

CITY OF GILBERT
MINUTES OF CITY COUNCIL WORK SESSION MEETING
TUESDAY, MARCH 14, 2017
COUNCIL CHAMBERS

Mayor Milos called the meeting to order at 6:16 p.m.

Present: Mayor Milos, Councilors Pontinen, Robich and Vertachnik.

Absent: Councilor Bol (w/Notice).

Staff Present: City Attorney Lindsay, City Engineer Jamnick, Public Works Operations Director Lautigar and City Clerk/Treasurer Sakrison.

The purpose of this work session is to review language in the Ovivo Contract. No action can be taken at this meeting.

Attorney Lindsay explained the Commercial Clarifications that Ovivo is requesting for contract modifications. The right column on the attachment is what Ovivo is requesting.

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 - 1st box relates to acceptance of terms & conditions.
 - 2nd box provision limits liquidated damages, usually \$/day, limit to 10% of overall contract price could amount to \$90,000 - \$100,000. Tom Dye has had no experience with this type of situation exceeding this amount.
 - 3rd box contract limitation, attempts to limit contract risk, limits city's ability to recover and be made whole.
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 - 1st box shifts burden for travel expenses and inspection of goods.
 - 2nd box increase restock fee from 10% to 20%.
 - 3rd box limitation to suspend project to 6 months.
 - 4th box deletes remedies available, seek any remedies available by law.
 - 5th box shifts timing of warranty, to time from shipment for 24 months, not from when the membranes become operational. Compromise may be 30 months.

Attorney Lindsay wants the council to be aware. Lindsay is seeking authority to work with Tom Dye to negotiate a counter proposal ASAP.

Motion by Vertachnik, second by Pontinen to adjourn the meeting at 6:30 p.m. MCU



Debra Sakrison, City Clerk

ATTEST:



Dorothy Elizabeth Milos, Mayor