt of any municipal or governmental approvals, authorizations, permits, or licenses of any type; (2) the availability of any Utility services; or (3) payment to Client by any third party.

OWNERSHIP OF DOCUMENTS

All documents including drawings and specifications prepared or furnished by CEI pursuant to this Agreement are instruments of service in respect to the project and CEI shall retain an ownership and property interest therein whether or not the project is completed. Client may make and retain copies for information and reference in connection with the use and occupancy of the project by Client or others.

RE-USE OF DOCUMENTS

Copies of all reports, drawings, specifications, field data, field notes, laboratory test data, calculations, estimates, and other documents provided to Client as instruments of service are for use on the project specifically described in this Agreement. Any re-use of these by the Client for any other project or extension of this project, without the express, written authorization, verification, or adaptation by CEI, will be at Client's sole risk and without liability or legal exposure to CEI or CEI's independent professional associates or consultants, and Client shall indemnify, hold harmless and defend CEI and CEI's independent professional associates and consultants from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom.

INSURANCE

CEI maintains the following insurances:

Worker's compensation of a form and in an amount as required by law and employer's liability insurance of \$1,000,000.

Comprehensive general liability with limits of \$4,000,000 (\$2,000,000 per occurrence), and automotive liability insurance with limits of \$1,000,000 combined single limit.

Excess liability umbrella insurance of \$5,000,000.

Professional liability insurance with a limit of \$2,000,000, per claim/annual aggregate.

Upon written request of Client, CEI will provide additional insurance, if available; including increased coverage and/or limits, and the Client will pay CEI an agreed amount for the increased coverage.

LIMITATION OF LIABILITY

The Client hereby agrees that, to the fullest extent permitted by law, CEI's total liability to Client for any and all injuries, claims, losses, expenses, or damages whatsoever arising including but not limited to CEI's negligence, errors, omissions, strict liability, breach of contract, or breach of warranty shall not exceed the total sum paid on behalf of or to CEI by CEI's insurance policies applicable thereto and CEI's deductible amounts (excluding fees, costs & expenses of investigation, claim adjustment, defense, and appeal).

Any service deleted from this offer by the Client will become the responsibility of the Client. If this proposal was written without the benefit of an on-site investigation, changes in the scope may be

necessary. CEI shall be held harmless in the event that any unseen condition adversely affects the design or intended use of the property in any way.

INDEMNIFICATION

The Client will indemnify, hold harmless and defend CEI, its officers, directors, employees, agents, consultants, and subconsultants from and against any and all liabilities, damages, or expenses, including without limitations any and all legal costs and expenses; whatsoever in connection with any personal injury or property damage arising out of or in any way connected with the negligence, reckless, or intentional acts or omissions by Client, its officers, directors, shareholders, agents, employees, consultants, and subcontractors, whether said acts or omissions and negligent reckless intentional or unintentional. Nothing contained herein shall waive any governmental immunity Client may be entitled to by law.

CEI will indemnify and hold harmless the Client, its officers, directors, employees, agents, consultants, and subconsultants from and against any and all liabilities, damages, or expenses, including without limitations any and all legal costs and expenses; whatsoever in connection with any personal injury or property damage arising out of or in any way connected with the negligence, reckless, or intentional acts or omissions by CEI, its officers, directors, shareholders, agents, employees, consultants, and subcontractors, whether said acts or omissions and negligent reckless intentional or unintentional.

Further, the Client shall, to the fullest extent of the law, indemnify, defend and hold harmless CEI, its directors, officers, employees, agents and subcontractors from and against all claims or action, based on, or arising out of, damages or injuries to persons or property caused by, or arising out of, any hazardous, and/or toxic substances present at the site where CEI and/or its subcontractors have performed work. Nothing contained herein shall waive any governmental immunity Client may be entitled to by law.

In accordance with generally accepted construction practices, the Client and Client's contractors shall be solely and completely responsible for the conditions of the job site, including the health and safety of all persons and property during performance of the work. This requirement will apply continuously and not be limited to normal working hours. Any construction observation by the engineer of the contractor's performance is not intended to include review of the adequacy of the contractor's safety measures, in, on, or near the construction site.

DISPUTE RESOLUTION

Client and CEI agree to attempt to settle all claims, disputes or controversies arising out of, or in relation to the interpretation, application or enforcement of this Agreement by direct discussions; however, absent resolution by direct discussions, they agree to attempt to settle disputes by formal mediation according to the Construction Industry Mediation Rules of the American Arbitration Association. Absent resolution by mediation they agree to binding arbitration under the Rules of the American Arbitration Association.

SEVERABILITY

Any element of this Agreement later held to violate a law or regulation shall be deemed void, and all remaining provisions shall continue in force. However, the Client and CEI will in good faith attempt to replace an invalid or unenforceable provision with one that is valid and enforceable, and which comes as close as possible to expressing or achieving the intent of the original provision.

PROJECT PUBLICITY AND RECOGNITION

During development construction, or upon completion of the project, CEI's name will be included on any public recognition / project identification display indicating design team, owners, and / or financiers. CEI shall be allowed to place or hang a temporary banner on the site during construction of the project.

LIEN RIGHTS

Client agrees that CEI shall have a lien upon real property constituting the project site for all unpaid sums due pursuant to this agreement or any addendum hereto, and that CEI is authorized to perfect a lien, enforce the lien, and foreclose the lien in the manner prescribed under local statutes for the perfection, enforcement and foreclosure of a mechanic and material man's lien upon real property.

AMENDMENTS

The duties, responsibilities, and limitation of authority of the Client or CEI shall not be made or extended without a written, executed agreement between CEI Engineering Associates, Inc and the Client.

SUCCESSORS AND ASSIGNS

CEI Engineering Associates, Inc and the Client each bind themselves, their associates, directors, partners, successors, executors, administrators and assigns to the other party to this Agreement and to the associates, directors, partners, successors, executors and administrators and assigns to such other party, with the respect to all obligations contained in this Agreement. CEI Engineering Associates, Inc. may assign its rights and obligations under this Agreement at any time without the consent of the Client. However, the Client shall not assign its obligations under this Agreement or sublet as a whole, without the prior written approval by CEI Engineering Associates, Inc.'s of the successor or assignee and its ability to comply with the terms and conditions of this and/or subsequent written Agreement. All assignments made by Client without CEI Engineering Associates, Inc.'s consent shall be considered null and void.

TERMINATION

Either Party may terminate this Agreement in full or in part, in writing, if the other Party fails to fulfill its obligations under the Agreement through no fault of the other Party. In such event, one may declare the other in default by issuing a written Declaration of Default and terminate the Agreement for cause. Prior to, an opportunity to cure any default or breach shall be given by way of a written notice being delivered to the Breaching Party including a description of the conditions constituting default or breach of the Agreement and providing the Breaching Party a period of time of ten (10) days within which to correct such conditions. If defined default or breach is not corrected within allotted number of days, then the written Declaration of Default may be issued. Upon any termination or suspension of an Agreement, CEI Engineering Associates, Inc. shall be paid for all work performed up to the date of termination or suspension.

PROVIDED DATA

Any information or data provided by Owner or Owner's representatives or by a third party as directed by Owner or Owner's representative to CEI to be used as base or supplemental information or data to the scope shall be considered reliable and CEI shall be held harmless to any errors or omission due to its use.

SITE SAFETY OR CONTROL

In no form or fashion shall it be implied or assumed, unless expressly written into scope, that CEI has or will be responsible for an Owner's or Contractor's control of the site nor will CEI dictate the means and methods of the Owner, Contractor and Contractor's subcontractors regarding preparation of, conducting, and the completion and closeout of construction, safety, and control of site.

All provisions under the heading "STANDARD TERMS AND CONDITIONS" shall survive termination or completion of this agreement.

VIII. APPROVAL SIGNATURE AND AUTHORIZATION TO PROCEED

Execution of this document in all required locations shall form the entire Professional Services Agreement between the Client and CEI. Two copies of this Proposal and Agreement shall be signed by the Client and one copy shall be returned to CEI.

In the event that the Client issues a notice to proceed to CEI prior to the execution of this contract, the Client acknowledges that the services rendered by CEI will be in accordance with the terms and conditions contained in this proposal.

In the event that the Client instructs services on the contract/agreement to be on hold for a period greater than forty-five days, Client acknowledges that CEI will not proceed until a new contract between CEI and the client can be executed.

This proposal shall become null and void if signatures have not been obtained within forty-five days of proposal date. If authorization to proceed is not given after the proposal has been executed said agreement will become null and void within forty-five days of the date of the Client's signature.

The following is the complete Contracting Entity (Client) name and address that is responsible for this contract, its terms and conditions, and for payment of CEI invoices:

Contracting Entity Name (Client) include its business structure of INC, LLC, LP, etc.
Responsible for contract terms, conditions, obligations and payment

Complete mailing address for invoicing and/or receiving notification (Street / PO Box/ Suite number, if required)

City / State / Zip

Complete Phone Number

Signature - legally authorized to bind Contracting Entity	Print Name	Title	Date
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Signature, CEI Engineering Associates, Inc.	Print Name	Title	Date
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RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO AN AMENDED PROFESSIONAL SERVICES AGREEMENT WITH CEI ENGINEERING FOR CONSTRUCTION SERVICES ASSOCIATED WITH THE ARKANSAS DEPARTMENT OF TRANSPORTATION PROJECT NO. BB0903 – INTERSTATE 49 IMPROVEMENTS AT HWY 71B INTERCHANGE

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF BENTONVILLE, ARKANSAS.

Section 1: That the Mayor and City Clerk be and are hereby authorized to enter into an amended professional services agreement with CEI Engineering for construction services for water utility relocations associated with the Arkansas Department of Transportation Project No. BB0903 – Interstate 49 Improvements at Hwy 71B Interchange as set forth in the agreement attached hereto as Exhibit "A".

Section 2: This resolution shall be in full force and effect from and after the date of its passage.

PASSED and APPROVED this _____ day of _____, 2018.

APPROVED:

MAYOR

ATTEST:

CITY CLERK



CHECK ALL THAT APPLY			
X	Bid Award	Bid #	IFB-18-048
	Budget Adjustment		
	Change Order		
	Informational		
	Ordinance		
	Resolution		
	Other		

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Nancy Busen

Department

Wastewater

Phone

271-3161

ACTION REQUIRED:

Staff requests City Council and Mayor McCaslin award Bid # IFB-18-048 in the amount of \$57,500.00 to Instrument and Supply, Inc. & Enviro Care Company for purchase and installation of a # FGC-015 SPECO Gritsep Fluid Dynamic Grit Classifier at the City Wastewater Treatment Plant.

COST TO CITY:

Cost of this Request: \$57,500

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$	80,000
Funds Expended to Date		-
Remaining Budget		80,000
Budget Adjustment		-
Remaining After Adjustment	\$	80,000

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



Memo



To: Mayor McCaslin, Mike Bender
From: Nancy Busen, Wastewater Utilities
Date: September 25, 2018
Re: Bid award IFB-18-048 for Grit Classifier

Staff requests City Council and Mayor McCaslin award Bid # IFB-18-048 in the amount of \$ 57,500.00 to Instrument and Supply, Inc. & Enviro Care Company, for purchase and installation of a # FGC-015, SPECO Gritsep Fluid Dynamic Grit Classifier at the city wastewater treatment plant.

Thank you.

IFB-18-048
Grit Classifier Associated Controls
Bid Opening Date and time:
9/10/2018 @ 10:00 A.M.

VENDOR	MANUFACTURER	MODEL NAME	MODEL NUMBER	ATTENDED PRE-BID MEETING?	TOTAL PRICE
ENVIRO-CARE/INSTURMENT & SUPPLY	ENVIRO-CARE	SPECO GRITSEP FLUID DYNAMIC CLASSIFIER	FGC-015	Y	\$57,500.00
Recommended Award					
INDUSTRY & SUPPLY (ENVIRO CARE)					



CITY OF BENTONVILLE, ARKANSAS
PURCHASING DEPARTMENT
CITY HALL
117 W. CENTRAL AVE
BENTONVILLE, ARKANSAS 72712

INVITATION FOR BID
IFB-18-048

Date of Issuance: **August 19, 2018** Bid Number: **IFB-18-048**
THERE IS A MANDATORY PRE-BID CONSULTATION FOR IFB-18-048. SEE DETAILS ON PAGE 2.
Bid Opening Date: **September 10, 2018** Bid Opening Time: **10:00 A.M.**

Questions regarding this bid should be directed to the Purchasing Department at purchasing@bentonvillear.com.
All questions must be submitted prior to 4:30 P.M., September 7th, 2018.

MANDATORY PRE-BID CONSULTATION: The pre-bid consultation is located at the City of Bentonville Wastewater Department **BY APPOINTMENT ONLY**. Please refer to the details and requirements in the Response Documents & Pre-Bid Requirements on Page 2 of this invitation packet.

All bids must be received by the Purchasing Department prior to **10:00 A.M., SEPTEMBER 10TH, 2018** in a sealed envelope, clearly marked on the outside with **BID # IFB-18-048**. Bids which must be opened to be identified will be rejected. Late bids will be rejected.

Bids will be publicly opened at City Hall, first floor, Purchasing Department, 117 West Central Ave, Bentonville, AR 72712.

Pre-bid consultation for this invitation will not be held at the Purchasing Department, please review pre-bid information above

EXECUTION OF BID

Upon signing this Bid, the bidder certifies that he/she has read and agrees to the requirements set forth in this bid proposal including specifications, conditions and pertinent information regarding the articles being bid on, and agrees to furnish these articles at the prices stated. Unsigned bids will be rejected - no exceptions.

NAME OF FIRM: WAM North America, Inc. dba Enviro-Care Company		PHONE NUMBER: 224-302-0309 FAX NUMBER: 847-672-7968	
BUSINESS ADDRESS, STREETS:	CITY:	STATE:	ZIP
		Illinois	60031
DATE:			
Philip A. Thompson		TITLE: President	

ARKANSAS SALES OR USE TAX NUMBER: n/a

STATE CONTRACTORS LICENSE NUMBER: n/a

INTENT

The intent of this invitation for bid is for the delivery of one (1) Gritsep Fluid Dynamic Grit Classifier Model FGC-015, or equivalent, and associated controls for the City of Bentonville, Arkansas.

RESPONSE DOCUMENTS & PRE-BID REQUIREMENTS

The following pre-bid requirement must be met to provide a complete bid response package:

- Pre-bid consultations will be held by appointment only on August 28th, 2018 between 10:00 A.M. and 1:00 P.M. To schedule your pre-bid consultation, please contact purchasing@bentonvillear.com. Bids received where vendors have not completed the mandatory pre-bid consultation will not be accepted. Unscheduled consultations at the Wastewater Department for the purpose of this bid will not be accepted.

The following documents must be complete to provide a complete bid response package:

- IFB document, all response fields complete.

All pricing must be entered on pricing sheet ("no bid" is an acceptable entry).

CONTRACT TERM:

The awarded vendor will receive a single purchase order issued by the City of Bentonville for the purchase and delivery of one (1) Gritsep Fluid Dynamic Grit Classifier Model FGC-015, or equivalent, and associated controls

SCOPE

The City of Bentonville, Arkansas is soliciting bids for the purchase and delivery of one (1) Gritsep Fluid Dynamic Grit Classifier Model FGC-015, or equivalent, and associated controls for the City of Bentonville, Arkansas.

DELIVERY

The City Of Bentonville requests delivery approximately 18-26 weeks after being awarded the bid. If this schedule cannot be met, bidder must state number of days required to place products in the City's designated location. Failure to state delivery time obligates bidder to complete delivery by the City's requested delivery time line. Extended delivery dates may be considered when in the best interest of the City.

Delivery Date: 18-26 weeks after award

EQUIVALENT

Whenever these specifications mention an item by name and use specific descriptions as refers thereto, it is intended to convey to the bidder an understanding of the standard of excellence required. Items of equal type, quality, and size that will conform substantially to the standard of excellence established to provide equivalent merit, strength, durability, and to perform the required function in accordance with these specifications may be offered. City of Bentonville shall have the final approval of whether a substitute item is equal to the item specified.

Equivalent items offered for IFB-18-048 must note if it requires reassembly upon delivery.

INVOICING

Bidder shall provide an invoice to the City of Bentonville, located 117 West Central Ave. Bentonville, AR 72712.
Failure to do so may cause delay in payment.

PAYMENT TERMS

Net 30 days



Other: 15% with submittal approval
80% Net 30 days after shipment
5% Net 30 days after Start-up.
Star-up not to exceed 180 days
after equipment delivery.

Contractor/Vendor Disclosure

WAM North America dba
Company Name: Enviro-Care Company

Registered with the Secretary of State's Office to Conduct Business in the State of Arkansas:

 Yes X No

Identify each employee of the City Of Bentonville to whom you, any of your Employees owning more that 5% interest in your Company, or are a Director/Executive/Decision Maker of your Company are immediately related.

Immediate Relation includes:

- Spouse/Domestic Partner
- Parents-Natural or Legal/Step/In Laws
- Children/Step, Siblings-Whole/Half/Step/ In Laws
- Grandchildren/Step, Great Grandchildren.

None.

Failure to disclose shall be considered a material breach and grounds for immediate termination of this contract/agreement. **Note: Any change in circumstances resulting in a conflict or appearance of a conflict shall be reported in 30 days of change of circumstance.** JA Initials

**CITY OF BENTONVILLE, ARKANSAS
PURCHASING DEPARTMENT**

INSTRUCTIONS TO BIDDERS

1. **SCOPE:** These instructions to bidders and general conditions apply to solicitations for material, equipment, supplies or services with an estimated single or combined cost of \$20,000 or more. These conditions shall be in force unless otherwise modified by the City in this bid document. Bidders shall be advised that the City of Bentonville is not responsible for the content of any bid package received through any 3rd party bid service. It is the sole responsibility of the vendor to ensure the completeness of the documents received from any 3rd party source other than hand delivered.
2. **DEFINITIONS (AS USED HEREIN):**
 - a. The term "Invitation For Bid" means a solicitation of formal sealed bids with a combined or single unit value \$20,000 and over. The acronym "IFB" means Invitation for Bid.
 - b. The term "bid" means the offer by the bidder.
 - c. The term "bidder" means the person or organization responding to the solicitation.
 - d. The term "contractor" means a person or organization who is the successful bidder and who enters into a contract with the City.
 - e. The term "change order" means a written order from the Purchasing department directing the contractor to make changes to a contract.
 - f. The term "City" means the City of Bentonville, Arkansas.
 - g. The term "City Council" means the governing body of the City of Bentonville, Arkansas.

3. **PREPARATION OF BIDS:** Bidders shall review the specifications, drawings, and all special and general conditions. Failure to do so will be at the bidder's risk.

Each bidder shall furnish the information required in the solicitation. The bidder shall provide their name, address, e-mail address, and telephone number where indicated in the solicitation documents. The affidavit must be signed by an officer or employee having the authority to bind the company or organization by his/her signature and included with the bid response.

Unit price for each unit offered must be provided. The unit price will be presumed correct.

The bidder must state a definite time for delivery of supplies or performance of services.

4. **SUBMITTING A BID:** Bids must be received by the City of Bentonville Purchasing Office **BEFORE** the time of opening indicated in the solicitation. All references to time shall be Bentonville, Arkansas time (Central time zone). Late bids will be rejected. Any exceptions or additional information required on a solicitation will be noted in the bid documents. Failure to provide any requested information or to follow these procedures may result in the rejection of your bid.
5. **BID DOCUMENT MISTAKES:** The bidder shall not be allowed to modify or correct mistakes in the bid document after the opening of the bid. Failure to complete the entire bid accurately may result in declaring the bid as non-responsive and the bid may be rejected.

Bids may not be withdrawn after the bid opening time and date if a bid mistake is based upon an error in judgment. If a nonjudgmental mistake, such as a math error, is suspected by the City or the bidder, the bidder shall respond within two (2) business days of the bid opening with a request for the City to consider verification of the mistake. Once a bid has been verified, it shall be considered submitted, as verified. The City shall permit a bidder to withdraw its bid without penalty or forfeiture of bid security if: (a) a nonjudgmental mistake is evident on the face of the bid, or (b) the bidder establishes by clear and convincing evidence that a nonjudgmental mistake was made.

If multiple bids are received from the same vendor, the City will either consider only one of the bids from that vendor, or reject all bids from the vendor, at the sole discretion of the City.

6. **ACCEPTANCE OF OFFER:** The submitted bid is considered an offer on the part of the bidder; such offer is deemed accepted upon issuance by the City of a Purchase Order or other contractual document.
7. **FIRM PRICES:** By submitting the bid, bidder signifies that the prices, terms and conditions quoted in their bid will be firm for acceptance for a period of not less than ninety (90) days from the bid opening date unless otherwise specified in the solicitation. Prices quoted must remain firm for the period of performance of any resulting purchase order or contract to be performed over a specified period of time as indicated in the solicitation.
8. **CONTRACT RENEWAL:** The City reserves the right to renew any contract resulting from this solicitation at the same prices, specifications, terms and conditions, upon mutual agreement between the City and the contractor.
9. **ESTIMATED QUANTITIES:** Whenever a bid requests prices to be firm for a period of performance, the quantities or usages shown are estimated only with no guarantee made by the City. The quantities are for the bidder's information only, and the City will be bound only for actual quantities ordered.

10. **DISCOUNTS:** Cash discounts will be considered in determining the award. Unless otherwise indicated in the IFB, discounts offering 10 days or more will be taken by the City's Accounts Payable Division, with payment made on the nearest pay period after receipt, inspection and acceptance of articles, and receipt of correct invoice(s).
11. **SAMPLES:** Samples of items, when required, must be submitted within the time specified at no expense to the City. If not destroyed by testing, samples may be returned at the bidder's expense unless otherwise indicated in the solicitation.
12. **AWARD:** Award will be made to the lowest most responsive and responsible bidder, which will be judged on the basis of price, conformance to specifications, quality, delivery time, references, payment terms, and in the best interest of the City of Bentonville, all factors being considered.

The City reserves the right to accept or reject any or all bids or part of bids, to waive irregularities and technicalities, and to request rebids on the material described in the solicitation.

The City reserves the right to award the contract on a split-order basis, lump-sum or individual-item basis, or any other combination that is in the best interest of the City unless otherwise specified.

Conditional bids are subject to rejection in whole or in part at the sole discretion of the City.

In the event of two or more identical low bids, Arkansas code Annotated Section 14-22-11 shall apply

No order or contract resulting from this solicitation may be assigned, transferred, or delegated to another party without written approval of the Assistant Finance Director of the City.
13. **BRAND NAMES:** If brand names, make, name of any manufacturer, trade name, or vendor catalog number are specified in these bid documents, it is for the purpose of establishing a grade or quality of material only. When the City does not wish to rule out other brands or makes, the phrase OR EQUAL is added. However, if a product other than that specified is bid, it is the bidder's responsibility to identify such product in their bid and prove to the City that the product is equal to or better than the product specified. Unless otherwise indicated, evidence in the form of samples may be requested if the proposed brand is other than that specified by the City. Such samples are to be furnished as specified in the solicitation or upon request of the City. Any samples requested by the City must be received by the City no later than four (4) days after formal request is made.
14. **VARIATIONS OF SPECIFICATIONS:** For purposes of evaluation, bidder must indicate any variances from any provision, specification, or condition stated in this solicitation, no matter how slight. If bidder does not indicate any variations, it will be assumed that the product or service fully complies with the provisions, specifications, or conditions as stated. If satisfactory bids are not received, the City reserves the right to consider alternate bids containing deviations from stated specifications.
15. **QUALITY:** Unless otherwise identified in the solicitation, all materials used in the manufacture or construction of supplies, materials or equipment covered by this solicitation shall be new. The items bid must be the latest make or model in current production, as offered to commercial trade, and of the highest quality material and workmanship. Used, shopworn, demonstrator, prototype, or discontinued models are not acceptable.
16. **ECO-FRIENDLY (GREEN) PRODUCTS:** The City of Bentonville supports the use of products that are ecologically friendly to the environment. Bidders are urged to include information with their bid submittal that describes the human health and environmental impact of products proposed. This eco-friendly approach takes into account, but is not limited to, waste production, energy and water use, greenhouse gas emissions, indoor air quality, recycled and reused content and packaging, and the presences of hazardous substances. Consideration may be given to these eco-friendly products when compared to mainstream products in cost and packaging.
17. **MATERIAL SAFETY DATA SHEET (MSDS):** It is mandatory for a manufacturer, supplier, or distributor of hazardous material to supply an MSDS as required by 29CFR 1910.1200 with the first shipment. Any time the content of an MSDS is revised, the vendor is required to provide a new MSDS to the City.
18. **ACCEPTANCE OF MATERIAL:** The material delivered under this bid shall remain the property of the seller until a physical inspection and actual usage of this material and/or service is made and is accepted by the City. It must comply with the terms of this IFB, and fully comply with specifications, and be of the highest quality. In the event the material and/or services supplied to the City is found to be defective or does not conform to specifications, the City reserves the right to cancel the order upon written notice to the contractor and return product to contractor at the contractor's expense.
19. **CODES AND REGULATIONS:** All products supplied and work performed within the scope of this request shall be supplied by the successful bidder to all applicable current prevailing City, State and Federal codes and regulations.
20. **DELIVERY:** Bidders must indicate the number of calendar days required to make delivery after receipt of a purchase order. Delivery time may be considered in making an award. The City reserves the right to cancel any order, or any part of that order, without obligation if delivery is not made within the time(s) specified on the bid form.

The City may grant additional time for delivery if the City is satisfied the delay is beyond the control of the vendor. Any request for time extension must be in writing and approved by the City's authorized representative.

All deliveries shall be FOB Destination to the location listed on the purchase order or price agreement unless otherwise specified. Bidders may be requested to provide separate pricing for delivery of all items in this solicitation.

21. **THIRD PARTY FREIGHT SERVICE:** The City of Bentonville may, at its discretion, use a third party freight service to arrange for delivery of the goods ordered as a result of this solicitation. In this case, the freight terms will be FOB Destination/Third Party Prepaid.
22. **PRICE CHANGES ON CONTRACTS:** If this solicitation is for an estimated quantity of supplies, consideration in awarding bid for yearly contracts will be given:
 - First to bidder offering firm prices for full contract period; and
 - Second to bidder offering firm prices subject to market price adjustment.
23. **COPYRIGHT OR PATENT RIGHTS:** By submitting the bid, bidder signifies that there has been no violation of copyrights or patent rights in manufacturing, producing or selling the goods shipped or ordered as a result of the bid, and bidder agrees to hold the City harmless from any and all liability, loss, or expense caused by any such violation.
24. **CONFLICT OF INTEREST:** The contractor, by signing the bid form in the solicitation or by acceptance of any purchase order resulting from this solicitation, certifies that to the best of their knowledge or belief, no elected or appointed official of the City is financially interested, directly or indirectly, in the purchase of the goods or services specified on this order or in the contract.
25. **TAXES:** The City of Bentonville is not tax exempt from any taxes imposed by the State and/or Federal Government. Applicable taxes should be included on all vendor invoices.
26. **MANUFACTURER'S CERTIFICATION:** The City reserves the right to request from bidders a separate manufacturer certification of all statements made in the bid. Failure to provide any requested certification may result in rejection of bid or termination of contract for which the bidder must bear full liability.
27. **TERMINATION:** Subject to the following provisions, any contract resulting from this solicitation may be terminated by either party upon thirty (30) days advance written notice to the other party; but if any work or service is in progress but not completed as of the date of termination, then said contract may be extended upon written approval of the City until said work or services are completed and accepted. Types of termination include:
 1. Termination for Convenience
In the event that the contract is terminated or cancelled upon request and for the convenience of the City, without the required thirty (30) days advance written notice, then the City shall negotiate reasonable termination costs, if applicable.
 2. Termination for Cause
Termination by the City for cause, default or negligence on the part of the contractor shall be excluded from the foregoing provision; termination costs, if any, shall not apply. The thirty (30) days advance notice requirement is waived in the event of termination for cause.
 3. Termination Due to Unavailability of Funds
When funds are not appropriated or otherwise made available to support continuation of performance, the contract shall be cancelled at the discretion of the City.
28. **W-9 REQUIREMENT:** The City of Bentonville requires a Form W-9 (Request for Taxpayer Identification Number and Certification), updated annually, from all contractors that do business with the City of Bentonville. The Form W-9 verifies the Tax Identification Number of the contractor so the City can correctly report to the IRS all funds paid to the contractor.
29. **DEFAULT OF CONTRACT:** In case of default by the contractor, the City may procure the items or services from other sources and hold the contractor responsible for any excess costs caused by such procurement. Failure of a bidder to furnish the equipment, supplies, material, and/or services as specified is cause for elimination of the bidder from the active bidder's list for the products or services concerned.
30. **BID BOND:** If required in this solicitation, bidders shall include a bid guarantee in the form of a bid bond, certified check, cashier's check in the amount of five percent (5%) of the base bid, payable without condition to the City of Bentonville. Personal or company checks are not acceptable. The bid bond shall be accompanied by a power of attorney showing the authority of the person executing the bond on behalf of the surety company. Failure to include a bid bond or bid guarantee request with your bid submittal may be cause for rejection of your bid. Bid guarantees (submitted by certified or cashier's checks) will be returned to unsuccessful bidders when the successful bidder is determined and the contract is executed. **When noted, a certified check or bid bond in the amount of 5% of the total bid shall accompany bid if bid exceeds \$35,000.00 [pursuant to Arkansas Code Annotated Section 22-9-203].**

31. **PERFORMANCE BOND:** At the discretion of the City, a performance bond may be required under the contract resulting from this solicitation. Such bond must be of a type and amount suitable for the nature of the commodity or services purchased and the dollar amount of the contract as indicated in this solicitation. The performance bond shall be for the duration of the contract, guaranteeing the faithful performance of the contract, and otherwise conditioned as required by law. Performance bond shall be accompanied by a power of attorney showing the authority of the person executing the bond on behalf of the surety company. Bond forms must be executed with a surety company licensed to do business in the State of Arkansas. The cost of the bond shall be included in the bidder's offer.
32. **MODIFICATIONS FOR CHANGES:** No agreement or understanding to modify this solicitation and resultant purchase orders or contract shall be binding upon the City unless made in writing by the Purchasing Department of the City of Bentonville.
33. **ORDER OF PRECEDENCE:** In the event of an inconsistency between provisions of the solicitation, the inconsistency will be resolved in the following order: (a) the schedule; (b) Instructions to Bidders and General Conditions; (c) special provisions; (d) other provisions of the contract, whether incorporated by reference or otherwise; and, (e) the specifications.
34. **WARRANTY:** Supplies or services furnished as a result of this solicitation shall be covered by the most favorable commercial warranties, expressed or implied, that the bidder and/or manufacturer gives to any customer. The rights and remedies provided herein are in addition to and do not limit any rights afforded to the City by any other clause of this bid. The City reserves the right to request from bidders a separate manufacturer certification of all statements made in the bid.
35. **PAYMENT:** Payment for materials or services received under this contract will be made upon completion of delivery for each purchase order and submission of invoice to the Accounts Payable Department, 117 West Central, Bentonville, AR 72712. Normal pay periods for the City are every Friday.
38. **GOVERNING LAW:** Any agreement resulting from this solicitation shall be interpreted under and governed by the laws of the State of Arkansas.
39. **ESCALATION/DE-ESCALATION CLAUSE:** In the event prevailing market conditions warrant an adjustment in contract pricing, the following escalation/de-escalation clause shall be the only clause acceptable to the City:
1. Contractor shall give written notice to the Purchasing Department of any proposed changes from contract prices not less than fifteen (15) calendar days prior to the effective date of price changes.
 2. Such notice must be accompanied by a copy of the supplier's notification to the contractor of a justifiable price change.
 3. No price escalation will be authorized in excess of the amount of the increase indicated on the supplier's notice.
 4. The approved price change shall be honored for all orders received by the contractor after the effective date of such price change.
 5. Approved price changes are not applicable to orders already issued and in process at time of price change.
 6. The City reserves the right to audit and/or examine any pertinent books, documents, papers, records, or invoice relating directly to the price increase after reasonable notice and during normal business hours.
 7. The Purchasing Department retains the right to determine whether or not such proposed price changes are in the best interests of the City.
 8. If in the opinion of the Procurement Department any proposed increase is found unacceptable, the Purchasing Department reserves the right to cancel the contract upon fifteen (15) calendar days' written notice.
 9. Contractors must tie any price change clause to an industry-wide or otherwise nationally recognized index or some other form of verifiable document. Contractor will put the Procurement Department on the mailing lists for such publications so the Purchasing Department can monitor said changes. Such membership will be at no cost to the City.
 10. If parties to the contract cannot agree on renewal terms, it is understood that the contract will be cancelled and a new contract will be solicited.
40. **ADDITIONAL INFORMATION:** Additional information may be obtained from the Purchasing Office at (479) 271-3115.

SPECIFICATIONS

Bidder must indicate, as specified, by placing an "X" in the designated space following specifications. Bidder must also provide additional information where indicated.

Bids should be based on the following bid specifications:

Description of Item(s)	As Specified
Design Criteria: - The Gritsep Fluid Dynamic Grit Classifier Model FGC-015, or equivalent, shall be designed with the following performance and configuration requirements: - Number of units (1) - Maximum pumped flow 238 gpm - Inlet pipe diameter 4 inch flanged - Overflow outlet pipe dia 6 inch flanged - Solids Capacity 35 CFH - Spiral diameter 7 inch - Separation of 2.65 sq Grit 95% of 70 mesh grit - Over-all width of the machine shall not exceed thirty-two (32") inches. - Separation tank shall be supplied with bolt on covers. - Discharge grit shall pass a paint filter test. - Discharge height shall not exceed eighty-one inches (81") from the floor. - Drive motor shall be mounted on top of spiral auger and shall not exceed ninety-six inches (96") from the floor. one-hundred eight inches (108") - Over-all length of machine shall not exceed twelve feet (12'). - Angle of Inclination shall be 35 degrees. seventeen feet - 1.2 inches (17.1') - There shall be a four (4") drain located near the bottom of the tank, equipped with a stainless steel ball valve. Drain shall be three (3")	X See Comments to Design Criteria
Control Panel: - Supply one (1) NEMA 4X type stainless steel wall mount main control panel suitable for 480 volt/ 3 phase/ 60 hertz electrical supply. Control panel shall contain the following control devices for operation of the grit classifier: - Main Disconnect with through door interlock handle. - Control transformer 480/120 volt. - Branch circuit protection. - Classifier motor starter (IEC) with overloads. - Emergency stop located on the outside of panel door. - HOA switch for each motor. - Hour meter for each motor. - Run indicator lights. - Alarm lights for overcurrent and starter overload. - Alarm reset push button. - Relays and timers - Run and auxiliary contacts.	X
Materials of Construction: - The tank and covers shall be constructed of 304 stainless steel. - The shaftless spiral shall be constructed of high strength steel with protective coating.	X

This invitation to bid is for the items only and does not include the installation of the equipment.

PRICING SHEET

Bid prices shall include the total of all costs, including all tax and delivery to the City of Bentonville, Arkansas.

Grit Classifier with Associated Controls

TOTAL: \$ 57,500

Manufacturer: Enviro-Care

Model Name: SPECO Gritsep Fluid Dynamic Grit Classifier

Model Number: FGC-015



CHECK ALL THAT APPLY		
	Bid Award	Bid #
	Budget Adjustment	
	Change Order	
	Informational	
	Ordinance	
X	Resolution	
	Other	

AGENDA FORM

CITY COUNCIL MEETING OF:

September 25, 2018

Submitted by:

Travis Matlock

Department

Electric

Phone

271-5941

ACTION REQUIRED:

A resolution authorizing the Mayor and City Council to modify the Power Supply Agreement with SWEPCO.

COST TO CITY:

Cost of this Request:

Additional Budget Amount

☒ One time amount

☐ Continuing O and M

Previously Budgeted	\$
Funds Expended to Date	
Remaining Budget	-
Budget Adjustment	-
Remaining After Adjustment	\$ -

This form must be turned into the Mayor's office 7 days prior to the scheduled City Council meeting.

117 WEST CENTRAL AVENUE * BENTONVILLE, AR 72712

www.bentonvillear.com



PLEASE RECYCLE



MEMORANDUM

DATE: September 25, 2018

TO: City Council, Mayor McCaslin

FROM: Travis Matlock, Engineer Director

RE: Revised PSA w/ SWEPCO

The Electric Department recommends amending the Power Supply Agreement (PSA) with SWEPCO.

As everyone has read, the Wind Catcher project (purchase of a wind farm and transmission line) has been terminated due to the Texas Public Service Commission denying the application. However, as was discussed in December of 2017 when the Council approved a letter supporting the project, even if the Wind Catcher project did not receive full approval there were items that would still benefit Bentonville.

SWEPCO will credit Bentonville "other electric revenues", and increase Bentonville's Current Customer Share of Off-System Sales from 25% to 90%. SWEPCO will also credit Bentonville with a share of their 456 credits. 456 credit is for payments SWEPCO receives from other utilities for a share of the O&M expenses at the power plant SWEPCO operates that are under joint ownership. The modifications should result in a net savings of an estimated \$7 Million to Bentonville over the remaining term of the Power Sales Agreement in 2032.

ER18-500
City of Bentonville
SWEPSCO
COMPARISON OF FILED Vs. REVISED BENEFITS AS APPROVED IN ER18-500
000's Omitted

BENTONVILLE REVISED as of 03-08-2018

Wind Catcher Forecasted Impact
1. Add'l OSS Margin (Increase) credit at 90% ⁽¹⁾
2. 456 credit savings ⁽²⁾
3. Total Cost Increase/(Decrease)

Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
(\$5,251)	(\$336)	(\$350)	(\$351)	(\$351)	(\$351)	(\$351)	(\$351)	(\$351)	(\$351)	(\$351)	(\$351)	(\$351)	(\$351)	(\$351)	(\$351)
(\$2,508)	(\$167)	(\$167)	(\$167)	(\$167)	(\$167)	(\$167)	(\$167)	(\$167)	(\$167)	(\$167)	(\$167)	(\$167)	(\$167)	(\$167)	(\$167)
(\$7,759)	(\$503)	(\$517)	(\$518)	(\$518)	(\$518)	(\$518)	(\$518)	(\$518)	(\$518)	(\$518)	(\$518)	(\$518)	(\$518)	(\$518)	(\$518)

RATE SCHEDULE NO. 126

**AMENDED AND RESTATED POWER SUPPLY AGREEMENT
BETWEEN
SOUTHWESTERN ELECTRIC POWER COMPANY
AND
CITY OF BENTONVILLE, ARKANSAS**

Tariff Submitter: **Southwestern Electric Power Company**
FERC Tariff Program Name: **FERC FPA Electric Tariff**
Tariff Title: **SWEPCO Rate Schedules and Service Agreements Baseline**
Tariff Record Proposed Effective Date: **August 1, 2018**
Tariff Record Title: **Bentonville PSA**
Option Code: **A**
Record Content Description: **Rate Schedule No. 126**

Southwestern Electric Power Company
FERC Rate Schedule No. 126

AMENDED AND RESTATED POWER SUPPLY AGREEMENT

BY AND BETWEEN

SOUTHWESTERN ELECTRIC POWER COMPANY

AND

CITY OF BENTONVILLE, ARKANSAS

DATED AS OF DECEMBER 21, 2017

Southwestern Electric Power Company
FERC Rate Schedule No. 126

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AMENDED AND RESTATED POWER SUPPLY AGREEMENT
by and between
Southwestern Electric Power Company
and
City of Bentonville, Arkansas

This AGREEMENT is dated as of December 21, 2017 ("Effective Date"), and is by and between Southwestern Electric Power Company ("Company"), and City of Bentonville, Arkansas ("Customer") (each individually a "Party," or collectively, the "Parties").

RECITALS

WHEREAS, Company is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 428 Travis Street, Shreveport, Louisiana; and owns and operates facilities for the generation, transmission and distribution of electric power and energy in the States of Arkansas, Louisiana, and Texas;

WHEREAS, Customer is a municipal corporation, organized and existing under the laws of the State of Arkansas, and located in Benton County, Arkansas, with a principal place of business at 115 West Central, Bentonville, Arkansas;

WHEREAS, Customer requires Requirements Service to meet Customer's Retail Load;

WHEREAS, Company has proposed to supply, subject to the terms and conditions set forth herein, Requirements Service to meet Customer's energy needs to the Points of Delivery;

WHEREAS, a Restated and Amended Power Supply Agreement Between Southwestern Electric Power Company and City of Bentonville, Arkansas, was entered into and issued on December 14, 2000 (Superseding, in its entirety, the Power Supply Agreement dated January 1, 1991, between Southwestern Electric Power Company and the City of Bentonville, Arkansas as amended effective May 16, 1992, September 27, 1995 and April 15, 2000) (collectively hereinafter "Prior Agreement");

WHEREAS, a revised Power Supply Agreement Between Southwestern Electric Power Company and City of Bentonville, Arkansas was entered into and issued on December 13, 2006 and accepted by the Federal Energy Regulatory Commission ("FERC") on May 31, 2007;

WHEREAS, a revised Power Supply Agreement Between Southwestern Electric Power Company and City of Bentonville, Arkansas was filed with FERC on February 3, 2014, revised further pursuant to a settlement agreement as a result of FERC-directed settlement proceedings, and accepted by FERC on February 10, 2015;

WHEREAS, a revised Power Supply Agreement Between Southwestern Electric Power Company and City of Bentonville, Arkansas, was filed with FERC on May 5, 2015 and accepted by FERC on July 1, 2015;

WHEREAS, a revised Power Supply Agreement Between Southwestern Electric Power Company and City of Bentonville, Arkansas, was filed with FERC on December

Southwestern Electric Power Company
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21, 2017 and amended on April 4, 2018 and May 25, 2018 and accepted by FERC on June 8, 2018; and,

WHEREAS, the Parties desire to amend and restate the Power Supply Agreement to make revisions to the cost of service formulas contained in Exhibit B.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereby agree that this Agreement, together with the Exhibits attached hereto and Related Documents, sets forth the terms under which Company will supply Requirements Service to Customer, during the Delivery Period; constitutes the entire agreement among the Parties relating to the subject matter hereof; and supersedes any other agreements, written or oral (including without limitation any preliminary term sheet), among the Parties concerning this Agreement.

ARTICLE I **DEFINITIONS**

The following words and terms shall be understood to have the following meanings when used in this Agreement or in any associated documents entered into in conjunction with this Agreement. This Agreement includes certain capitalized terms that are not explicitly defined herein. Such capitalized terms shall have the meanings specified in the "Related Documents", as the same are in effect from time to time, which meanings are incorporated herein by reference and made a part hereof. In the event of any inconsistency between a definition contained herein and a definition contained in a "Related Documents", the definition in this Agreement shall control for purposes of this Agreement.

1.01 Affiliate

Affiliate means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.02 Agreement

Agreement means this Power Supply Agreement, including the Exhibits and Related Documents, as amended, modified or supplemented from time to time.

1.03 Ancillary Services

Ancillary Services means those services set forth in the applicable Open Access Transmission Tariff, filed with FERC, that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's and Transmission Owner's(s) Transmission System in accordance with Good Utility Practice.

Southwestern Electric Power Company
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1.04 Billing Demand

Billing Demand means the average of the four summer month's hourly kilowatt demands at the Points of Receipt coincident with Company's actual system hourly peak demands for each summer month (June, July, August, and September), measured at the Points of Receipt, and adjusted for the appropriate distribution and transmission losses to the Points of Delivery, less any capacity credit for SWPA Hydro Peaking Power. The Billing Demand used for the annual adjustment of the charges for Requirements Service shall be the Billing Demand established for the summer months of the calendar year in which the adjustment applies, and shall remain constant for each Billing Period of such calendar year.

1.05 Billing Energy

Billing Energy means the total kilowatt-hours of Firm Energy as measured during the Billing Period at the Points of Receipt, and adjusted for the appropriate distribution and transmission losses to the Points of Delivery, less any energy credit for the delivery of SWPA Hydro Peaking Power energy.

1.06 Billing Period

Billing Period means the calendar month which shall be the standard period for all payments and metering measurements under this Agreement, unless otherwise specifically required by SPP or the entity providing meter reading services.

1.07 Business Day

Business Day means a day ending at 5:00 p.m. Central Prevailing Time, other than Saturday, Sunday and any day which is a legal holiday or a day designated as a holiday by the North American Electric Reliability Council; provided, that, with respect to any payment due hereunder, a "Business Day" means a day ending at 5:00 p.m. Central Prevailing Time, other than Saturday, Sunday and any day which is a legal holiday or a day on which banking institutions in Shreveport, Louisiana are authorized by Law to close.

1.08 Capacity

Capacity means the real power output capability of generating facilities to generate electric power, expressed in kilowatts, and determined in accordance with the SPP Criteria.

1.09 Central Prevailing Time

Central Prevailing Time means the prevailing time in Shreveport, Louisiana.

1.10 Claims

Claims means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of this Agreement, and the resulting losses, damages, expenses, attorneys' fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

1.11 Confidential Information

Confidential Information means such information as the Parties agree shall remain confidential. Notwithstanding the foregoing, the following shall not constitute Confidential Information:

- a) Information which was already in a Party's possession prior to its receipt from another Party and not subject to a requirement of confidentiality;
- b) Information which is obtained from a third person who, insofar as is known to the Party, is not prohibited from transmitting the information to the Party by a contractual, legal or fiduciary obligation to the Party; and
- c) Information which is or becomes publicly available through no fault of the Party.

1.12 Contract Year

Contract Year means the twelve consecutive month period beginning at hour ending 0100 on January 1 and ending at 2400 on December 31 of the same calendar year.

1.13 Defaulting Party

Defaulting Party means the Party who has caused an Event of Default.

1.14 Delivery Period

Delivery Period means the period of time during which Requirements Service is provided under this Agreement as defined in Section 2.02.

1.15 Early Termination Date

Early Termination Date is the date selected by the Non-Defaulting Party to terminate this Agreement prior to the end of the Delivery Period in accordance with Section 8.02.

1.16 Energy

Energy means three phase, 60-cycle alternating current electric energy, expressed in kilowatt-hours.

1.17 Event of Default

Event of Default means those events by the Defaulting Party set forth in this Agreement which give the Non-Defaulting Party the right to terminate this Agreement or exercise other remedies available under this Agreement or at law or in equity.

1.18 FERC

FERC means the Federal Energy Regulatory Commission.

1.19 Firm Energy

Firm Energy means Energy that Company shall sell and deliver and Customer shall purchase and receive unless relieved of their respective obligations without liability by Force Majeure, but only to the extent that, and for the period during which, either Party's performance is prevented by Force Majeure and temporary interruptions described in Section 9.02.

1.20 Force Majeure

Force Majeure means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the date the Agreement was agreed to, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided.

1.21 Good Utility Practice

Good Utility Practice means any of the practices, methods, techniques and standards (including the practices, methods, techniques and standards approved by a significant portion of the electric power generation industry, SPP and/or NERC) that, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made and having due regard for, among other things, contractual obligations, applicable laws and equipment manufacturer's recommendations, could have been expected to accomplish the desired result in a manner consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, technique or standard to the exclusion of all others, but rather to be a range of possible practices, methods, techniques or standards.

1.22 Interest Rate

Interest Rate means the lesser of either (i) the applicable FERC rate calculated in accordance with 18 C.F.R. Section 35.19(a) or (ii) the maximum rate permitted by applicable law.

1.23 Letter(s) of Credit

Letter(s) of Credit means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a rating assigned to its unsecured, senior long-term debt obligations (not supported by third party credit enhancements) of at least A- from Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or A3 from Moody's Investors Service, Inc., in a form and from a bank acceptable to the Party in whose favor the letter of credit is issued. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

1.24 NERC

NERC means the North American Electric Reliability Council.

1.25 Network Integration Transmission Service

Network Integration Transmission Service or **NITS** means firm transmission service as set forth in the SPP Open Access Transmission Tariff that provides for delivery of capacity and energy from the designated Network Resources at the Points of Delivery to service the Network Load at the Points of Receipt.

1.26 Non-Defaulting Party

Non-Defaulting Party means the Party that has not caused an Event of Default.

1.27 Normal Load Growth

Normal Load Growth means the projected load, as measured by the hourly summer peak demand, in the current Contract Year, predicted by the method below that yields the highest value:

- (a) fitting a curve to the most recent five calendar years of historical summer peak demands. Such curve shall be selected to minimize the sum of the squared error terms from the following possible curve types: (1) linear; (2) quadratic; or (3) logarithmic; or
- (b) the summer peak demand for the previous Contract Year times 1.03; or
- (c) the summer peak demand for the previous Contract Year plus five thousand (5,000) kilowatts.

1.28 Party(ies)

Party(ies) means Customer or Company or any or both of them, as the context requires.

1.29 Performance Assurance

Performance Assurance means collateral in the form of either cash, Letter(s) of Credit, or other security acceptable to the Company.

1.30 Point(s) of Delivery

Point(s) of Delivery means the point(s) at which Company's generating resources connect to SPP.

1.31 Point(s) of Receipt

Point(s) of Receipt means the point(s) from which Customer's electric system will receive power and energy pursuant to this Agreement as listed on Exhibit A hereto, as the same may be amended from time to time and deliver said power and energy for the sole and exclusive purpose of supplying the Retail Load of Customer.

1.32 Related Documents

Related Documents means, either collectively or individually, the Interconnection and Local Delivery Services Agreement, the SPP Open Access Transmission Tariff, the SPP Criteria, the SPP Market Protocols and any other applicable market rules, manuals and procedures adopted by SPP, as may be amended from time to time, and as administered by SPP to govern operations within SPP.

1.33 Requirements Service

Requirements Service means Capacity and Firm Energy supplied by Company to the Points of Delivery, as the same may fluctuate in real time to serve Retail Load and the associated transmission and distribution losses.

1.34 Retail Load

Retail Load means the Capacity and Energy metered at the Points of Receipt to meet the requirements of Customer's end use customers located within the service territory that Customer has a statutory or contractual obligation to serve.

1.35 SPP

SPP means Southwest Power Pool in its capacity as the regional transmission provider or independent system operator for the Company's control area organized and operating pursuant to the SPP Related Documents.

1.36 SWPA Hydro Peaking Power

SWPA Hydro Peaking Power means that hydro peaking power which SWPA (the Southwest Power Administration) is obligated from time to time to sell to Customer

and Customer is obligated to purchase from SWPA and is described in the Power Sales Contract dated November 28, 1995 between Customer and the United States of America.

1.37 Term

Term is defined in Section 2.01.

1.38 Transmission Provider

Transmission Provider means any entity or entities providing, transmitting or transporting the Firm Energy and Ancillary Services and measuring the Capacity sold hereunder on behalf of Company or Customer to the applicable Points of Receipt under this Agreement.

Certain other definitions as required appear in subsequent parts of this Agreement.

ARTICLE II TERM, SERVICE AND DELIVERY PROVISIONS

2.01 Term.

The Term of this Agreement shall begin as of the Effective Date and extend through and include the end of the Delivery Period, unless either Party declares an Early Termination Date in accordance with the provisions hereof. The applicable provisions of this Agreement shall continue in effect in accordance with Section 16.11, Survival, and to the extent necessary to provide for final accounting, billing, billing adjustments, resolution of any billing disputes, realization of any collateral or other security, set-off, final payments, payments pertaining to liability and indemnification obligations arising from acts or events that occurred during the Delivery Period, or other such provisions that by their terms or operation, survive the termination of this Agreement.

2.02 Delivery Period.

The Delivery Period shall commence on January 1, 2008, and extend through December 31, 2032, from hours ending 0100 through 2400 Central Prevailing Time.

2.03 Planning.

The Company shall plan for and provide Requirements Service to Customer's Retail Load during the Delivery Period of this Agreement. The Company's obligation to provide service to Customer, and the Customer's obligation to take service from the Company under this Agreement, shall terminate at the end of the Term provided for herein.

In order to allow Company to plan to meet Customer's Retail Load, Customer agrees to provide the Company, by June 1 of each calendar year during the Term of

this Agreement, a forecast of Customer's expected Retail Load for the following eight calendar years.

2.04 Points of Receipt.

The Points of Receipt for the Requirements Service are set forth on Exhibit A. Whenever the Parties agree to any change in Points of Receipt, Exhibit A hereto shall automatically be amended to reflect such change.

ARTICLE III SALE AND PURCHASE

3.01 Requirements Service.

During the Delivery Period, Company shall sell and deliver and Customer shall receive and purchase Requirements Service sufficient to serve Customer's Retail Load, in excess of the power and energy purchased by Customer from the SWPA, except as otherwise provided herein. As a provider of Requirements Service, Company is solely responsible for satisfying all requirements and paying all costs incurred or to be incurred to provide Requirements Service.

At no time during the Delivery Period shall Customer use either a) newly constructed or purchased generation resources, or b) new power purchase agreements, to reduce the Retail Load hereunder. Company is responsible for Requirements Service regardless of changes in Retail Load arising from daily fluctuations, increased or decreased usage, extreme weather and/or similar events. Requirements Services for Normal Load Growth shall be provided at the rates set forth herein.

To the extent that Retail Load grows at a rate in excess of Normal Load Growth, Company shall have the option to provide Requirements Service at the rates set forth herein, or to give Customer notice as to the new rates applicable to such load in excess of Normal Load Growth. Company and Customer shall mutually agree to the new rates applicable to the Retail Load in excess of Normal Load Growth. If the Parties do not agree how Customer's Retail Load that exceeds Normal Load Growth can be met under this Agreement, then Customer shall have the right to remove load from this Agreement equal to the Retail Load in excess of Normal Load Growth. Such load may be a discrete customer, feeder, or other separately metered portion of the Retail Load. Appropriate meter adjustments at the Points of Receipt shall be made to reflect the removal of the separately metered load from the Requirements Service provided under this Agreement.

3.02 Transmission, Ancillary and Local Facilities Service.

Customer shall be responsible for making all arrangements and executing all agreements for the use of the SPP transmission system and any other third-party transmission systems which are necessary to transmit the Requirements Service from the Points of Delivery to the Points of Receipt. Company shall act as Customer's agent and shall arrange for Network Integration Transmission Service (NITS) for Customer's Retail Load and shall be responsible during the Delivery Period for the provision of all

such service during the Term of this Agreement. Customer shall be responsible for paying all NITS, related SPP charges, and any other charges for the use of third-party transmission systems for the delivery of Requirements Service. During the Term of this Agreement, Customer agrees to reimburse the Company for all NITS, related SPP charges, and other charges for the use of third-party transmission systems that the Company incurs on the Customer's behalf, as well as for all charges for any Ancillary Services or charges related to the Interconnection and Local Delivery Service Agreement.

3.03 Qualifying Facility Purchases.

So long as Customer is receiving Requirements Service from Company, Company shall be obligated to purchase the electrical output from any duly licensed and properly operating Qualifying Facility connected to Customer, but only so long as Company has such obligation pursuant to Public Utility Regulatory Policies Act of 1978, as amended.

Company shall apply the rates for Requirements Service set forth in Article V to the combined Energy supplied by Company as metered at the Points of Receipt and the Energy amounts delivered by the Qualifying Facility to the Customer. If Customer pays the Qualifying Facility directly for such energy, Company shall provide a credit on the Customer's bill equal to Company's avoided cost at rates that Company would have paid to the Qualifying Facility if Company had directly purchased the Qualifying Facility output.

Customer agrees that Customer will not, directly or indirectly, engage in any activity to encourage, facilitate, help, aid or assist the construction or installation of a Qualifying Facility except as otherwise required by applicable law, and shall not itself install, purchase or operate a Qualifying Facility during the Term of this Agreement.

Customer shall notify Company of the proposed connection of any Qualifying Facility to any part of Customer's system served by Company. Notification shall be in writing as soon as practical, but at least ninety (90) days prior to the connection of the Qualifying Facility.

3.04 Retail Choice.

The Parties expressly recognize that retail choice may occur during the Term of this Agreement. In order to enable Customer to compete to retain existing customers, in the event retail choice is mandated in Customer's service area, by state or federal statutes, regulations, or regulatory agencies, or in the event other power suppliers plan to make a direct connection to a customer(s) of Customer, the Parties agree as follows:

If retail choice is available to a customer or an aggregated group of customers or a potential customer of Customer, Customer may negotiate a price with Company for the retention of such customer or group of customers, or to obtain new customers; provided, however, that if Customer and Company are unable to agree upon a price that retains or acquires such customer(s), then Customer may seek to obtain an alternate source of supply, which Company shall have the right of last refusal to match within five (5) Business Days of being officially notified by Customer.

"Mandated by state or federal statutes or regulations or regulatory agencies" includes the following scenario: If state or federal statutes or regulations or regulatory agencies provide for retail choice by the Retail Load as part of a larger retail choice program (in either a pilot program or permanent program), or if Customer is exempt from such state or federal statutes or regulations, but retail customers of Customer, by vote or other legally enforceable right, require that Customer offer them the same provisions and rights contained in a statewide retail choice program.

3.05 Renewable Portfolio Standards.

During the Term of this Agreement, if the Company is required, as a result of federal or state laws, rules or regulations, to meet the requirements of any renewable portfolio standards, the Company agrees to meet those requirements with regard to Customer's Retail Load. In no event shall the Company be obligated to meet any renewable portfolio standards imposed upon or enacted by Customer that are more stringent than those standards that the Company is required to meet.

3.06 SPP Integrated Marketplace.

Customer and Company agree that the provision of Exhibit C shall take effect when SPP begins operating and administering its Energy and Operating Reserves Markets and Transmission Congestion Rights Market known as the SPP Integrated Marketplace.

ARTICLE IV CUSTOMER RESOURCES

4.01 SWPA Hydro Peaking Power.

Customer shall designate Company as its agent for the scheduling of the SWPA Hydro Peaking Power. Such SWPA Hydro Peaking Power shall be integrated into Company's load control area and dispatched by Company operators to meet Company's system requirements, including the Retail Load of Customer, in accordance with Good Utility Practice and in accordance with the terms of the Power Sales Contract for such SWPA Hydro Peaking Power. Customer shall not modify, amend, or terminate the Power Sales Contract for SWPA Hydro Peaking Power without prior written consent from Company. Customer shall be responsible for replacement cost of any capacity or firm energy that SWPA fails to deliver under the terms and conditions for the SWPA Hydro Peaking Power on the Effective Date of this Agreement.

ARTICLE V RATES AND BILLING

5.01 Compensation.

Customer shall pay Company a demand, energy and fuel charge each Billing Period for the Requirements Service provided during the Delivery Period. The demand

charge shall be determined as the product of the Demand Rate and the Billing Demand. The energy charge shall be determined as the product of the Energy Rate and the Billing Energy. The fuel charge shall be determined as the product of the monthly Fuel Rate and the Billing Energy. These charges shall be calculated in accordance with the terms of this Article and subject to all other terms and conditions contained in this Agreement.

5.02 Capacity Credit.

The capacity credit for SWPA Hydro Peaking Power for each month shall be the lesser of a) 18,000 kilowatts; or b) the number of kilowatts of firm hydro peaking power Customer is entitled to receive from SWPA under similar terms and conditions as described in the Power Sales Contract dated November 28, 1995 between Customer and the United States of America..

5.03 Energy and Fuel Credit.

For the purposes of determining the energy and fuel charges during any Billing Period, the energy and fuel credit shall be equal to the total energy scheduled for delivery to the Transmission System during a given Billing Period as SWPA Hydro Peaking Power, less adjustments for losses incurred in delivery to the Transmission System.

5.04 Demand, Energy and Fuel Rates.

Except as otherwise expressly provided herein, prior to January 31 of each Contract Year, estimated Demand and Energy Rates and monthly charges for electric service for such Contract Year shall be determined pursuant to the cost of service formulas set forth in Exhibit B hereto. Such estimates of rates and monthly charges shall be made available to Customer no later than January 31 of each such Contract Year.

The Company's estimated Demand and Energy Rates and monthly charges, or any revised estimated rates and monthly charges determined by the Company after discussions between the Parties with respect to Company's original estimates, shall be made effective April 1 of the Contract Year to which such estimates relate. The billing statement sent to Customer for April of each Contract Year shall show an adjustment equal to the difference between the sums charged Customer in the months of January, February and March under the estimated rates and monthly charges for the prior Contract Year and the amount which would have been due in such months under the estimated rates and monthly charges for the current Contract Year made effective on April 1.

Each Contract Year, Company shall redetermine Customer's load share responsibility for such Contract Year based upon actual system peak demands for each summer month (June, July, August, and September) during such Contract Year and Customer's contributions to such peak demands. New estimated Demand and Energy Rates and monthly charges for such Contract Year shall be determined based on such

redetermination of Customer's load share responsibility. Such new estimated rates and monthly charges shall be made effective with the October 1 billing cycle of such Contract Year and shall continue in effect until March 31 of the succeeding Contract Year, subject to adjustment with respect to the first three months of such succeeding Contract Year as provided in the preceding paragraph.

A Fuel Rate shall be determined monthly pursuant to the cost of service formulas set forth in Exhibit B hereto. Customer shall be billed each month a fuel charge based upon an estimated Fuel Rate. As soon as practicable, the fuel charge will be determined based upon the actual fuel costs incurred in such Billing Period. Any difference between the fuel charges so estimated and the actual fuel charge shall be billed or credited to Customer on the first bill rendered after such actual fuel charge has been determined. Company shall use reasonable diligence when estimating the Fuel Rates so as to avoid any significant difference between estimated and actual fuel charges to Customer.

5.05 Return on Common Equity (ROE).

The Return on Common Equity, as used in Exhibit B, shall be determined annually as the average of the December yields of the Moody's Seasoned Baa Corporate Bond, as reported by the Federal Reserve in the H.15 statistical release plus 5.35%. As long as the result of this computation yields a Return on Common Equity of 9.0% to 18.0%, the Parties agree that the Return on Common Equity used to compute the composite cost of capital in Exhibit B shall not be subject to change under Sections 205 or 206 of the Federal Power Act ("FPA"), absent the mutual written consent of the Parties. In the event that the Return on Common Equity produced as a result of the calculation provided for herein is either below 9.0% or above 18.0%, the Parties understand and expressly agree that either may seek FERC review of the Return on Common Equity value under the "just and reasonable" standard of Sections 205 and 206 of the FPA.

5.06 Determination of Monthly Bill.

Company shall maintain an accurate record of the electric power and energy received, sold and delivered under this Agreement and on or before the 5th Business Day of each month shall prepare and submit to Customer a billing statement setting forth:

- a) The amount of power and energy delivered to the Points of Delivery during the preceding Billing Period.
- b) The demand, energy, and fuel charges for Requirements Service provided during the preceding Billing Period.
- c) The amounts due either Party from the other for services or reimbursements not included in any of the other charges, including applicable taxes, fees and assessments.

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5.07 Payment Date.

Customer shall pay Company any amounts due and payable hereunder on or before the later of the twentieth (20th) day of each month, or the tenth (10th) day after receipt of invoice or, if such day is not a Business Day, then on the next Business Day. All invoices shall be paid by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the Company. If all or any part of any amount due and payable pursuant to this Agreement shall remain unpaid thereafter, interest shall thereafter accrue and be payable to Company on such unpaid amount at a rate per annum equal to the Interest Rate.

5.08 Payment Netting.

Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date pursuant to this Agreement through netting, in which case all amounts owed by each Party to the other Party under this Agreement, interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it. All amounts netted pursuant to this Article V shall not take into account or include any Performance Assurance or guaranty, which may be in effect to secure a Party's performance under this Agreement. If no mutual debts or payment obligations exist and only one Party owes a debt or obligation to the other during the monthly Billing Period, that Party shall pay such sum in full when due.

5.09 Billing Disputes.

If a Party, in good faith, disputes an invoice, the disputing Party shall immediately notify the other Party of the basis for the dispute and pay the undisputed portion of such invoice no later than the due date. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with any accrued interest from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned by the receiving Party or deducted by the receiving Party from subsequent payments at the option of the overpaying Party with interest accrued at the Interest Rate until the date paid or deducted from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment.

5.10 Annual Adjustment.

Prior to the 31st day of May of each calendar year the demand, energy and fuel charges billed to Customer by the Company for Requirements Service in the preceding calendar year shall be redetermined, using the rates determined for that calendar year (which shall be calculated using the actual costs incurred by the Company for that calendar year and the ROE developed in accordance with Section 5.05 based upon data for December of that calendar year) and the Billing Demand and the monthly Billing Energy in that calendar year. Any difference between the sums due Company for Requirements Service in the preceding calendar year and the sums paid by Customer

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in the preceding calendar year for such services shall be billed to Customer or credited to Customer, as appropriate, in 3 equal amounts during the months of July, August and September, unless otherwise agreed to by the Parties. The amount of any such over-collection or under-collection will include a carrying charge based on the Interest Rate. The Parties may mutually agree to prepay any amount owed to Company or credit, in advance, any amounts due Customer in order to minimize the annual adjustment for a given calendar year and any such prepayment or advance credit shall be reflected in the carrying charge calculations hereunder. Each annual adjustment of the cost of service Formulae Rates in Exhibit B shall be based on the Company's FERC Form 1 data for the applicable calendar year, to the extent possible and shall consist of the following:

- a.) Calculation of the adjusted cost of service Formulae Rates.
- b.) Comparison of the adjusted demand, energy, and fuel charges with the amounts actually paid by Customer for Requirements Service.
- c.) Workpapers showing the source of all data utilized, and other supporting documentation as reasonably determined by Company.

The formulas attached hereto as Exhibit B make reference to certain page and line numbers found in FERC Form 1: Annual Report of Major Electric Utilities, Licensees and Others (Form 1) used for reporting calendar year 2003 data. From time to time, the FERC makes changes in the format of Form 1. Such changes may result in the references to Form 1 included in Exhibit B being rendered inaccurate. Therefore, the Parties agree that Exhibit B shall be interpreted as if the page and line references contained therein are references to the pages and lines contained in the current version of FERC Form 1 where the data described in the pages and lines of the 2003 version of Form 1 referred to in Exhibit B can be found. In the event that the FERC revises Form 1 to combine two or more lines contained in the 2003 version of Form 1, or makes other changes that affect the computation of the formula rates in Exhibit B, the Exhibit B formulas shall be revised to produce the same level of rates that would have resulted had the FERC Form 1 remained unchanged. Data required under the cost of service rate formula that is not reported in the Company's FERC Form 1 for the applicable calendar year shall be supported with appropriate documentation which shall be included in the workpapers accompanying such annual adjustment. Data from the FERC Form 1 shall be subject to challenge only to the extent set forth below.

The adjusted Cost of Service Formulae Rates shall be subject to refund or surcharge until the latest of (1) the end of a review period extending one hundred twenty (120) days after all relevant data is provided to Customer, if at such time there is no outstanding, unresolved complaint pursuant to Article XVI; (2) the final resolution of any complaint filed pursuant to Article XVI; or (3) any required corrections have been made.

Any errors in data or application of the formulas in Exhibit B that are detected by the Customer during the review period shall be corrected by Company as soon as possible after the end of the review period. Any corrected adjustment to the Cost of Service Formulae Rates shall be provided to the Customer and Company shall make any required refund or surcharge to Customer on the next normal monthly billing.

5.11 AFUDC.

In its annual adjustment, Company will adjust its production invested capital to recognize that under this Agreement, construction work in progress ("CWIP") has been included in rate base formulas. The effect of this adjustment will be to recognize the fact that the formulas shall not include any allowance for funds used during construction ("AFUDC") on the amounts included as CWIP included in rate base. The exception to this treatment will be for the Wind Catcher Project: CWIP balances will be excluded from rate base and the related AFUDC will be included in the rate base. A workpaper detailing the calculation supporting the adjustment will be included in the information submitted to Customer with annual adjustment information.

ARTICLE VI Implementation

6.01 SPP Implementation.

Company and Customer shall enter into, and file with SPP and other applicable entities, all documents necessary for the Company to fulfill its obligations under this Agreement and for Customer to fulfill its obligations to obtain the necessary transmission service to fulfill its obligations under this Agreement.

The Parties recognize and agree that during the Delivery Period, Company shall be the Market Participant that registers the load and resources related to the Requirements Service with SPP, provided however, Customer shall be the Transmission Customer acquiring grandfathered Transmission rights. Company shall be responsible for all scheduling and settlement activities related to such load and resources. Company may take steps as it deems necessary to combine the scheduling and settlement activities with the scheduling and settlement activities associated with Company's other native load customers. Customer hereby gives permission to Company to access information Company reasonably requests to facilitate such settlement activities with the SPP and the administration of this Agreement.

6.02 NERC Requirements.

Notwithstanding any other provisions of this Agreement, Customer will be solely responsible for compliance with Customer's NERC requirements throughout the Term. Company will provide Customer with such information and technical assistance as Customer may reasonably request in order to document the manner in which Customer provides for compliance with NERC and any regional reliability organization requirements. Customer will reimburse Company for any third-party costs or charges incurred by Company in connection with Customer's NERC and regional reliability organization requirements.

ARTICLE VII CREDITWORTHINESS

7.01 Financial Information.

If requested by a Party (Party X), the other Party (Party Y) shall deliver (i) a copy of the annual report containing audited consolidated financial statements for such fiscal year with respect to Party Y on or before the later of one hundred twenty (120) days following the end of each fiscal year, or thirty (30) days following the completion of such audited financial statements, and (ii) a copy of the quarterly report containing unaudited consolidated financial statements for such fiscal quarter with respect to Party Y within 60 days after the end of each of its first three fiscal quarters of each fiscal year. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles for Company and in accordance with Governmental Accounting Standards Board (GASB) principles for Customer; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

7.02 Credit Assurances.

If at any time Company has reasonable grounds to believe that the Customer's creditworthiness or performance under this Agreement has become unsatisfactory, the Company may provide the Customer with written notice requesting Performance Assurance in an amount determined by Company in a commercially reasonable manner.

Upon receipt of such notice the Customer shall have three (3) Business Days to remedy the situation by providing such Performance Assurance to the Company.

In the event that the Customer fails to provide such Performance Assurance or other credit assurance acceptable to the Company within three (3) Business Days of receipt of notice, then an Event of Default under Article VIII shall be deemed to have occurred.

7.03 Grant of Security Interest/Remedies.

To secure its obligations under this Agreement and only to the extent Customer delivers Performance Assurance hereunder, Customer (the Pledgor) hereby grants to Company (the Secured Party) a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, such Secured Party, and Pledgor agrees to take such action as the Secured Party reasonably requires in order to perfect the Secured Party's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof.

Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, the Company may do any one or more of the following:

- a) exercise any of the rights and remedies of a Secured Party with respect to all Performance Assurance, including any such rights and remedies under law then in effect;
- b) exercise its rights of setoff against any and all property of the Customer in the possession of the Company or its agent;
- c) draw on any outstanding Letter of Credit issued for its benefit; and
- d) liquidate all Performance Assurance then held by or for the benefit of the Secured Party free from any claim or right of any nature whatsoever of the Customer, including any equity or right of purchase or redemption by the Customer.

The Secured Party shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Pledgor's obligations under the Agreement (the Pledgor remaining liable for any amounts owing to the Secured Party after such application), subject to the Secured Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

7.04 Interest Rate on Cash Amounts Held as Collateral.

For Performance Assurance in the form of cash that is held by Company pursuant to this Article VII, the interest rate will be the Federal Funds Rate as from time to time in effect. "Federal Funds Rate" means the rate, for the relevant determination date opposite the caption "Federal Funds (Effective)", as set forth in the weekly statistical release designated as H.15 (519), published by the Board of Governors of the Federal Reserve System. Such interest shall be calculated commencing on the date Performance Assurance in the form of cash is received by Company but excluding the earlier of: (i) the date Performance Assurance in the form of cash is returned to Pledgor; or (ii) the date Performance Assurance in the form of cash is applied to a Pledgor's obligations pursuant to Section 7.03.

7.05 Transfer of Interest Amount.

The Pledgor shall invoice the Secured Party monthly setting forth the calculation of the interest amount due, and the Secured Party shall make payment thereof by the later of

- a) the third Business Day of the first month after the last month to which such invoice relates or
- b) the third Business Day after the day on which such invoice is received.

ARTICLE VIII **DEFAULT AND REMEDIES**

8.01 **Events of Default.**

Any one or more of the following shall constitute an "Event of Default" hereunder with respect to either Party (the Defaulting Party):

- a) The failure to make, when due, any payment required pursuant to this Agreement (other than payments disputed under Article V) if such failure is not remedied within three (3) Business Days after written notice;
- b) Any representation or warranty made by a Party herein is false or misleading in any material respect when made or when deemed made or repeated, if such failure is not remedied within thirty (30) days after written notice;
- c) The failure by Customer to provide Performance Assurance as set forth in Article VII;
- d) The failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default as specified above and except to the extent such Party's obligations to deliver or receive Firm Energy are modified by the provisions of Article IX) if such failure is not remedied within three (3) Business Days after written notice;
- e) Such Party: (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due;
- f) Such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party; or
- g) Such Party experiences the occurrence and continuation of a default, Event of Default or other similar condition or event in respect of such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than U.S. Dollars \$50,000,000 for Company and U.S. Dollars \$5,000,000 for Customer, which results in such indebtedness becoming immediately due and payable.

8.02 Declaration of an Early Termination.

If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the Non-Defaulting Party) shall have the right (i) to designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an Early Termination Date, (ii) withhold any payments due to the Defaulting Party under this Agreement and (iii) suspend performance.

8.03 Suspension of Performance.

Notwithstanding any other provision of this Agreement, if an Event of Default shall have occurred and be continuing, the Non-Defaulting Party, upon written notice to the Defaulting Party, shall have the right

- a) to suspend performance under this Agreement; provided, however, in no event shall any such suspension continue for longer than ten (10) Business Days unless an Early Termination Date shall have been declared and notice thereof pursuant to Article X been given;
- b) to exercise any remedy available at law, subject to the limitations set forth in Section 11.01 hereof, including the right to seek to recover direct damages before a court of competent jurisdiction, and, if the Defaulting Party is the Customer, Company's right to seek to recover its Stranded Costs in accordance with Section 35.26 of the FERC's Regulations; and
- c) to exercise any remedy available in equity.

8.04 Obligations Following Expiration or Termination.

Upon the termination or expiration of this Agreement, in addition to such rights and obligations enumerated elsewhere in this Agreement, the grant of any and all right and interest to Company to supply the Requirements Service shall cease, and Customer and Company shall immediately make all necessary filings with SPP and perform all other acts necessary to transfer all such rights and interests back to Customer. It is not the intent of Company to claim rights to Customer's Retail Load.

**ARTICLE IX CURTAILMENT, TEMPORARY INTERRUPTIONS
AND FORCE MAJEURE**

9.01 Curtailment.

Customer shall participate in Company's emergency load relief plan, pro rata, on a non-discriminatory basis. It is understood and agreed that if there is a shortage of capacity and/or electric energy requiring Company to curtail power deliveries to its own retail customers, Customer agrees that upon being notified by Company of such requirement to curtail, Customer shall curtail power deliveries to its own retail customers proportionally to Company's curtailment. Customer further agrees that if, upon

reasonable notification, it fails to take the action which it hereby agrees to take, Company shall be entitled to take such action to limit deliveries of power, including the right of total interruption of power deliveries during the period any shortage exists, and, in such event, Company shall not incur any liability to Customer in connection with the action so taken by Company in conformity with this section.

9.02 Temporary Interruptions.

Company will use reasonable diligence in furnishing Firm Energy to Customer, but Company does not guarantee that the supply of Firm Energy furnished to Customer will be uninterrupted, or that voltage and frequency will be at all times constant. Temporary interruption of Firm Energy deliveries hereunder shall not constitute a breach of the obligations of Company under this Agreement, and Company shall not in any such case be liable to Customer for damages resulting from any such temporary interruptions of service.

9.03 Force Majeure.

To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under the Agreement and such Party (the Claiming Party) gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

9.04 Force Majeure Exceptions.

Force Majeure shall not be based on (i) the loss of Customer's Retail Load; (ii) Customer's inability economically to use or resell the Requirements Service; (iii) the loss or failure of Company's generation supply; or (iv) Company's ability to resell the Requirements Service at a price greater than the pricing set forth herein.

9.05 Transmission Curtailment.

Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by SPP unless (i) such Party has contracted for firm transmission with a Transmission Provider for the services to be delivered to or received at the Points of Delivery and (ii) such curtailment is due to "Force Majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff.

ARTICLE X NOTICES, REPRESENTATIVES OF THE PARTIES

10.01 Notices.

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing. Such notice shall be sent by facsimile, electronic messaging (confirmed by telephone), courier, personally delivered or mailed, postage prepaid, to the representative of the other Party designated in this Article X. Any such notice, demand, or request shall be deemed to be given (i) when received by facsimile or electronic messaging, (ii) when actually received if delivered by courier, overnight mail or personal delivery, or (iii) three (3) days after deposit in the United States mail, if sent by first class mail.

Notices and other communications by Company to Customer shall be addressed to:

Mayor
City of Bentonville, Arkansas
115 West Central
Bentonville, AR 72712
Phone: (479) 271-5966
Facsimile: (479) 271-5913

With a copy to:

Director of Utilities
City of Bentonville, Arkansas
608 Southeast Third Street
Bentonville, Arkansas 72712
Phone: (479) 271-3135
Facsimile: (479) 271-5994

Notices and other communications by Customer to Company shall be addressed to:

Vice President – Market Operations
American Electric Power Service Corporation
1 Riverside Plaza
Columbus, OH 43215
Phone: (614) 716-6150
Facsimile: (614) 716-6569

With a copy to:

Director - Credit Risk Management
American Electric Power Company, Inc.
303 Marconi Blvd.

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Columbus, OH 43215
Phone: (614) 583-3600
Facsimile: (614) 583-1604

With a copy to:

President
Southwestern Electric Power Company
428 Travis Street
Shreveport, Louisiana 71156
Phone: (318) 673-3399
Facsimile: (318) 673-3608

Change of Notice: Any Party may change its representative by written notice to the other Party.

10.02 Authority of Representative.

The Parties' representatives designated in Section 10.01 shall have full authority to act for their respective principals in all technical matters relating to the performance of this Agreement. The Parties' representatives shall not, however, have the authority to amend, modify or waive any provision of this Agreement unless they are authorized officers of their respective entities and such amendment, modification or waiver is made pursuant to Section 17.6.

**ARTICLE XI LIABILITY, INDEMNIFICATION, AND RELATIONSHIP
OF PARTIES**

11.01 Limitation on Damages.

TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER CUSTOMER NOR COMPANY, NOR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, MEMBERS, PARENTS OR AFFILIATES, SUCCESSORS OR ASSIGNS, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, OR EMPLOYEES, SUCCESSORS OR ASSIGNS, SHALL BE LIABLE TO THE OTHER PARTY OR THEIR RESPECTIVE MEMBERS, PARENTS, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS, FOR CLAIMS, SUITS, ACTIONS OR CAUSES OF ACTION FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, MULTIPLE OR CONSEQUENTIAL DAMAGES CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY SUCH DAMAGES WHICH ARE BASED UPON CAUSES OF ACTION FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE,

OPERATION OF LAW, UNDER ANY INDEMNITY PROVISION OR ANY OTHER THEORY OF RECOVERY. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES ONLY, AND SUCH DIRECT DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. THE PROVISIONS OF THIS SECTION 11.01 SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS AGREEMENT.

11.02 Indemnification.

Each Party shall indemnify, defend and hold harmless each other Party from and against any Claims arising from or out of any event, circumstance, act or incident occurring or existing during the period when control and title to Requirements Service is vested in such Party as provided in Section 11.03.

Each Party shall indemnify and hold harmless the other Party from and against any and all legal and other expenses, claims, costs, losses, suits or judgments for damages to any person or destruction of any property arising in any manner directly or indirectly by reason of the acts of such Party's authorized representatives while on the premises of the other Party under any rights of access provided herein.

Customer shall indemnify and hold harmless the Company from and against any and all legal and other expenses, claims, costs, losses, suits or judgments for damages to any individual, firm or corporation constituting part of the Retail Load arising in any manner directly or indirectly by reason of a failure, interruption, curtailment, or deficiency in Company's supply of Requirements Service.

Company assumes no responsibility of any kind with respect to the construction, maintenance, or operation of the system or other property owned or used by Customer; and Customer agrees to protect indemnify and save harmless Company from any and all claims, demands, or actions for injuries to person or property by any person, firm or corporation in any way resulting from, growing out of, or arising in or in connection with (a) the construction, maintenance or operation of Customer's system or other property, or (b) the use of, or contact with, Energy delivered hereunder after it is delivered to Customer and while it is flowing through the lines of Customer, or is being distributed by Customer, or is being used by Retail Load.

If any Party intends to seek indemnification under this Section 11.02 from the other Party with respect to any Claim, the Party seeking indemnification shall give such other Party notice of such Claim within fifteen (15) days of the commencement of, or actual knowledge of, such Claim. Such Party seeking indemnification shall have the right, at its sole cost and expense, to participate in the defense of any such Claim. The Party seeking indemnification shall not compromise or settle any such Claim without the prior consent of the other Party, which consent shall not be unreasonably withheld.

11.03 Title and Risk of Loss.

Title to and risk of loss related to the Requirements Service shall transfer from Company to Customer at the Points of Delivery. Company warrants that it will deliver Requirements Service to Customer free and clear of all Claims or any interest therein or thereto by any person arising prior to the Points of Delivery.

ARTICLE XII REPRESENTATIONS AND WARRANTIES

12.01 Company and Customer Representations and Warranties.

Company and Customer represent and warrant to the other that:

- a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- b) It has, or will upon execution of this Agreement promptly seek, all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- c) The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, including, but not limited to, any organizational documents, charters, by-laws, indentures, mortgages or any other contracts or documents to which it is a party, or any law, rule, regulation, order or the like applicable to it;
- d) This Agreement, and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, subject to any equitable defenses;
- e) It is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it, which would result in it being or becoming bankrupt; and
- f) There is not pending or, to its knowledge, threatened against it any legal proceedings that could materially and/or adversely affect its ability to perform its obligations under this Agreement.

12.02 Customer Representations and Warranties.

Customer represents and warrants to Company that:

- a) With respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of its status as a municipality under Federal or state law or similar grounds with respect to itself or its revenues or assets from (i) suit, (ii) jurisdiction of courts, (iii) relief by way of injunction, order for specific performance or recovery of property, (iv) attachment of assets, or (v) execution or enforcement of any judgment;
- b) Customer shall provide and maintain suitable protective devices on its equipment to prevent any loss, injury or damage that might result from single

phasing conditions or any other fluctuations or irregularity in the supply of Energy. Company shall not be liable for any loss, injury or damage resulting from a single phasing condition or any other fluctuation or irregularity in the supply of Energy which could have been prevented by Customer's use of such protective devices;

- c) To the extent that retail customers that are not part of Customer's Retail Load, as it exists as of the date hereof, now have or obtain in the future, during the Term of this Agreement, the ability to choose generation electric suppliers, Customer agrees that it will not seek to provide any type of electric service to such retail customers under this Agreement without the express consent of Company; and
- d) Customer shall not take any actions inconsistent with this Agreement to change Customer's Retail Load due to prevailing electric market prices.

ARTICLE XIII ASSIGNMENT

13.01 General Prohibition Against Assignments.

Except as provided in Section 13.02 below, no Party shall assign, pledge or otherwise transfer this Agreement or any right or obligation under this Agreement without first obtaining the other Party's written consent, which consent shall not be unreasonably withheld.

13.02 Exceptions to Prohibition Against Assignments.

A Party may, without the other Party's prior written consent, (and without relieving itself from liability hereunder) (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements; (ii) transfer or assign this Agreement to an Affiliate of such Party (which Affiliate shall be of equal or greater creditworthiness); or (iii) transfer or assign this Agreement to any person or entity succeeding by merger or by acquisition to all or substantially all of the assets whose creditworthiness is equal to or higher than that of the assigning Party; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof.

ARTICLE XIV CONFIDENTIALITY

14.01 Treatment of Confidential Information.

To the extent permitted by law, all Confidential Information shall be held and treated by the Parties and their agents in confidence, used solely in connection with this Agreement, and shall not, except as hereinafter provided, be disclosed without the other Party's prior written consent.

Notwithstanding the foregoing, Confidential Information may be disclosed (a) to a third party for the purpose of effectuating the supply, transmission and/or distribution of Requirements Service to be delivered pursuant to this Agreement, (b) to regulatory authorities of competent jurisdiction, or as otherwise required by applicable law, regulation or order, (c) as part of any required, periodic filing or disclosure with or to any regulatory authority of competent jurisdiction, and (d) to third parties in connection with merger, acquisition/disposition and financing transactions provided that any such third party shall have signed a confidentiality agreement with the Disclosing Party containing customary terms and conditions that protect against the disclosure of the Confidential Information and that strictly limit the recipient's use of such information only for the purpose of the subject transaction and that provide for remedies for non-compliance.

In the event that a Party (Disclosing Party) is requested or required to disclose any Confidential Information pursuant to subsections (a) and (b) above, the Disclosing Party shall provide the other Party with prompt written notice of any such request or requirement, so that the other Party may seek an appropriate protective order, other confidentiality arrangement or waive compliance with the provisions of this Agreement. If, failing the entry of a protective order, other confidentiality arrangement or the receipt of a waiver hereunder, the Disclosing Party, in the opinion of counsel, is compelled to disclose Confidential Information, the Disclosing Party may disclose that portion of the Confidential Information which the Disclosing Party's counsel advises that the Disclosing Party is compelled to disclose.

The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. In addition to the foregoing, the Disclosing Party shall indemnify, defend and hold harmless the other Parties from and against any Claims, threatened or filed, and any losses, damages, expenses, attorneys' fees or court costs incurred by such Party in connection with or arising directly or indirectly from or out of the Disclosing Party's disclosure of the Confidential Information to third parties except as permitted above.

Notwithstanding the above provisions, Company shall be permitted to communicate with SPP any necessary information, including Confidential Information, with regard to implementation of this Agreement, and will make all reasonable efforts to ensure that Confidential Information remains confidential.

ARTICLE XV REGULATORY AUTHORITIES

15.01 Effect of Regulation.

Each Party shall perform its obligations hereunder in accordance with applicable law, rules and regulations. Nothing contained herein shall be construed to constitute consent or acquiescence by either Party to any action of the other Party which violates the laws of the United States as those provisions may be amended, supplemented or superseded, or which violates any other law or regulation, or any order, judgment or decree of any court or governmental authority of competent jurisdiction.

The Parties hereto recognize that this Agreement is subject to the jurisdiction of the FERC, and that the Company will file this Agreement with the FERC and Customer

shall support such filing. Should the FERC not accept this Agreement for filing, without change or condition, this Agreement shall not become effective, unless the Parties agree otherwise in writing, it being the intent of the Parties that the FERC's acceptance of this Agreement, without change or condition, is prerequisite to the validity of this Agreement. In the event that this Agreement is not accepted for filing, without change or condition, the Parties agree to negotiate in good faith to reach an agreement that provides for a similar balancing of interests as is reflected in this Agreement.

The Parties shall use their best efforts to seek and obtain the prompt approval of this Agreement by the FERC.

**ARTICLE XVI DISPUTE RESOLUTION AND STANDARD OF REVIEW FOR
PROPOSED CHANGES**

16.01 Resolution by Officers of the Parties.

In the event of any dispute among the Parties arising out of or relating to this Agreement, the Parties shall refer the matter to their duly authorized officers for resolution. Should such officers fail to resolve the dispute within ten (10) days after such referral, the Parties agree that any such dispute may be resolved pursuant to Section 16.02.

16.02 Procedures for Resolution of Disputes.

Any claim, counterclaim, demand, cause of action, dispute, or controversy arising out of or relating to this Agreement or the relationship established by this Agreement, any provision hereof, the alleged breach thereof, or in any way relating to the subject matter of this Agreement, involving the Parties and/or their respective representatives (for purposes of this Section only, collectively the "Disputes"), even though some or all of such Disputes allegedly are extra contractual in nature, whether such Claims sound in contract, tort, or otherwise, at law or in equity, under state or federal law, whether provided by statute or the common law, for damages or any other relief, may, upon mutual agreement of the parties, be resolved by binding arbitration. Such arbitration shall be conducted in accordance with the rules of the Commercial Arbitration Rules of the American Arbitration Association. Upon agreement to arbitrate, any award made hereunder shall be binding upon the Parties, their successors and assigns, and any trustee or receiver of either Party.

In the event a Dispute comes before a court of competent jurisdiction, the Parties hereby knowingly, voluntarily and intentionally waive any rights they may have to a trial by jury in respect of any litigation based hereon, or arising out of, under, or in connection with, this Agreement and/or any course of conduct, course of dealing, statements (whether oral or written) or actions of Company and Customer related hereto.

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16.03 Standard of Review.

Notwithstanding the provisions of Sections 16.01 and 16.02 hereof, and subject to the exceptions set out in Section 16.03, the Company and Customer shall be entitled, at any time and from time to time, to apply for or to take other action to request a change to provisions of this Agreement under Sections 205 or 206 of the Federal Power Act (FPA), respectively, and pursuant to the rules and regulations promulgated thereunder (Sections 205 or 206), except as limited below:

The Parties expressly agree that the following provisions of this Agreement are not subject to change under Sections 205 or 206, absent the mutual written consent of the Parties:

- a) the Term and expiration date of this Agreement;
- b) the Parties agreement that Customer is not entitled to cost-based rates, after the expiration of this Agreement, solely because of this Agreement;
- c) the cessation of the Company's obligation to plan to meet Retail Load, after the end of the Term of this Agreement, absent an agreement of the Parties that extends beyond the end of the Delivery Period covered by this Agreement;
- d) the continuation of historical cost-based formula rates, designed to permit the Company to recover the costs it incurs to provide Requirements Service to the Customer, throughout the Term of this Agreement;
- e) the credit provisions in Article VII;
- f) the treatment of construction work in progress (CWIP) and off-system sales margins in Exhibit B, and the Return on Common Equity determination, provided such result is not below 9.0% or above 18.0%;
- g) the Customer's agreement that, so long as its Monthly Bill is calculated in accordance with this Agreement, Customer shall not allege, in any FERC proceeding, that any of the rates charged hereunder result in price discrimination or anti-competitive effects; and
- h) the standard of review provisions in this Section.

It is the intent of this Section and the Parties that, to the maximum extent permitted by law, the provisions of this Agreement that are enumerated above shall not be subject to change under Sections 205 and 206, and that absent the written agreement of the Parties to change any of the above enumerated provisions, the standard of review for changes to any of those enumerated provisions proposed by a Party, a non-party, or the FERC, acting *sua sponte*, shall be the public interest standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the *Mobile-Sierra Doctrine*).

ARTICLE XVII GENERAL PROVISIONS

17.01 Third Party Beneficiaries.

This Agreement is intended solely for the benefit of the Parties hereto, and nothing herein will be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a Party hereto.

17.02 No Dedication of Facilities.

Any undertakings or commitments by one Party to the other under this Agreement shall not constitute the dedication of generation facilities or the transmission system or any portion thereof of either Party to the other Party.

17.03 Waivers.

The failure of a Party to insist in any instance upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights under this Agreement shall not be construed as a general waiver of any such provision or the relinquishment of any such right, except to the extent such waiver is in writing and signed by an authorized representative of such Party.

17.04 Interpretation.

The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Arkansas, without giving effect to its conflict of laws provisions.

17.05 Severability.

If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby; and the Parties hereby agree to effect such modifications to this Agreement as shall be reasonably necessary in order to give effect to the original intention of the Parties.

17.06 Modification.

No modification to this Agreement will be binding on any Party unless it is in writing and signed by the Parties.

17.07 Counterparts.

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

17.08 Headings.

Article and Section headings used throughout this Agreement are for the convenience of the Parties only and are not to be construed as part of this Agreement.

17.09 Audit.

Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any invoice, charge or computation made pursuant to this Agreement. If requested, a Party shall provide to the other Party invoices evidencing the quantities of Requirements Service. If any such examination reveals any inaccuracy in any invoice, the necessary adjustments to such invoice and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

17.10 Records.

The Parties shall keep (or as necessary cause to be kept by their respective agents) for a period of at least one (1) year such records as may be needed to afford a clear history of the Requirements Service supplied pursuant to this Agreement. For any matters in dispute, the Parties shall keep the records related to such matters until the dispute is ended.

17.11 Survival.

The provisions of Articles XI, XIV and XVI, and Section 17.09 and 17.10 hereof, and any other Section of this Agreement that specifies by its terms that it survives termination, shall survive the termination or expiration of this Agreement.

17.12 Cooperation to Effectuate Agreement.

Each Party shall cooperate to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties.

17.13 RULES OF CONSTRUCTION

- a) Terms used in this Agreement but not listed in this Article, or defined herein or in Article I, shall have meanings as commonly used in the English language and, where applicable, in Good Utility Practice.
- b) Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings.
- c) The masculine shall include the feminine and neuter.

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- d) The words "include", "includes" and "including" are deemed to be followed by the words "without limitation."
- e) References to contracts, agreements and other documents and instruments shall be references to the same as amended, supplemented or otherwise modified from time to time.
- f) The Exhibits attached hereto are incorporated in and are intended to be a part of this Agreement; provided, that in the event of a conflict between the terms of any Exhibits and the terms of this Agreement, the terms of this Agreement shall take precedence.
- g) References to laws and to terms defined in, and other provisions of, laws shall be references to the same (or a successor to the same) as amended, supplemented or otherwise modified from time to time.
- h) References to a person or entity shall include its successors and permitted assigns and, in the case of a governmental or regulatory authority, any entity succeeding to its functions and capacities.
- i) References to "Articles," "Sections," or "Exhibits" shall be to articles, sections, or Exhibits of this Agreement.
- j) Unless the context plainly indicates otherwise, words importing the singular number shall be deemed to include the plural number (and vice versa); terms such as "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Agreement rather than any particular part of the same.

This Agreement was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this Agreement and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Agreement or any part hereof.

17.14 Prior Agreement

The Parties agree that the Prior Agreement shall continue in full force and effect until 2400, December 31, 2007, at which time the Prior Agreement shall terminate. All true-ups with regards to power supplied under the Prior Agreement will be done using the terms and conditions of the Prior Agreement, including the Prior Agreement formulas, but all other issues will be addressed under this Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement on their behalf as of the date first above written.

City of Bentonville, Arkansas

By: _____

Name: _____

Title: _____

Southwestern Electric Power Company

By: _____

Name: _____

Title: _____

EXHIBIT A **POINTS OF RECEIPT**

	Point of Receipt	Voltage (kV)		Comment(s)
1.	Bentonville Switching Station	69		Note 1, Serves Sub "A" and Sub "B"
2.	Bentonville West Tap	69		Notes 1, Serves Sub "C" and Sub "D"
3.	Bentonville "J" Street Tap	161		Sub "E"
4.	Bentonville Shane Lane Tap	161		Sub "F"
5.	Bentonville Motley Road	161		Sub "G"
6.	Bentonville Moberly Lane	161		Sub "H"
7.	Bentonville Greenhouse Road	161		Sub "I"

Notes:

1. See the Interconnection and Local Delivery Service Agreement for details.

EXHIBIT B -COST OF SERVICE

EXHIBIT B
PAGE B-1

DETERMINATION OF DEMAND RELATED COSTS
AND DEMAND RATE
For Year Ending 12/31/XX

		Reference	Production Amount
1.	Return on Investment	P.B-3, L.25, Col (2)	\$
2.	Operation & Maintenance Expense	P.B-12, L.16, Col (2)	\$
3.	Depreciation Expense	P.B-13, L.11, Col (2)	\$
4.	Taxes Other Than Income Taxes	P.B-14, L.4, Col (2)	\$
5.	Income Tax	P.B-15, L.5, Col (2)	\$
6.	Subtotal	L.1 thru L.5	\$
7.	Off-System Sales for Resale	Note A & C	\$
8.	Ancillary Service Revenue	Note C	\$
9.	Annual Production Fixed Cost	L.6 - L.7 - L.8.	\$
10.	Production System Peak Demand	Note B & C	\$
11.	Demand Rate (\$/kW)	L.9 / (12 x L.10)	\$

Note A: Capacity related revenues associated with off-system sales
as reported in Account 447.

Note B: Average of the Company's four summer month's actual system peak demands
(60-minute integration), adjusted for customer resources and other loads.

Note C: To be determined by SWEPCO.

DETERMINATION OF ENERGY RELATED COSTS
AND ENERGY RATE
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-2

		Reference	Amount
1.	Energy Related A&G Expense	P B-8, L 17, Col (5)	\$
2.	Energy Related Return	P B-3, L 25, Col (3)	\$
3.	Energy Related Depreciation Expense	P B-13, L 11, Col (3)	\$
4.	Energy Related Income Tax	P B-15, L 5, Col (3)	\$
5.	Other Non-Fuel Production Expenses	P B-12, L 4 thru L 8 Col (3)	\$
6.	SPP Losses and Imbalance Ancillary Svc. Revenue	Note A	\$
7.	Total Energy Related Costs	L 1 thru L 5 - L 6	\$
8.	Net Energy for Load	Note A & B	\$
9.	Energy Rate (\$/kWh)	L 7 / L 8	\$

Note A: To be determined by SWEPCO.

Note B: Net generation, plus purchases, less non-requirements sales for resale.

RETURN ON PRODUCTION-RELATED INVESTMENT
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-3

	Reference	Production Amount (1)	Demand (2)	Energy (3)
1. Electric Plant				
2. Gross Plant in Service	P.B-4, L. 9, Col.(2)	\$	\$	\$
3. Less: Accumulated Depreciation	P.B-4, L.22, Col.(2)	\$	\$	\$
4. Less: Accumulated Deferred Taxes	P.B-4, L.30, Col.(2)	\$	\$	\$
5. Net Plant in Service	L.2 - (L.3 + L.4)	\$	\$	\$
6. Plant Held for Future Use	Note A & C	\$	\$	\$
7. Pollution Control CWIP	Note A & C	\$	\$	\$
8. Other Production CWIP (Excluding TSG)	Note A & C	\$	\$	\$
9. Subtotal - Electric Plant	L.5 + L.6 + L.7 + L.8	\$	\$	\$
10. Working Capital				
11. Materials and Supplies				
12. Fuel	P.B-7, L.2, Col(3)	\$		\$
13. Non Fuel	P.B-7, L.76, Col(3)	\$	\$	\$
14. Total M & S	L.12 + L. 13	\$	\$	\$
15. Prepayments (Note B)	FERC-1, P.111, L.57	\$	\$	\$
16. Cash Requirements	P.B-6, L.8	\$	\$	\$
17. Subtotal Working Capital	L.14 + L.15 + L.16	\$	\$	\$
18. Less: ARO Liability - Wind Production Related	P. 21 Ln 36 Col (7); Note D	\$	\$	
19. Less: PTC Deferral Regulatory Liability	P. B-17 Ln 9	\$	\$	
20. Total Investment	L. 9 + L. 17 - L. 18 - L. 19	\$	\$	\$
21. Composite Cost of Capital	P.B-9, L.4, Col (4)	\$	\$	\$
22. Return on Investment, before PTC Adjustments	L. 20 x L. 21	\$	\$	\$
23. Return on PTC Deferred Tax Asset	P. B-17 L 7 Col (3)	\$	\$	
24. PTC's Deferred/(Refunded)	P. B-17 L 13 Col (2)	\$	\$	
25. Total Return on Investment	L.22 + L.23 + L.24	\$	\$	\$

Note A: To be determined by SWEPCO.

Note B: Average of beginning and end of year balances from the FERC-1.

Classified and functionalized using the Gross Plant Allocator from P.B-4, L.7.
Total Account 165 = \$

Note C: Amount shall include 100% of production related investment. Average of beginning and end of year balances as identified in Company Records.

Note D: ARO Liabilities related to Wind Production and approved by FERC are includable in rate base. ARO liabilities other than Wind Production ARO's are not includable in rate base without approval from FERC.

PRODUCTION-RELATED ELECTRIC PLANT IN SERVICE
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-4

	Reference	System Amount (1)	Reference	Production Amount (2)	Demand (3)	Energy (4)
1. Gross Plant in Service (Note A)						
2 Plant in Service	FERC-1, P.206-207, L.100	\$		\$	\$	
3 Less: ARO Assets			Note B	\$	\$	
4 Plus: Wind Production ARO Assets			P.21, Col (4) , L.36	\$	\$	
5 Plant in Service Including Recoverable Wind Production ARO Assets	L.2 Col (1) - L.3 Col (2) +L.4 Col(3)	\$	Note B - L.2 Col (2) - L.3 (Col (2) + L.4, Col (2)	\$	\$	
6 Generator Step Ups Included in Accts. 352 and 353	P.B-18, L.22			\$	\$	
7 Transmission Serving Generation ("TSG")			Note C	\$	\$	
8 General and Intangible Plant		\$	Note D	\$	\$	\$
9 Total (Including TSG)	L.5 + L.6 + L.7+L.8			\$	\$	\$
10 Gross Plant Allocator (Including TSG)	L.9 / L.5 Col (1)			%	%	%
11 Total System (Excluding TSG)	L.5 Col (1) - L.7 Col (2)	\$				
12 Total Production (Excluding TSG)	L.9 Col (2) - L.7 Col (2)			\$	\$	\$
13 Gross Plant Allocator (Excluding TSG)	L.12 / L.11 Col (1)			%	%	%
14 <u>Accumulated Provision for Depreciation (Note A)</u>						
15 Plant in Service	FERC-1, P.200, L.22	\$		\$	\$	
16 Less: ARO Accumulated Depreciation			Note B	\$	\$	
17 Plus: Wind Production ARO Assets			P.21, Col (5) , L.36	\$	\$	
18 Plant in Service Including Recoverable Wind Production ARO Accumulated Depreciation	L.15 - L. 16 + L. 17	\$		\$	\$	
19 Generator Step Ups Included in Accts. 352 and 353	P.B-18, L.429			\$	\$	
20 TSG Accumulated Depreciation			Note C	\$	\$	\$
21 General and Intangible Plant		\$	Note E	\$	\$	\$
22 Total	L.18 + L.19 + L.20 + L.21			\$	\$	\$
23 Accumulated Deferred Taxes - Note A						
24 Less: TSG Accumulated Deferred Taxes		\$	Note C			
25 Less Non Recoverable ARO Deferred Taxes	Note B	\$				
26 Accumulated Deferred Taxes Excluding TSG and AROs	L.23 - L.24 - L.25	\$	Note F	\$	\$	\$
27 Plus: TSG Accumulated Deferred Taxes	L.24 Col (1)			\$	\$	
28 Subtotal of Production ADIT	L.26 + L.27			\$	\$	\$
29 Less: PTC Carryforward Deferred Tax Asset	P.B-17, Ln 1	\$	Note G	\$	\$	
30 Total Accumulated Deferred Taxes	L.28 - L.29	\$		\$	\$	\$

Note A: Amounts Average of beginning and end of year balances from the FERC-1 or Company records.

Note B: Production amounts on lines 2 & 14 include all ARO's. ARO balances related to Wind Production are includable in rate base. All other ARO assets and accumulated depreciation not related to wind production are not includable in cost of service and are removed from rate base on lines 3 and 15.

Note C: Costs incurred to build, operate, maintain, or depreciate assets which are dedicated to the interconnection of individual generation resources to the SPP Transmission Network, including generation tie-lines, are referred to herein as Transmission Serving Generation ("TSG"). These are separately accounted for in Company records and are included in this formula's production cost of service. TSG plant is recorded in Plant Accounts 350 through 359. In the event of SWEPCO using excess capacity on the TSG to provide service to a third party, the Company will make a 205 filing to address any necessary formula changes at that time.

Note D: General and Intangible Plant total is included in L.2 Col (1). Balance excludes AROs in plant account 399.1 Balance in L.7, Col(1) is allocated based on the % calculated on P.B-5, L.2.

Note E: Allocated based on the % calculated on P.B-5, L.8.

Note F: Allocated based on the Gross Plant Allocator excluding TSG from L.12.

Note G: PTC Carryforward Deferred Tax Asset removed to allow for calculation of return at a different rate of return. See B-17 for calculation of return on this asset.

PRODUCTION-RELATED GENERAL PLANT ALLOCATION
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-5

	System Amount (Note A) (1)	Allocation Factor (2)	Related to Production (1) x (2) (3)	Demand (4)	Energy (5)
1. Miscellaneous General Plant - Accounts 389-398	\$	Note B & D	\$	\$	\$
2.			%	%	%
3. Other Tangible Property					
4. 399 - Other Tangible Property	\$	Note C	\$		\$
5. 399.1 - Asset Retirement Costs for General Plant	\$	Note C	\$		\$
6. Total Other Tangible Property	\$		\$		\$
7. Total General Plant	\$		\$	\$	\$
8.			%	%	%

Note A: Average of beginning and end of year balances from the FERC-1.

Note B: Production allocation including TSG based on O&M wages and salaries excluding A&G.

a. Total O&M wages and salaries excluding A&G.	\$
b. Production O&M wages and salaries	\$
c. Ratio (b/a).	%

Note C: SWEPCO will not recover any ARO rate base items without approval of a Section 205 filing to support their recovery.
Recoverable amounts are directly assigned to production and energy.

Note D: Demand and Energy classification based on production O&M wages and salaries including TSG excluding A&G.

a. Production O&M wages and salaries.	\$
b. Demand related production O&M wages and salaries.	\$
c. Ratio (b/a).	%
(Demand/Energy split based on P.B-12a)	

PRODUCTION-RELATED CASH REQUIREMENT
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-6

	Reference	Production Amount (1)	Demand (2)	Energy (3)
1. Fuel Expense	P.B-19, L.11	\$		\$
2. Fuel Cash Requirements	45/360 x L.1	\$		\$
3. Purchased Power	P.B-12, L.1	\$	\$	\$
4. Purchased Power Cash Requirements	45/360 x L.3	\$	\$	\$
5. Total O&M Excluding Fuel	P.B-12, L.16	\$	\$	\$
6. Other O&M Expense	L.5 - L.3	\$	\$	\$
7. Other O&M Cash Requirements	45/360 x L.6	\$	\$	\$
8. Total cash Requirements	L.2 + L.4 + L.7	\$	\$	\$

PRODUCTION-RELATED MATERIALS & SUPPLIES
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-7

		Reference	System Account (1)	Allocation Factor (2)	Production Amount (3)	Demand (4)	Energy (5)
1.	Material & Supplies						
2.	Fuel (Note A, B and C)	FERC-1, P.110	\$		\$		\$
3.	Non-Fuel - Acct. 154 -163 (Note C)	FERC-1, P.110-111					
4.	Production Excluding TSG		\$	Note A & D	\$	\$	
5.	Allowances - Account 158		\$	100.00%	\$		\$
6.	TSG	Note E	\$		\$	\$	-
7.	Total Non-Fuel	L.4 + L.5 + L.6 (Note F)	\$		\$	\$	\$
8.	Total Material & Supplies	L.2 + L.7	\$		\$	\$	\$

Note A: Accounts 120, 151 and 152.

Note B: Adjusted for inventory carried on behalf of others for which the Company receives carrying charge compensation.

Note C: Thirteen months average.

Note D: Production amount to be allocated based on the end of year production ratio excluding TSG.

Note E: To be determined by SWEPCO.

Note F: Any Material and Supplies for TSG will be directly assigned to Production

PRODUCTION-RELATED
ADMINISTRATIVE & GENERAL EXPENSE ALLOCATION
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-8

		Account	Reference	System	Allocation Factor % (2)	Production		
				Amount (1)		Amount (3)	Demand (4)	Energy (5)
1.	Administrative and General Expense							
2.	Related to Wages and Salaries							
3.	A&G Salaries	920	FERC-1, P.323	\$				
4.	Outside Services	923	FERC-1, P.323	\$				
5.	Employee Pensions & Benefits	926	FERC-1, P.323	\$				
6.	Office Supplies	921	FERC-1, P.323	\$				
7.	Injuries & Damages	925	FERC-1, P.323	\$				
8.	Franchise Requirements	927	FERC-1, P.323	\$				
9.	Duplicate Charges - Credit	929	FERC-1, P.323	\$				
10.	Miscellaneous General Expenses (Note D)	930	FERC-1, P.323	\$				
11.	Administrative Expenses Transferred - Cr	922	FERC-1, P.323	\$				
12.	Rents	931	FERC-1, P.323	\$				
13.	Total		Ls. 3 thru 12	\$	Note A	\$	\$	\$
14.	Property Insurance	924	FERC-1, P.323	\$	Note C	\$	\$	
15.	Regulatory Commission Expenses		Note C & D	\$	Note E	\$	\$	
16.	Maintenance of General Plant	935	FERC-1, P.323	\$	Note B	\$	\$	\$
17.	Total A&G Expense		Ls. 13 thru 16	\$		\$	\$	\$

Note A: Production allocation based on the % calculated on P.B-5, Note B.
Demand and Energy allocation based on the % calculated on P.B-5, Note D.
Note B: Allocated based on the % calculated on P.B-5, L.6.
Note C: To be determined by SWEPCO.
Note D: Excluding all items not related to wholesale service.
Note E: Allocated 100% to production.

COMPOSITE COST OF CAPITAL
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-9

	Reference		Total Company Average Capitalization		Cost of Capital %	Composite Cost of Capital (2 x 3) (4)
			\$ (1)	% (2)		
1.	Long Term Debt	Note A	\$	%	%	%
2.	Preferred Stock	Note B	\$	%	%	%
3.	Common Stock	Note C	\$	%	%	%
4.	Total		\$	%		%

Note A: Columns (1) and (3) of line 1 from P.B-10.

Note B: Columns (1) and (3) of Line 2 from P.B-11.

Note C: Average of beginning and end of year balances from the FERC-1.

AVERAGE LONG TERM DEBT
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-10

		Average Debt Balance (1)	Reference	Interest Booked (2)
1.	Long-Term Debt (Note A)	\$		
2.	Interest on Long-Term Debt		FERC-1, P.117, L.62	\$
3.	Amortization of Debt Discount and Expense (Acct. 428)		FERC-1, P.117, L.63	\$
4.	Amort. of Loss on Recquired Debt (Acct. 428.1)		FERC-1, P.117, L.64	\$
5.	Amortization of Premium on Debt - Cr. (Acct. 429)		FERC-1, P.117, L.65	\$
6.	Amort. of Gain on Recquired Debt - Cr. (Acct. 429.1)		FERC-1, P.117, L.66	\$
7.	Total (L.2 + L.3 + L.4 - L.5 - L.6)			\$
8.	Embedded Costs = L.7, Col. (2)/L.1, Col. (1) x 100			%

Note A: Average of beginning and end of year balances from the FERC-1.

AVERAGE PREFERRED STOCK
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-11

		Reference	Amount
1.	Preferred Stock Dividends	FERC-1, P.118, L.29	\$
2.	Preferred Stock Issued (Note A)	FERC-1, P.112, L.3	\$
3.	Premium on Preferred Stock (Note A)	FERC-1, P.112, L.6	\$
4.	Total Preferred Stock	L.2 + L.3	\$
5.	Average Cost Rate	(L.1 / L.4) x 100	%

Note A: Average of beginning and end of year balances from the FERC-1.

ANNUAL FIXED COSTS
PRODUCTION O&M EXPENSE
EXCLUDING FUEL USED IN ELECTRIC GENERATION
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-12

	Account No.	Total Company (1)	(Demand) Fixed (2)	(Energy) Variable (3)
1.	Purchased Power	555	\$	\$
2.	System Control of Load Dispatching	556	\$	\$
3.	Other Production Expenses	557, Note B	\$	\$
4.	Other Non-Fuel Production Expenses Excluding TSG	Note A	\$	\$
5.	Other Credits	Note C	\$	\$
6.	Allowances	509	\$	\$
7.	Gains from Disposition of Allowances	411.8	\$	\$
8.	Losses from Disposition of Allowances	411.9	\$	\$
9.	Total Production Expense Excluding Fuel Used in Electric Generation	L.1 thru L.4 - L.5 + L.6 - L.7 + L.8	\$	\$
10.	A & G Expense, P. B-8, L.17		\$	\$
11.	Generator Step Up related O&M, P. B-18, L.26-48		\$	\$
12.	Transmission Serving Generation related O&M	Note E	\$	\$
13.	Accretion - Wind Production ARO	Note D, P.21, L. 36, Col(6)	\$	\$
14.	Gains on Settlement of Wind Production AROs	#411.6 Note F	\$	\$
15.	Losses on Settlement of Wind Production AROs	#411.7 Note F	\$	\$
16.	Total Production O&M Excluding Fuel	Sum L. 9 thru L. 13 - L. 14 + L. 15	\$	\$

Note A: Classified into fixed and variable components in accordance with P.B-12a.

Note B: Excluding Deferred Fuel.

Note C: Determined by SWEPCO Accounting, including amounts paid by Joint Owners for Plant Operations recorded in FERC account 456.

Note D: To be determined by SWEPCO. Recovery is contingent on approval from FERC.

Note E: The amounts determined by SWEPCO for TSG included in Transmission accounts 560-57 34. Specific TSG amounts will be identified by accounting records.

Note F: Gains or losses on settlement of Wind Production ARO liability will not be used until the asset retirement work has been completed.

CLASSIFICATION OF FIXED AND VARIABLE
PRODUCTION EXPENSES
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-12a

	Description	FERC Account No.	Demand Related	Energy Related
1.	Power Production Expenses			
2.	Steam Power Generation			
3.	Operation Supervision and Engineering	500	xx	-
4.	Fuel	501	-	xx
5.	Steam Expenses	502	xx	-
6.	Steam from Other Sources	503	-	xx
7.	Steam Transferred-Cr.	504	-	xx
8.	Electric Expenses	505	xx	-
9.	Miscellaneous Steam Power Expenses	506	xx	-
10.	Rents	507	xx	-
11.	Allowances	509	-	xx
12.	Maintenance Supervision and Engineering	510	-	xx
13.	Maintenance of Structures	511	xx	-
14.	Maintenance of Boiler Plant	512	-	xx
15.	Maintenance of Electric Plant	513	-	xx
16.	Maintenance of Miscellaneous Steam Plant	514	xx	-
17.	Nuclear Power Generation			
18.	Operation Supervision and Engineering	517	xx	-
19.	Nuclear Fuel Expense	518	-	xx
20.	Coolants and Water	519	xx	-
21.	Steam Expenses	520	xx	-
22.	Steam from Other Sources	521	-	xx
23.	Steam Transferred-Cr.	522	-	xx
24.	Electric Expenses	523	xx	-
25.	Miscellaneous Nuclear Power Expenses	524	xx	-
26.	Rents	525	xx	-
27.	Maintenance Supervision and Engineering	528	-	xx
28.	Maintenance of Structures	529	xx	-
29.	Maintenance of Reactor Plant Equipment	530	-	xx
30.	Maintenance of Electric Plant	531	-	xx
31.	Maintenance of Miscellaneous Nuclear Plant	532	-	xx

CLASSIFICATION OF FIXED AND VARIABLE PRODUCTION EXPENSES For Year Ending 12/31/XX		FERC Account No.	Demand Related	EXHIBIT B PAGE B-12b Energy Related
32.	Hydraulic Power Generation			
33.	Operation Supervision and Engineering	535	xx	-
34.	Water for Power	536	-	xx
35.	Hydraulic Expenses	537	xx	-
36.	Electric Expenses	538	xx	-
37.	Misc. Hydraulic Power Generation Expenses	539	xx	-
38.	Rents	540	xx	-
39.	Maintenance Supervision and Engineering	541	xx	-
40.	Maintenance of Structures	542	xx	-
41.	Maintenance of Reservoirs, Dams and Waterways	543	xx	-
42.	Maintenance of Electric Plant	544	-	xx
43.	Maintenance of Miscellaneous Hydraulic Plant	545	xx	-
44.	Other Power Generation			
45.	Operation Supervision and Engineering	546	xx	-
46.	Fuel	547	-	xx
47.	Generation Expenses	548	xx	-
48.	Miscellaneous Other Power Generation Expenses	549	xx	-
49.	Rents	550	xx	-
50.	Maintenance Supervision and Engineering	551	xx	-
51.	Maintenance of Structures	552	xx	-
52.	Maintenance of Generation and Electric Plant	553	xx	-
53.	Maintenance of Misc. Other Power Generation Plant	554	xx	-
54.	Other Power Supply Expenses			
55.	Purchased Power	555	xx	xx
56.	System Control and Load Dispatching	556	xx	-
57.	Other Expenses	557	xx	-
58.	Production Related Transmission Expenses including TSG (Note A)			
59.	Station Expenses	562	xx	-
60.	Maintenance of Structures	569	xx	-
61.	Maintenance of Station Equipment	570	xx	-
62.	Operation Supervision and Engineering	560	xx	-
63.	Load Dispatching	561	xx	-
64.	Overhead Line Expenses	563	xx	-
65.	Underground Line Expenses	564	xx	-
66.	Transmission of Electricity by Others	565	xx	-
67.	Miscellaneous Transmission Expenses	566	xx	-
68.	Rents	567	xx	-
69.	Maintenance Supervision and Engineering	568	xx	-
70.	Maintenance of Overhead Lines	571	xx	-
71.	Maintenance of Underground Lines	572	xx	-
72.	Maintenance of Misc. Transmission Plant	573	xx	-
73.	Maintenance of Transmission Plant	574	xx	-

Note A: Expenses related to Generator Step Up Transformers included in accounts 352 and 353.
Expenses associated with TSG will be identified in the Company accounting system.

PRODUCTION-RELATED DEPRECIATION EXPENSE
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-13

		Depreciation Expense (1)	Demand (2)	Energy (3)
	Production Plant (Note A)			
1.	Steam	\$	\$	
2.	Nuclear	\$	\$	
3.	Hydraulic			
4.	Conventional	\$	\$	
5.	Pump Storage	\$	\$	
6.	Other Production (Note C & F)	\$	\$	
7.	Production Related General and Intangible Plant	\$	\$	\$
8.	Generator Step Up Related Depreciation, P.B-18, L.32	\$	\$	
9.	TSG Related Depreciation, Note B	\$	\$	
10.	Wind Production Asset Retirement Cost Depreciation Expense (Note D & E)	\$	\$	
11.	Total Production	\$	\$	\$

Note A: Lines 1 through 6 will be Depreciation Expense from the FERC-1, Pg. 336, excluding ARO depreciation and excluding TSG depreciation. Recovery of ARO depreciation is contingent upon approval from FERC.

Note B: To be determined by SWEPCO.

Note C: Line 6 includes renewable production.

Note D: Line 10 Depreciation expenses on ARO associated with wind production assets.

Note E: Recovery of approved ARO costs will not occur until the assets for which such cost recovery has been approved have been placed in commercial operation

Line 7 will be the total of General and Intangible Plant from the FERC-1, Pg. 336 times the % calculated on P.B-5, L.2.

Note F: In the event the economic life of the Wind Production Facility is extended beyond 25 years, SWEPCO will make a 205 filing to propose revised depreciation rates to reflect this longer life.

PRODUCTION RELATED
TAXES OTHER THAN INCOME TAXES
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-14

	System Reference	Amount (1)	%	Production Amount (2)
1. Taxes Related to O&M Wages and Salaries	Note A	\$	Note B	\$
2. Property and Other Taxes Related to Plant Investment Excluding TSG	Note A	\$	Note C	\$
3. Property and Other Taxes Related to TSG	Note D	\$	100%	\$
4. Total Taxes Other Than Income Taxes	L.1 + L.2 + L.3	\$		\$

Note A: Taxes Other than income will be based on their description as defined by the taxes provided in page 262-263 of the FERC Form 1 and Company accounting records.

Note B: Production allocation based on % calculated on P.B-5, Note B. = %
 Note C: Production allocation based on the Gross Plant Excluding TSG Allocator from P.B-4, L.12. = 0.00%
 Note D: Property and Other Taxes related to TSG are separately accounted for in the Company books and records.

PRODUCTION-RELATED INCOME TAX
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-15

		Reference	Amount (1)	Demand (2)	Energy (3)
1.	Return on Investment	P.B-3, L.22	\$	\$	\$
2.	Interest	P.B-3, L.20x P.B-9, L.1, Col(4)	\$	\$	\$
3.	Balance for Equity Earnings	L.1 - L.2	\$	\$	\$
4.	Combined Income Tax Factor	P.B-16, L.21	\$	\$	\$
5.	Income Tax	L.3 x L.4	\$	\$	\$

COMPUTATION OF EFFECTIVE INCOME TAX RATE
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-16

	Reference	Amount
1. Income Before Extraordinary Items	FERC-1, P. 117, L.71	\$
2. Allowance for Funds Used During Construction (AFUDC)	FERC-1, P. 117, L. 38	\$
3. Adjusted Income	L.1 - L.2	\$
4. Income Taxes:		
5. Federal	FERC-1.P. 114, L. 15, Acct. 409.1	\$
6. Other	FERC-1.P. 114, L. 16, Acct. 409.1	\$
7. Provision for Deferred Inc. Taxes	FERC-1.P. 114, L. 17, Acct. 410.1	\$
8. Less: Provision for Def. Inc. Taxes - Cr.	FERC-1.P. 114, L. 18, Acct. 411.1	\$
9. Investment Tax Credit Adjustment - Net	FERC-1.P. 114, L. 19, Acct. 411.4	\$
10. Subtotal	L.5 thru L.7 - L.8 + L.9	\$
11. Taxes Applicable to Other Income and Deductions:		
12. Income Taxes - Federal	FERC-1 P.117, L.53, Acct. 409.2	\$
13. Income Taxes - Other	FERC-1 P.117, L.54, Acct. 409.2	\$
14. Provision for Deferred Income Taxes	FERC-1 P.117, L.55, Acct. 410.2	\$
15. Provision for Deferred Income Taxes - Cr	FERC-1 P.117, L.56, Acct. 411.2	\$
16. Investment Tax Credit Adj. - Net	FERC-1 P.117, L.57, Acct. 411.5	\$
17. Subtotal	L.12 thru L.14-L.15+ L.16	\$
18. Total Income Taxes	L.10 + L.17	\$
19. Pretax Earnings Base	L.3 + L.18	\$
20. Effective Income Tax Rate	(L.18 / L.19) x100	%
21. Combined Tax Factor	L.20 / (1 - L.20)	\$

PRODUCTION TAX CREDIT DEFERRED TAX ASSET AND REGULATORY LIABILITY
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-17

CALCULATION OF SEPARATE RETURN ON PTC CARRYFORWARD DEFERRED TAX ASSET. (NOTE A)

		(1)	(2)	(3)
1	PTC Deferred Tax Asset Balance	Company Records	\$	
2	Return Debt / Equity Capital Structure		Debt	
3	Deferral Balance by Capital Type	Ln 1 x Ln 2	40%	WACC
4	Debt Interest Rate	P 10 Ln 8 Col (2)	\$	60%
5	WACC Rate	P 9 Ln 4 Col (4)	\$	Total
6	Tax Factor on WACC Portion	1 + P. 16, Ln 21	%	
7	Pre-Tax Return on Deferred Tax Asset	Col (3) Calc: Ln 3 * Ln 5 * Ln 6	\$	\$

PTC VALUE ADJUSTMENTS AND REGULATORY LIABILITY (NOTE B)

8	PTC Shaping Regulatory Liability balance	Company Records	\$	
	<u>Rate Year PTC Tax Gross Up Calculation</u>			
9.	PTC Value Withheld and Deferred During Rate Year (recorded in account 407.3)		\$	
10.	PTC Value Returned During Rate Year (recorded in account 407.4) - Enter as Negative		\$	
11.	Composite Tax Rate P. 16 Ln 21.		\$	
12.	Tax Gross Up	(Ln 9 + Ln 10) * Ln 11	\$	
13.	Rate Year Grossed up PTC Deferred (Returned)	Ln 9 + Ln 10 + Ln 12	\$	

Note A: This PTC Deferred Tax Asset amount represents a tax carryforward of any difference between the PTCs earned based on wind production and those deducted from federal taxable income on the tax return. Per the customer contract this asset will earn the rate of return as set forth in the calculation on this worksheet. Amount is the average of the beginning and ending balance.

Note B: This formula rate provides for an extension of the PTC benefit period for the Wind Catcher project beyond 2030 via a cost of service increase through 2030 and then by crediting cost of service thereafter. The cost of service increase is accomplished by withholding a percentage of PTC value earned through 2030. The table below provides the % of annual PTC value withheld and then returned through the contract period. Cost increases will be debited to 407.3 and credits will be recorded in 407.4.

Amounts withheld are accumulated in a regulatory liability which is deducted from rate base on worksheet B-3. Liability balance is the average of the beginning and ending balance. Each year's amount withheld or returned is grossed up for taxes and added to or deducted from cost of service on B-3.

Year	% of Annual Earned PTC's Withheld and Deferred	% of Regulatory Liability Returned
2021-2023	0.0%	
2024	6.0%	
2025	13.0%	
2026	14.5%	
2027	21.0%	
2028	28.0%	
2029	35.0%	
2030	41.7%	
2031		27.7%
2032		30.6%

PRODUCTION-RELATED GENERATOR STEP UP (GSU)
For Year Ending 12/31/XX

EXHIBIT B
PAGE B-18

		Reference	Amount
1.	Transmission Plant (Acct. 352)	FERC-1, P. 206-207, L.49	\$
2.	Less: TSG balances in Acct 352	Company Records	\$
3.	Acct 352 Excluding TSG Balances	L. 1 - L. 2	\$
4.	GSU Related	Note A	\$
5.	Percent	(L.4/ L.3)	%
6.	Transmission Expense (Acct. 569)	FERC-1, P. 321, L.102-105	\$
7.	Less: TSG balances in Acct 569	Company Records	\$
8.	Account 569 Less TSG Balances		\$
9.	GSU Related	L.5 x L. 8	\$
10.	Transmission Plant (Acct. 353)	FERC-1, P. 206-207, L.50	\$
11.	Less: TSG balances in Acct 353	Company Records	\$
12.	Acct 353 Excluding TSG Balances	L. 10 - L. 11	\$
13.	GSU Related	Note A	\$
14.	Percent	(L.13/L.12)	%
15.	Transmission Expense (Acct. 562 & 570)	FERC-1, P. 321, L.93 & 107	\$
16.	Less: TSG balances in Accts 562 & 570	Company Records	\$
17.	Account 562 & 570 Excluding TSG Balances	L. 15 - L. 16	\$
18.	GSU Related	L.14 x L.17	\$
19.	GSU Related		
20.	Plant	L.4 + L.13	\$
21.	Less: Directly Assigned GSU Plant	Note A	\$
22.	Net Plant	L.20 - L.21	\$
23.	Directly Assigned Percent	(L.19 / L.20)	%
24.	O&M Expense	L.9 + L.18	\$
25.	Less: Directly Assigned Allocation	L.23 x L. 24	\$
26.	Net O&M Expense	L.24 - L.25	\$
27.	Accumulated Depreciation	Note A	\$
28.	Less: Directly Assigned Allocation	L.23 x L. 27	\$
29.	Net Accumulated Depreciation	L.27 - L.28	\$
30.	Depreciation Expense	Note A	\$
31.	Less: Directly Assigned Allocation	L.23 x L. 30	\$
32.	Net Depreciation Expense	L.30 - L.31	\$

Note A: Based on descriptions of property units provided by the plant accounting system.

DETERMINATION OF FUEL RELATED COSTS
AND MONTHLY FUEL RATE
For Year Ending 12/31/XX

EXHIBIT B
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		Account	January	February	March	April	May	June
1.	Fuel Expense (Note A & B)							
2.	Coal	501	\$	\$	\$	\$	\$	\$
3.	Gas	501	\$	\$	\$	\$	\$	\$
4.	Oil	501	\$	\$	\$	\$	\$	\$
5.	Lignite	501	\$	\$	\$	\$	\$	\$
6.	Nuclear	518	\$	\$	\$	\$	\$	\$
7.	Water for Power	536	\$	\$	\$	\$	\$	\$
8.	Other Power Generation - Gas	547	\$	\$	\$	\$	\$	\$
9.	Other Power Generation - Oil	547	\$	\$	\$	\$	\$	\$
10.	Other Fuel Expense	501	\$	\$	\$	\$	\$	\$
11.	Subtotal Fuel Expense	L.2 thru L.10	\$	\$	\$	\$	\$	\$
12.	Purchased Power - Energy (Note A)	555	\$	\$	\$	\$	\$	\$
13.	Off-System Sales for Resale - Energy (Note A and C)	447						
14.	Revenue		\$	\$	\$	\$	\$	\$
15.	Margins		\$	\$	\$	\$	\$	\$
16.	Expense	L.14 - L.15	\$	\$	\$	\$	\$	\$
17.	Margins Associated with Wind Catcher	Note C	\$	\$	\$	\$	\$	\$
18.	Non-Wind Catcher Margins	Note C	\$	\$	\$	\$	\$	\$
19.	100% of Wind Catcher Margins	L.17	\$	\$	\$	\$	\$	\$
20.	Customer Share of Non-Wind Catcher Margins	L.18 x 90%	\$	\$	\$	\$	\$	\$
21.	Total Fuel Expense	L.11 + L.12 - L.16 - L.19 - L.20	\$	\$	\$	\$	\$	\$
22.	Net Energy for Load (Note A & D)		\$	\$	\$	\$	\$	\$
23.	Fuel Rate	L.21 / L.22	\$	\$	\$	\$	\$	\$

Note A: From SWEPCO's monthly financial reports.

Note B: Excluding Mine Closing expense.

Note C: Customer share of Off-System Sales for Resale Margins
Associated with the Wind Catcher Project = 100%

Customer share of Off-System Sales for Resale Margins
Other than from the Wind Catcher Project = 90%

Note D: Net generation, plus purchases, less non-requirements sales for resale.

DETERMINATION OF FUEL RELATED COSTS
AND MONTHLY FUEL RATE
For Year Ending 12/31/XX

EXHIBIT B
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	Account	July	August	September	October	November	December	Total
1. Fuel Expense (Note A & B)								
2. Coal	501	\$	\$	\$	\$	\$	\$	\$
3. Gas	501	\$	\$	\$ B-4, L. 9, Col.(2)	\$	\$	\$	\$
4. Oil	501	\$	\$	\$ B-4, L. 22, Col.(2)	\$	\$	\$	\$
5. Lignite	501	\$	\$	\$ B-4, L. 30, Col.(2)	\$	\$	\$	\$
6. Nuclear	518	\$	\$	\$	\$	\$	\$	\$
7. Water for Power	536	\$	\$	\$	\$	\$	\$	\$
8. Other Power Generation - Gas	547	\$	\$	\$	\$	\$	\$	\$
9. Other Power Generation - Oil	547	\$	\$	\$	\$	\$	\$	\$
10. Other Fuel Expense	501	\$	\$	\$	\$	\$	\$	\$
11. Subtotal Fuel Expense	L. 2 thru L. 10	\$	\$	\$	\$	\$	\$	\$
12. Purchased Power - Energy (Note A)	555	\$	\$	\$	\$	\$	\$	\$
13. Off-System Sales for Resale - Energy (Note A and C)	447							
14. Revenue		\$	\$	\$	\$	\$	\$	\$
15. Margins		\$	\$	\$	\$	\$	\$	\$
16. Expense	L. 14 - L. 15	\$	\$	\$	\$	\$	\$	\$
17. Margins Associated with Wind Catcher	Note C	\$	\$	\$	\$	\$	\$	\$
18. Non-Wind Catcher Margins	Note C	\$	\$	\$	\$	\$	\$	\$
19. 100% of Wind Catcher Margins	L. 17	\$	\$	\$	\$	\$	\$	\$
20. Customer Share of Non-Wind Catcher Margins	L. 18 x 90%	\$	\$	\$	\$	\$	\$	\$
21. Total Fuel Expense	L. 11 + L. 12 - L. 16 - L. 19 - L. 20	\$	\$	\$	\$	\$	\$	\$
22. Net Energy for Load (Note A & D)		\$	\$	\$	\$	\$	\$	\$
23. Fuel Rate	L. 21 / L. 22	\$	\$	\$	\$	\$	\$	\$

Note A: From SWEPCO's monthly financial reports.

Note B: Excluding Mine Closing expense.

Note C: Customer share of Off-System Sales for Resale Margins
Associated with the Wind Catcher Project = 100%

Customer share of Off-System Sales for Resale Margins
Other than from the Wind Catcher Project = 90%

Note D: Net generation, plus purchases, less non-requirements sales for resale.

ATTACHMENT A
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Exhibit B
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Southwestern Electric Power Company
FERC Rate Schedule No. 126

SOUTHWESTERN ELECTRIC POWER COMPANY
CALCULATION WEIGHTED AVERAGE TOTAL COMPANY RATES
DUE TO ORDER NO. U-34209-A FROM THE LOUISIANA PUBLIC SERVICE COMMISSION ORDER DATED SEPTEMBER 29, 2017
FOR FLINT CREEK AND WELSH PLANTS NEW LA RATES EFFECTIVE AS OF 08/01/2018

	LOUISIANA				ARKANSAS				TEXAS				FERC - Wholesale				COMPANY
	PLANT ACCT	RATES (1) (2) (3)	LA ALLOCATION FACTOR	WD AVG. RATE	ARKANSAS RATES (4)	ALLOCATION FACTOR	WD AVG. RATE	TEXAS ALLOCATION FACTOR	WD AVG. RATE	FERC RATES(4)	FERC ALLOCATION FACTOR	WD AVG. RATE	FERC ALLOCATION FACTOR	WD AVG. RATE			
STEAM PRODUCTION PLANT																	
	Armed Hill																
	311.0	1.1400%	0.335369	0.3823%	1.800%	0.186029	0.2185%	4.5900%	0.326352	1.480%	4.5900%	0.152251	0.6888%	2.80%			
	312.0	1.5800%	0.335369	0.5299%	0.940%	0.186029	0.1749%	5.0200%	0.326352	1.638%	5.0200%	0.152251	0.7643%	3.11%			
	314.0	1.0400%	0.335369	0.3489%	0.9300%	0.186029	0.3208%	4.400%	0.326352	1.774%	4.400%	0.152251	0.8382%	3.10%			
315.0	1.7600%	0.335369	0.5944%	1.9600%	0.186029	0.3381%	5.4400%	0.326352	1.774%	5.4400%	0.152251	0.9382%	3.10%				
316.0	4.9300%	0.335369	1.6544%	2.7500%	0.186029	0.5116%	6.8800%	0.326352	2.2453%	6.8800%	0.152251	1.0475%	5.46%				
Staff Unit at Armed Hill (12)	311.0	2.8600%	0.335369	0.9502%	2.8600%	0.186029	0.5320%	2.6300%	0.326352	0.850%	2.6300%	0.152251	0.3689%	2.75%			
	312.0	2.8600%	0.335369	0.9502%	2.8600%	0.186029	0.5320%	2.6300%	0.326352	0.850%	2.6300%	0.152251	0.3689%	2.75%			
	314.0	2.8600%	0.335369	0.9502%	2.8600%	0.186029	0.5320%	2.6400%	0.326352	0.861%	2.6400%	0.152251	0.4019%	2.75%			
	315.0	2.8600%	0.335369	0.9502%	2.8600%	0.186029	0.5320%	2.6400%	0.326352	0.861%	2.6400%	0.152251	0.4019%	2.75%			
	316.0	2.8600%	0.335369	0.9502%	2.8600%	0.186029	0.5320%	2.6300%	0.326352	0.855%	2.6300%	0.152251	0.3689%	2.75%			
Knox Lee	311.0	1.4600%	0.335369	0.4698%	5.400%	0.186029	0.8800%	3.4900%	0.326352	1.380%	3.4900%	0.152251	0.5314%	2.24%			
	312.0	1.4600%	0.335369	0.4698%	5.400%	0.186029	0.8819%	3.4900%	0.326352	1.380%	3.4900%	0.152251	0.5314%	2.24%			
	314.0	1.5100%	0.335369	0.5094%	5.500%	0.186029	0.1042%	3.5200%	0.326352	1.1814%	3.5200%	0.152251	0.5511%	2.34%			
	315.0	1.6700%	0.335369	0.5601%	5.500%	0.186029	0.1787%	4.2100%	0.326352	1.3739%	4.2100%	0.152251	0.6410%	2.75%			
	316.0	3.7300%	0.335369	1.2599%	5.400%	0.186029	0.0781%	4.9900%	0.326352	1.285%	4.9900%	0.152251	0.7897%	3.72%			
Lieberman	311.0	0.7500%	0.335369	0.2515%	8.500%	0.186029	0.1581%	4.5800%	0.326352	1.632%	4.5800%	0.152251	0.7582%	2.79%			
	312.0	1.6800%	0.335369	0.5534%	0.7500%	0.186029	0.1451%	5.5500%	0.326352	1.8113%	5.5500%	0.152251	0.8450%	3.36%			
	314.0	0.9600%	0.335369	0.298%	5.800%	0.186029	0.1042%	5.4900%	0.326352	1.7917%	5.4900%	0.152251	0.7610%	2.79%			
	315.0	0.9700%	0.335369	0.2953%	5.800%	0.186029	0.1042%	5.4900%	0.326352	1.7917%	5.4900%	0.152251	0.7610%	2.79%			
Lone Star	316.0	6.1700%	0.335369	2.0892%	2.6700%	0.186029	0.4967%	8.2800%	0.326352	2.7022%	8.2800%	0.152251	1.2606%	6.53%			
	311.0	0.3200%	0.335369	0.1073%	9.940%	0.186029	0.1749%	10.3600%	0.326352	3.810%	10.3600%	0.152251	1.5773%	5.24%			
	312.0	0.6800%	0.335369	0.3287%	9.700%	0.186029	0.1804%	11.4800%	0.326352	3.7465%	11.4800%	0.152251	1.7478%	6.00%			
	314.0	0.2900%	0.335369	0.0973%	9.900%	0.186029	0.1786%	10.6200%	0.326352	3.4659%	10.6200%	0.152251	1.5169%	5.36%			
Wilkes	315.0	0.7800%	0.335369	0.2515%	2.6500%	0.186029	0.0830%	12.3400%	0.326352	4.0272%	12.3400%	0.152251	1.8788%	6.66%			
	316.0	3.4100%	0.335369	1.1439%	4.300%	0.186029	0.8111%	18.2900%	0.326352	5.8959%	18.2900%	0.152251	2.7647%	10.71%			
	311.0	1.5200%	0.335369	0.5098%	8.500%	0.186029	0.1581%	2.8900%	0.326352	0.4432%	2.8900%	0.152251	0.4400%	2.06%			
	312.0	1.7300%	0.335369	0.6802%	7.800%	0.186029	0.1451%	3.200%	0.326352	1.0443%	3.200%	0.152251	0.4872%	2.26%			
	314.0	1.6500%	0.335369	0.5534%	8.100%	0.186029	0.1507%	3.2300%	0.326352	1.5541%	3.2300%	0.152251	0.4518%	2.26%			
	315.0	1.5000%	0.335369	0.6372%	2.3700%	0.186029	0.4409%	4.0500%	0.326352	1.3217%	4.0500%	0.152251	0.6166%	3.02%			
	316.0	2.8200%	0.335369	0.8457%	0.9500%	0.186029	0.0093%	4.7900%	0.326352	1.5532%	4.7900%	0.152251	0.7293%	3.25%			

**SOUTHWESTERN ELECTRIC POWER COMPANY
CALCULATION WEIGHTED AVERAGE TOTAL COMMISSION ORDER DATED SEPTEMBER 29, 2017
DUE TO ORDER NO. U-34200-A FROM THE LOUISIANA PUBLIC SERVICE COMMISSION ORDER DATED SEPTEMBER 29, 2017
FOR FLINT CREEK AND WELSH PLANTS NEW LA RATES EFFECTIVE AS OF 08/01/2018**

PLANT ACCT.	LA RATES (1) (2) (3)	LOUISIANA			ARKANSAS			TEXAS			FERC - Wholesale			TOTAL COMPANY	
		WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE	WTD AVG. DEPRECC. RATE
Plant	Rate	Factor	Allocation	Rate	Factor	Allocation	Rate	Factor	Allocation	Rate	Factor	Allocation	Rate	Factor	Allocation
Dolet Hills	311.0	2.3800%	0.333369	0.7982%	0.8800%	0.186029	0.1637%	2.2200%	0.326332	0.7245%	2.2200%	0.152251	0.3380%	2.02%	0.3380%
	312.0	2.4300%	0.333369	0.8149%	1.0600%	0.186029	0.1872%	2.5100%	0.326332	0.8191%	2.5100%	0.152251	0.3822%	2.21%	0.3822%
	314.0	2.3700%	0.333369	0.7948%	0.8000%	0.186029	0.1669%	2.3200%	0.326332	0.7511%	2.3200%	0.152251	0.3532%	2.07%	0.3532%
	315.0	2.3600%	0.333369	0.8015%	0.8500%	0.186029	0.1811%	2.2800%	0.326332	0.7441%	2.2800%	0.152251	0.3571%	2.03%	0.3571%
	316.0	3.0100%	0.333369	1.0395%	1.4100%	0.186029	0.2303%	2.4300%	0.326332	0.7300%	2.4300%	0.152251	0.3700%	2.45%	0.3700%
Flint Creek (3)	311.0	2.7100%	0.333369	0.9089%	1.7000%	0.186029	0.3162%	2.7300%	0.326332	0.8909%	2.7300%	0.152251	0.4156%	2.53%	0.4156%
	312.0	2.7000%	0.333369	0.9082%	1.6500%	0.186029	0.3142%	2.6800%	0.326332	0.8871%	2.6800%	0.152251	0.4050%	2.50%	0.4050%
	314.0	3.0200%	0.333369	1.0128%	1.4000%	0.186029	0.2644%	2.6000%	0.326332	0.8611%	2.6000%	0.152251	0.4050%	2.55%	0.4050%
	315.0	2.8500%	0.333369	0.9659%	1.5400%	0.186029	0.2865%	2.8200%	0.326332	0.9203%	2.8200%	0.152251	0.4253%	2.60%	0.4253%
	316.0	3.1200%	0.333369	1.0464%	2.2000%	0.186029	0.4093%	3.0000%	0.326332	0.9791%	3.0000%	0.152251	0.4568%	2.89%	0.4568%
Pitney	311.0	2.3800%	0.333369	0.7982%	0.8900%	0.186029	0.1695%	2.2600%	0.326332	0.7376%	2.2600%	0.152251	0.3441%	2.05%	0.3441%
	312.0	2.5900%	0.333369	0.8686%	1.1300%	0.186029	0.2102%	2.4900%	0.326332	0.8126%	2.4900%	0.152251	0.3781%	2.27%	0.3781%
	314.0	2.3800%	0.333369	0.8015%	0.8500%	0.186029	0.1511%	2.2700%	0.326332	0.7498%	2.2700%	0.152251	0.3496%	2.05%	0.3496%
	315.0	2.5900%	0.333369	0.8686%	1.1300%	0.186029	0.2102%	2.4900%	0.326332	0.8126%	2.4900%	0.152251	0.3781%	2.27%	0.3781%
	316.0	2.6700%	0.333369	0.8954%	1.1600%	0.186029	0.2168%	2.3700%	0.326332	0.7765%	2.3700%	0.152251	0.3688%	2.25%	0.3688%
Turk Plant	311.0	2.0400%	0.333369	0.6842%	2.5500%	0.186029	0.6744%	1.9100%	0.326332	0.6201%	1.9100%	0.152251	0.2968%	2.07%	0.2968%
	312.0	2.0400%	0.333369	0.6842%	2.5500%	0.186029	0.6744%	1.9100%	0.326332	0.6201%	1.9100%	0.152251	0.2968%	2.07%	0.2968%
	314.0	2.0400%	0.333369	0.6842%	2.5500%	0.186029	0.6744%	1.9100%	0.326332	0.6201%	1.9100%	0.152251	0.2968%	2.07%	0.2968%
	315.0	2.0400%	0.333369	0.6842%	2.5500%	0.186029	0.6744%	1.9100%	0.326332	0.6201%	1.9100%	0.152251	0.2968%	2.07%	0.2968%
	316.0	2.0400%	0.333369	0.6842%	2.5500%	0.186029	0.6744%	1.9100%	0.326332	0.6201%	1.9100%	0.152251	0.2968%	2.07%	0.2968%
Welsh (2)	311.0	2.7000%	0.333369	0.9055%	1.6700%	0.186029	0.3107%	2.1200%	0.326332	0.6919%	2.1200%	0.152251	0.3228%	2.23%	0.3228%
	312.0	2.7000%	0.333369	0.9055%	1.6700%	0.186029	0.3107%	2.1200%	0.326332	0.6919%	2.1200%	0.152251	0.3228%	2.23%	0.3228%
	314.0	2.3700%	0.333369	0.7948%	1.1000%	0.186029	0.2605%	2.1100%	0.326332	0.7212%	2.1100%	0.152251	0.3365%	2.35%	0.3365%
	315.0	4.1200%	0.333369	1.3817%	1.4100%	0.186029	0.2623%	2.6000%	0.326332	0.8445%	2.6000%	0.152251	0.3669%	2.89%	0.3669%
	316.0	3.3200%	0.333369	1.1134%	2.0900%	0.186029	0.3889%	2.8800%	0.326332	0.9399%	2.8800%	0.152251	0.4385%	2.88%	0.4385%
RAIL CARS (3)	312.11	3.1000%	0.333369	1.0396%	2.8600%	0.186029	0.5320%	3.0200%	0.326332	0.9846%	3.0200%	0.152251	0.4588%	3.02%	0.4588%
	312.11	3.3500%	0.333369	1.1235%	2.4300%	0.186029	0.4521%	2.7700%	0.326332	0.9040%	2.7700%	0.152251	0.4217%	2.90%	0.4217%
OTHER PRODUCTION PLANT															
Mattison	341.0	2.3500%	0.333369	0.7881%	2.3500%	0.186029	0.4372%	2.4600%	0.326332	0.8126%	2.4600%	0.152251	0.3791%	2.42%	0.3791%
	344.0	2.3600%	0.333369	0.7915%	2.3600%	0.186029	0.4390%	2.4600%	0.326332	0.8126%	2.4600%	0.152251	0.3791%	2.42%	0.3791%
	345.0	2.3600%	0.333369	0.7915%	2.3600%	0.186029	0.4390%	2.4600%	0.326332	0.8126%	2.4600%	0.152251	0.3791%	2.42%	0.3791%
	346.0	2.3200%	0.333369	0.7781%	2.3200%	0.186029	0.4316%	2.4600%	0.326332	0.8126%	2.4600%	0.152251	0.3791%	2.42%	0.3791%

NOTES:
1. Louisiana steam production depreciation rates were made effective on October 15, 2007 as per LA Commission Order No. U-23327, Suborder A.
2. Louisiana general depreciation rates were approved at the LA Public Service Commission session dated November 17, 1999 as per Order U-23029-A.
3. Louisiana rates for the Flint Creek and Welsh generation plants and related rail car assets were effective August 1, 2018, and were approved in the LA Public Service Commission order in Docket No. E-32400.
4. Arkansas depreciation rates were approved in 2009 per a Settlement agreement in Docket 08-008-U. Staff rates were approved and made effective on December 1, 2009.
5. Depreciation rates for the rail cars were approved in 2009 per a Settlement agreement in Docket 08-008-U. Staff rates were approved and made effective on December 1, 2009.
6. Depreciation rates reflected in the formula rate calculation cannot be changed absent a Section 205/206 filing with the Commission.

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WIND CATCHER ASSET RETIREMENT OBLIGATION
For Year Ending 12/31/2###

Exhibit B
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Line No.		(1)	(2)	(3)				
					Source:	Amount		
1.	Inflation rate (Note C)		Consumer Price Index (CPI) %					
2.	Discount rate (Note D):							
3.	Interest Expense		B-12, In 6, Col 2		\$			
4.	Average Long Term Debt		B-11, In 1, Col 1		\$			
5.	Discount Rate		Ln 3 / Ln 4		%			
6.	NPV - Liability Present Value:		NPV of Col 2		\$			

Column	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Year	Estimated Cash Flow (2017 \$)	Inflated Cash Flow	Depreciation	ARO Asset	Accumulated Depreciation of ARO Asset	Accretion Expense	ARO Liability
7.	2017	-	-		-		
8.	2018	1	-		-		
9.	2019	2	-		-		
10.	2020	3	-	\$	-		\$
11.	2021	4	-	\$	\$	\$	\$
12.	2022	5	-	\$	\$	\$	\$
13.	2023	6	-	\$	\$	\$	\$
14.	2024	7	-	\$	\$	\$	\$
15.	2025	8	-	\$	\$	\$	\$
16.	2026	9	-	\$	\$	\$	\$
17.	2027	10	-	\$	\$	\$	\$
18.	2028	11	-	\$	\$	\$	\$
19.	2029	12	-	\$	\$	\$	\$
20.	2030	13	-	\$	\$	\$	\$
21.	2031	14	-	\$	\$	\$	\$
22.	2032	15	-	\$	\$	\$	\$
23.	2033	16	-	\$	\$	\$	\$
24.	2034	17	-	\$	\$	\$	\$
25.	2035	18	-	\$	\$	\$	\$
26.	2036	19	-	\$	\$	\$	\$
27.	2037	20	-	\$	\$	\$	\$
28.	2038	21	-	\$	\$	\$	\$
29.	2039	22	-	\$	\$	\$	\$
30.	2040	23	-	\$	\$	\$	\$
31.	2041	24	-	\$	\$	\$	\$
32.	2042	25	-	\$	\$	\$	\$
33.	2043	26	-	\$	\$	\$	\$
34.	2044	27	-	\$	\$	\$	\$
35.	2045	28	93,422,544	\$	\$	\$	\$
Column	(1)	(2)	(3)	(4)	(5)	(6)	(7)
					Accumulated Depreciation of ARO Asset	Accretion Expense	ARO Liability
36.	Rate Year Inputs	Note E	Rate year 2021	\$	\$	\$	\$

Note A: ARO balances recoverable under this formula rate include only the ARO associated with the Wind Catcher Project.

Note B: ARO expected cost of \$93,422,544 based on Stantec Decommissioning Plan dated December 14, 2017. This amount can be changed only if a new study is prepared and approved through a Section 205 filing with FERC. SWEPCO will make a section 205 filing requesting a change in this amount each time a new study is received in which this amount changes.

Note C: Inflation rate will be the December published value of the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) or successor index for each rate year.

Note D: The discount rate will be the formula rate cost of debt based on each rate year's average long term debt balances and interest expense.

Note E: Input amounts for the rate year are the average of the beginning and ending balances from the corresponding year in the table.

Note F: Changes in the calculations in the above table which are impacted by the passage of time and by changes to inputs including the inflation rate and discount rate will be made prospectively.

EXHIBIT C SPP Integrated Marketplace Implementation

1. Purpose The SPP Integrated Marketplace (the "IM") is scheduled to be implemented on March 1, 2014. At that time, SPP will begin operating and administering Energy and Operating Reserves Markets and Transmission Congestion Rights Market. Customer and Company agree that effective on the IM Implementation Date, the obligations and responsibilities of the Parties under this Agreement shall be modified as described herein to permit the implementation of the IM consistent with the Parties other obligations and responsibilities under this Agreement.
2. Terms
 - 2.1. ARR ARR means Auction Revenue Right as defined in the SPP Related Documents
 - 2.2. Company Total Load Company Total Load is the total retail and wholesale load of Company in the IM for a given period.
 - 2.3. Customer Responsible Resource Customer Responsible Resource is the SWPA Hydro Peaking Power as listed in Appendix 1.
 - 2.4. IM IM means the SPP Integrated Marketplace.
 - 2.5. IM Implementation Date IM Implementation Date is March 1, 2014, or such later date that SPP implements the Integrated Marketplace.
 - 2.6. Load Charges Load Charges means the sum of the net charges and credits for the SPP IM charge types that are listed in Appendix 2, related to the Company Total Load for a given period in the IM.
 - 2.7. LRSC LRSC means the net load related IM settlement charges or credits, determined pursuant to Section 9, and invoiced to the Customer. The LRSC represents the IM settlement charges that are related to Customer's load being supplied by the Customer resources.
 - 2.8. TCR TCR means Transmission Congestion Right as defined in the SPP Related Documents
 - 2.9. Other capitalized terms used in this Agreement and not defined herein shall have the meaning described in the SPP Related Documents.

3. Load at the Points of Receipt Customer shall assign its load at the Points of Receipt to the Company for the purposes of submitting Bids and Offers in the IM related to such load and performing settlements with SPP in the IM. Company shall accept the assignment of such load and shall be the Market Participant representing such load in the IM. Company shall be responsible for all IM settlement charges, including charges related to congestion, related to the Customer's load.
4. ARR/TCR Assignment Customer shall assign to Company all ARRs and TCRs associated with the Company resources that are providing Requirements Service. Company shall be responsible for managing such ARR/TCR rights for the benefit of its customers and shall be responsible for all IM settlements related to such ARR/TCR rights.
5. Customer Responsible Resource Company shall be Customer's agent for the Customer Responsible Resource. Company shall manage all TCRs and ARRs associated with its transmission service from such resource and shall be responsible for Bids, Offers, settlements and all other activity related to these resources in the IM.
6. Schedules and Energy Credits Notwithstanding the implementation of the IM, Company shall retain its rights under this Agreement to schedule and dispatch the Customer Responsible Resource. Schedules for Energy from the Customer Responsible Resource shall be implemented through Bilateral Settlement Schedules (BSS) in the IM. A Company request for energy shall be made with a BSS initiated by Company and reviewed and confirmed by Customer or its agent for each resource. The BSS will specify the Company as the buyer, Customer as the seller, the Company load as the Settlement Location, and the quantity of Energy scheduled for each hour. The BSS confirmed by the Parties shall be treated as delivered energy from the Customer Responsible Resource under this agreement. Customer shall retain responsibility for all TCRs and ARRs associated with the Customer Responsible Resource and shall be responsible for the performance of all financial and other obligations with SPP for such resources and the associated BSS.
7. IM Settlement Charges All IM settlement charges (or credits) incurred by Company shall, consistent with the Company's ongoing accounting practice, be recorded in compliance with FERC Order No. 668 and comply with the FERC Uniform System of Accounts. The IM settlements will be recorded to either a purchased power account (FERC Account 555) or a sales-for-resale account (FERC Account 447). The IM settlement charges (or credits) will be allocated to

Southwestern Electric Power Company
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the Energy provided to the Customer under this Agreement pursuant to the cost of service formulas in Exhibit B. Appendix 3 to this Exhibit is a populated template that summarizes, for illustrative purposes, the accounting classification of the various IM settlement charges for calendar year 2014.

8. Load Related Settlement Charges In addition to the existing charges under this Agreement, a Load Related Settlement Charge (the "LRSC"), shall be invoiced to Customer each month for all energy supplied by Customer resources and credited to the Customer's invoice. Appendix 2 to this Exhibit identifies the IM settlement charges that are Load Charges in the LRSC. The LRSC for each billing period shall be determined as follows:

$$\text{LRSC} = [(\text{Sum Load Charges for the period}) / (\text{Sum of Company Total Load for the period})] \times (\text{Energy credit from SWPA Hydro Peaking Power for the period})$$

If the actual data to determine the LRSC is unavailable, the Company will provide a reasonable estimate each month of the data using Good Utility Practice and invoice the Customer based on such estimates. The LRSC shall be redetermined periodically based on the availability of the necessary data, but no less than annually, in the same manner as the described in Section 5.10 (Annual Adjustment) and any difference between the sums due Company and the sums paid by Customer shall be billed to customer or credited to customer, as appropriate, with carrying charges in the same way described in Section 5.10 for the demand and energy charges under this Agreement. At the time of such redetermination, Company shall provide Customer with documentation of the actual Load Charges and the determination of the LRSC for each month during the period.

9. Expenses and Credits Except as otherwise specified herein related to the IM, Customer shall continue to be solely responsible for all operation, maintenance, and other expenses related to the Customer resources. Customer shall continue to receive capacity and energy credits for the Customer resources as set forth in this Agreement.
10. New SPP Charges The Parties agree that should SPP adopt new charges (or credits) related to the IM, then this Agreement shall be amended, if necessary, to include such new charges (or credits) in the cost of service formulas and the LRSC in a way similar to the provisions of this Exhibit.
11. Cooperation The Parties agree to cooperate with SPP to implement the terms and conditions herein effective with the IM Implementation Date and to

cease the implementation of the terms and conditions at the termination of this Agreement, taking into account, if necessary, any partial year assignments of rights and obligations as necessary.

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Appendix 1: Customer Resources

	Resource	Estimated Capacity MW	Estimated Annual Energy GWH	Customer Controlled Resource
1)	SWPA Hydro Peaking Power	18	50	X

Appendix 2: Load Related SPP IM Settlement Charges

Ln.	Charge Type	Allocation Basis	Load Charges in LRSC
1	Day Ahead Asset Energy Amount	Load/Gen	
2	Day Ahead Non Asset Energy Amount	Imports/Exports	
3	Day Ahead Virtual Energy Amount	Virtual	
4	Day Ahead Regulation Up Amount	Gen	
5	Day Ahead Regulation Down Amount	Gen	
6	Day Ahead Spinning Reserve Amount	Gen	
7	Day Ahead Supplemental Reserve Amount	Gen	
8	Day Ahead Regulation Up Distribution Amount	Load/Exports	y
9	Day Ahead Regulation Down Distribution Amount	Load/Exports	y
10	Day Ahead Spinning Reserve Distribution Amount	Load/Exports	y
11	Day Ahead Supplemental Reserve Distribution Amount	Load/Exports	y
12	Day Ahead Make Whole Payment Amount	Gen	
13	Day Ahead Make Whole Payment Distribution Amount	Load/Exports/ Virtual	y
14	Day Ahead Over Collected Losses Distribution Amount	Load/Exports/ Loss Pool	y
15	Day Ahead Virtual Energy Transaction Fee Amount	Virtual	
16	Real Time Asset Energy Amount	Load/Gen	
17	Real Time Non Asset Energy Amount	Load	y
18	Real Time Virtual Energy Amount	Virtual	
19	Real Time Regulation Up Amount	Gen	
20	Real Time Regulation Down Amount	Gen	
21	Real Time Spinning Reserve Amount	Gen	
22	Real Time Supplemental Reserve Amount	Gen	
23	RUC Make Whole Payment Amount	Gen	
24	Real Time Out of Merit Amount	Gen	
25	RUC Make Whole Payment Distribution Amount	All	y
26	Real Time Regulation Up Distribution Amount	Load/Exports	y

Appendix 2 Continued: Load Related SPP IM Settlement Charges

Ln.	Charge Type	Allocation Basis	Load Charges in LRSC
27	Real Time Regulation Down Distribution Amount	Load/Exports	y
28	Real Time Spinning Reserve Distribution Amount	Load/Exports	y
29	Real Time Supplemental Reserve Distribution Amount	Load/Exports	y
30	Real Time Regulation Non Performance Amount	Gen	
31	Real Time Regulation Non Performance Distribution Amount	Load/Exports	y
32	Real Time Contingency Reserve Deployment Failure Amount	Gen	
33	Real Time Contingency Reserve Deployment Failure Distribution Amount	Load	y
34	Real Time Regulation Deployment Adjustment Amount	Gen	
35	Real Time Over Collected Losses Distribution Amount	Load	y
36	Real Time Joint Operating Agreement Amount	Load	y
37	Real Time Reserve Sharing Group Amount	Load	y
38	Real Time Reserve Sharing Group Distribution Amount	Gen	
39	Revenue Neutrality Uplift Distribution Amount	All	y
40	Transmission Congestion Rights Funding Amount	TCR	
41	Transmission Congestion Rights Daily Uplift Amount	TCR	
42	Transmission Congestions Rights Monthly Payback Amount	TCR	
43	Transmission Congestion Rights Annual Payback Amount	TCR	
44	Transmission Congestion Rights Annual Closeout Amount	ARR	
45	Transmission Congestion Rights Auction Transaction Amount	TCR	
46	Auction Revenue Rights Funding Amount	ARR	
47	Auction Revenue Rights Uplift Amount	ARR	
48	Auction Revenue Rights Monthly Payback Amount	ARR	
49	Auction Revenue Rights Annual Payback Amount	ARR	
50	Auction Revenue Rights Annual Closeout Amount	ARR	
51	Miscellaneous Amount	All	y

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Appendix 3: Populated Template for Illustrative Purposes

(See next page.)

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE MAYOR AND
CLERK TO ENTER INTO AN AMENDMENT TO THE
POWER SUPPLY AGREEMENT BETWEEN
SOUTHWESTERN ELECTRIC POWER COMPANY AND
THE CITY OF BENTONVILLE.**

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE
CITY OF BENTONVILLE, ARKANSAS.**

Section 1: That the Mayor and Clerk be and are hereby authorized to enter into an Amendment to the Power Supply Agreement between Southwestern Electric Power Company and the City of Bentonville, Arkansas, as attached hereto as Exhibit "A".

Section 2: This resolution shall be in full force and effect from and after the date of its passage.

PASSED and APPROVED this ____ day of _____, 2018.

APPROVED:

MAYOR

ATTEST:

CITY CLERK