BLUE ROUTE SHEET - CITY MANAGER REVIEW/APPROVAL REQUIRED

Originating Department (OD): Electric **Date Submitted:** 6/14/23 **Return To:** Ahcomb Hardwick **Phone Ext.:** 2733

OD: FILL OUT SECTIONS #1-#7 (FRONT) AND #1-#4 (BACK) BEFORE ROUTING

(1) Document: Northwest Industrial Engine & Compressor Co. - Agreement for Services
[NAME OF DOCUMENT AND CONTRACTOR/OTHER PARTY]

(2) Indicate signature authority:

- ☒ Service Agreements with a total taxable value of $250,000 or less (exclusive of taxes and shipping) over a five-year period per Ordinance 2050 (CC Action – August 30, 2022)
- ☐ Miscellaneous Agreements including those that allow the use of the City name; rental agreements for City-owned property; licensing or conditional use agreements; confidentiality agreements; nondisclosure agreements; and partnership, cost sharing, in-kind and service agreements with other public or private entities per Resolution 6603 (CC Action - July 13, 1999)
- ☐ Certificate of Acceptance for Designated Property Interests per Resolution 5600 (CC Action – May 28, 1991)
- ☐ Routine Police Agreements including the use of City facilities; off-duty officers; special events; hold harmless and indemnification agreements from third parties; and releases of liability per Resolution 6000 (CC Action - April 4, 1995)
- ☐ Other: _____

(3) Cost impact: $150,000

(4) Was this service budgeted for this fiscal year?
☒ Yes
☐ No. If no, please describe below how the department will fund this unbudgeted service and consult with department's assigned budget analyst to ensure that there is sufficient funding.

(5) Is insurance compliant?
☒ Yes, per attached EBIX printout. (Disregard #8)
☐ No, this agreement requires Risk Management review. (Complete #8)
☐ N/A (i.e. Hold Harmless Agreements, Grant Funding, Indemnification language in lieu of insurance, etc.) (Disregard #8)

(6) Is Notary needed?
☐ Yes (Please tag Notary page)
☐ No

(7) Department head originating agreement: Manuel Pineda
Manuel Pineda (Jun 14, 2023 16:32 PDT)
[SIGNATURE]

(8) **RISK MANAGEMENT**

Please describe why contract does not require EBIX approval: _____

Approved: _____ Date: _____
[RISK MANAGER]

(9) **CITY ATTORNEY'S OFFICE**

Approved as to form: _____ Date: 6/20/23
[CITY ATTORNEY/AUTHORITY COUNSEL]

Assignment Number: CAO 23.0071
Reviewing Attorney's Initials: DB

(10) **CITY CLERK'S OFFICE**

Attached: 2 original(s) _____ copy(ies)

✓ Transmit the attached original / copy to contractor
✓ Fully executed original on file in City Clerk's Office

Fully executed original to dept.

Date Processed by Clerk's Office: 6/21/23 SD

CITY MANAGER REQUIRED INFORMATION

(1) Scope of Services: [BRIEFLY SUMMARIZE THE SCOPE OF WORK/PURPOSE OF DOCUMENT]
Agreement for Services with Northwest Industrial Engine & Compressor Co. for gas and air compressor preventative maintenance and as needed services. Will need to go to City Council to increase the amount of the Agreement in the near future. RFP# 21-22-56

(2) Term of Agreement: July 1, 2023 - June 30, 2028; one-year option to extend through June 30, 2029.
[START DATE AND END DATE OF THE AGREEMENT/DOCUMENT]

(3) **VENDOR SELECTION INFORMATION:** (Please reference the Procurement Guide on the City's Intranet Site.)

Indicate Procurement Process:

☐ Sole/Single Source (Please include justification memo with this form)

☐ Purchase from other public agency or utilization of other public agency competitive process (Specify other agency competitive process or pre-negotiated contract, if applicable): _____

☐ Selection Process: Informal Request for Quotes with an estimated total taxable value greater than $15,000 and less than or equal to $100,000 (exclusive of taxes and shipping) over a five-year period, inclusive of any options to extend the agreement during the five-year period.

☐ Selection Process: Informal Request for Quotes with an estimated total taxable value greater than $100,000 and less than or equal to $250,000 (exclusive of taxes and shipping) over a five-year period, inclusive of any options to extend the agreement during the five-year period.

☒ Selection Process: Formal Request for Proposals (RFP)/Statement of Qualifications (SOQ), or Request for Bids (RFB) with an estimated total taxable value of greater than $250,000 (exclusive of taxes and shipping) over a five-year period, inclusive of any options to extend the agreement during the five-year period.

☐ Other (Specify): _____

☐ This contract requires prevailing wage compliance and registration with Department of Industrial Relations. If this box is checked, attach proof of DIR registration.

Vendor Outreach Process: ☐ Telephone ☐ Email ☐ Bid Notification System ☐ Other: _____

Briefly summarize the number of bids received and the basis for recommending this vendor for contract award:

RFP Award - RFP No. 21-22-56

(4) **HISTORY**:

Has the department retained the same contractor for similar services in last 5 years?

☐ No. If no, no further information required.

☒ Yes. If yes, please complete the following section.

Term of Agreement: July 1, 2022 - June 30, 2023, Purchase Orders

Contract Amount: $ 97,200

0 695 31

Search

Insured Name

Northwest Industrial Engine And Compres

Northwest Industrial Engine And

Active Records Only

Advance Search

Insured Tasks **Admin Tools**

View

- Insured
- Notes
- History
- Deficiencies
- Coverages
- Requirements
- Contract Screen

Add

Edit

Help

Video Tutorials

Insured

Name:	Northwest Industrial Engine And Compressor Company
Account Number:	S200004564
Address:	PO Box 737, Riverbank, CA, 95367
Status:	Compliant with minor/expiring deficiencies.

Insured

Business Unit(s) | Insured History | Print Insured Info

Account Information

Account Number:	S200004564		
Risk Type:	Exhibit C1 - Service Contract <$50,000		
Do Not Call:		Address Updated:	

Address Information

Mailing Address		**Physical Address**
Insured:	Northwest Industrial Engine And Compressor Company	
Address 1:	PO Box 737	
Address 2:		
City:	Riverbank	
State:	CA	

Country:		
Contract Information		
Contract Number:		
Contract Start Date:		Contract End Date:
Contract Effective Date:		Contract Expiration Date:
Description of Services:	Equipment Repair	Safety Form II:
Contact Information		
Contact Name:	Sandy Garcia	Misc:
Phone Number:		Alt Phone Number:
Fax Number:		
E-Mail Address:	sandy_garcia@nwiec.com	
Approval Date:		
Rush:	Yes	
Contract on File:	No	
Certificate Received:	No	
Indemnification Agreement:	No	
Tax Id:		

This Account created by c65 on 07/13/2020.

EBIX Insurance No. S200004564

AGREEMENT FOR SERVICES BETWEEN THE CITY OF SANTA CLARA, CALIFORNIA, AND GAVIN D. YATES DOING BUSINESS AS NORTHWEST INDUSTRIAL ENGINE & COMPRESSOR CO.

PREAMBLE

This Agreement is entered into between the City of Santa Clara, California, a chartered California municipal corporation ("City") and Gavin D. Yates, doing business as Northwest Industrial Engine & Compressor Co., a California sole proprietorship ("Contractor"). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

A. City desires to secure the services ("Services") more fully described in this Agreement, at Exhibit A, entitled "Scope of Services";

B. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain Services and goods of the quality and type which meet objectives and requirements of City; and,

C. The Parties have specified herein the terms and conditions under which such Services will be provided and paid for.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between City and Contractor shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A – Scope of Services

Exhibit B – Schedule of Fees and Payment Provisions

Exhibit C – Insurance Requirements

Exhibit D – Labor Compliance Exhibit

Exhibit E – Sample Work Authorization Form

This Agreement, including the Exhibits set forth above, contains all the agreements, representations and understandings of the Parties, and supersedes and replaces any previous agreements, representations and understandings, whether oral or written. In the event of any inconsistency between the provisions of any of the Exhibits and the Terms and Conditions, the Terms and Conditions shall govern and control.

2. TERM OF AGREEMENT

A. Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on July 1, 2023, and terminate on June 30, 2028 ("Initial Term").

B. After the Initial Term, City reserves the right, at its sole discretion, to extend the term of this Agreement for one (1) additional year through June 30, 2029 ("Option Periods"). Such extension of term shall be authorized through an Amendment to this Agreement executed by the Parties. The Initial Term and Option Period shall collectively be referred to as "Term".

3. SCOPE OF SERVICES & PERFORMANCE SCHEDULE

Contractor shall perform those Services specified in Exhibit A within the time stated in Exhibit A. Time is of the essence.

4. WARRANTY

In addition to those warranties contained in Exhibit A, Contractor expressly warrants that all Services and materials covered by this Agreement shall be fit for the purpose intended, shall be free from defect and shall conform to the specifications, requirements and instructions applicable to this Agreement is based. Contractor agrees to promptly replace or correct any incomplete, inaccurate or defective Services or materials at no further cost to City when defects are due to the negligence, errors or omissions of Contractor. If Contractor fails to promptly correct or replace Services or materials, City may make corrections or replace the Services or materials and charge Contractor for the cost incurred by City.

5. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

Contractor represents and maintains that it has the expertise in the professional calling necessary to perform the services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. Contractor shall perform such services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of

California.

6. COMPENSATION AND PAYMENT

In consideration for Contractor's complete performance of Services, City shall pay Contractor for all materials provided and Services rendered by Contractor in accordance with Exhibit B, entitled "SCHEDULE OF FEES AND PAYMENT PROVISIONS." The maximum compensation of this Agreement is one hundred fifty thousand ($150,000), subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All Services performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance.

7. TERMINATION

A. Termination for Convenience. City shall have the right to terminate this Agreement, without cause or penalty, by giving not less than Thirty (30) days' prior written notice to Contractor.

B. Termination for Default. If Contractor fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, City may terminate this Agreement immediately upon written notice to Contractor.

C. Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to City all City information or material that Contractor has in its possession.

8. ASSIGNMENT AND SUBCONTRACTING

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City.

Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it.

9. NO THIRD PARTY BENEFICIARY

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

10. INDEPENDENT CONTRACTOR

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights to manage its employees in their performance of Services under this Agreement.

11. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data, drawings, descriptions, documents, discussions or other information developed or received by or for Contractor and all other written information submitted to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor and shall not, without the prior written consent of City, be used for any purposes other than the performance of the Services nor be disclosed to an entity not connected with performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or becomes generally known to the related industry shall be deemed confidential.

12. OWNERSHIP OF MATERIAL

All material, which shall include, but not be limited to, data, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports, designs, technology, programming, works of authorship and other material developed, collected, prepared or caused to be prepared under this Agreement shall be the property of City but Contractor may retain and use copies thereof. City shall not be limited in any way or at any time in its use of said material. However, Contractor shall not be responsible for damages resulting from the use of said material for work other than Project, including, but not limited to, the release of this material to third parties.

13. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR

City, through its authorized employees, representatives or agents shall have the right during the Term of this Agreement and for four (4) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor in connection with Contractor compensation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City. Contractor shall bear the cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees to assist City in meeting City's reporting requirements to the State and other

agencies with respect to Contractor's Services hereunder.

14. HOLD HARMLESS/INDEMNIFICATION

A. To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and attorney's fees in providing a defense to any such claim or other action, and whether sounding in law, contract, tort, or equity, in any manner arising from, or alleged to arise in whole or in part from, or in any way connected with the Services performed by Contractor pursuant to this Agreement – including claims of any kind by Contractor's employees or persons contracting with Contractor to perform any portion of the Services – and shall expressly include passive or active negligence by City connected with the Services. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of City; the obligation to defend is not similarly limited.

B. Contractor's obligation to protect, defend, indemnify, and hold harmless in full City and City's employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against City (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.

C. To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act ("Act") and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Contractor's responsibilities under the Act.

15. INSURANCE REQUIREMENTS

During the Term, and for any time period set forth in Exhibit C, Contractor shall provide and maintain in full force and effect, at no cost to City, insurance policies as set forth in Exhibit C.

16. WAIVER

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither City's review, acceptance nor payments for any of the Services required under this Agreement shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

17. NOTICES

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Santa Clara
Attention: Silicon Valley Power
1500 Warburton Avenue
Santa Clara, CA 95050
and by e-mail at SVPContracts@santaclaraca.gov, and manager@santaclaraca.gov

And to Contractor addressed as follows:

Northwest Industrial Engine & Compressor Co.
P.O. Box 737
Riverbank, CA 95367
and by e-mail at amanda_yates@nwiec.com

The workday the e-mail was sent shall control the date notice was deemed given. An e-mail transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following business day.

18. COMPLIANCE WITH LAWS

Contractor shall comply with all applicable laws and regulations of the federal, state and local government, including but not limited to "The Code of the City of Santa Clara, California" ("SCCC"). In particular, Contractor's attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), Business Tax Certificate (SCCC section 3.40.060), and Food and Beverage Service Worker Retention (SCCC Chapter 9.60), as such Chapters or Sections may be amended from time to time or renumbered. Additionally Contractor has read and agrees to comply with City's Ethical Standards (http://santaclaraca.gov/home/showdocument?id=58299).

19. CONFLICTS OF INTEREST

Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and following, and certifies that it does not know of any facts which would violate

these code provisions. Contractor will advise City if a conflict arises.

20. FAIR EMPLOYMENT

Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law.

21. NO USE OF CITY NAME OR EMBLEM

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to Services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

22. GOVERNING LAW AND VENUE

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

23. SEVERABILITY CLAUSE

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

24. AMENDMENTS

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties.

25. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

GLEN R. GOOGINS
City Attorney

Dated: 6/21/23

JOVAN D. GROGAN
City Manager
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

GAVIN YATES, DOING BUSINESS AS NORTHWEST INDUSTRIAL ENGINE & COMPRESSOR CO.,
a California sole proprietorship

Dated: 6/19/23
By (Signature):
Name: Gavin Yates
Title: Owner
Principal Place of Business Address: P.O. Box 737 Riverbank, CA 95367
Email Address: Deon_yates@nwiec.com and amanda_yates@nwiec.com
Telephone: (209) 847-2299
Fax: (209) 847-8800

"CONTRACTOR"

EXHIBIT A
SCOPE OF SERVICES

The Services to be performed for the City by the Contractor under this Agreement are gas and air compressor preventative maintenance Services and as needed Services that include (but are not limited to) maintenance, repair, installation and commissioning of new air compressors and their related equipment, in support of the City's Electric Department doing business as Silicon Valley Power ("SVP") as further defined in this exhibit. The terms "City" and "SVP" are used interchangeably throughout this document.

1. GENERAL REQUIREMENTS

1.1. Contractor shall furnish all labor, materials, tools, and equipment necessary to provide gas and air compressor maintenance Services, testing, and repairs, in all locations within the City.

1.2. Contractor shall perform the Services in accordance with generally accepted industry best practices, and all applicable federal, state, or local regulations.

1.3. Contractor shall be responsible for obtaining City permits necessary for the proper execution and completion of the work.

1.4. Any deviations from the requirements described in this Attachment A, whether due to emergencies or any other unforeseen events, must be approved in writing by SVP.

1.5. SVP may participate in or observe any inspection.

2. GAS COMPRESSOR PREVENTATIVE MAINTENANCE SERVICES

2.1. Contractor shall provide for routine compressor maintenance. Tasks may include, but are not limited to:

2.1.1. Level 1 Compressor Preventative Maintenance (PM): Includes removing, inspecting and replacing all compressor suction and discharge valves. Inspect and clean all cylinder valve retainers, seats and ports. Position piston at BDC (back dead center), inspect all cylinder bores, measure piston to cylinder bore clearance using feeler gauges to determine piston rider band life. Next, using micrometer, measure piston rod Outside Diameter O.D. (packing wear area). Measure crosshead running clearance using feeler gauges. Setup dial indicator and measure compressor piston rod run out readings. Record all measurements on clearance data sheet. Replace crankcase oil and filters as needed. Reassemble compressor cylinders with new gaskets, O-rings and reconditioned or requalified valves. Torque all critical fasteners to original equipment manufacturer (OEM) specifications. Inspect force feed lubricator system operation

and rate. Notify customer of any out of tolerance conditions. Normal Intervals of up to10,000 operating hours depending on gas integrity and service.

2.1.2. Level 2 Compressor Preventative Maintenance: Includes all Level 1 PM tasks plus removal of piston and rod assemblies. Perform in-depth inspection of pistons, rings, rider bands, cylinder bores, piston rods, pressure packing cases, oil wiper cases. Inspect the force feed lubricator system – service lubricator box oil, drive coupling, pump(s), divider block(s), in-line filter and related check valves as needed. Reassemble compressor with new gaskets and new or requalified consumable wear item parts. Set piston spacing 1/3 – 2/3. Torque all critical fasteners to OEM specifications, including all cylinder to distance piece and distance piece to frame bolting. Adjust all cylinder and bottle supports. Record all readings on clearance data sheet. Notify customer of any out of tolerance conditions. Normal intervals up to 20,000 operating hours depending on gas integrity and service.

2.1.3. Level 3 Compressor Preventative Maintenance: Includes all Level 1 and Level 2 PM tasks plus crankcase inspection and replacement of all Connecting-Rod and Main Bearings, Thrust Bearings, Crosshead Shoes, Crosshead Pins and Pin Bushings. Service and/or replace the force feed lubricator system components - lubricator drive box, drive coupling/chain, pump(s), divider block(s), in-line filter and check valves. Inspect Compressor main drive coupling and re-torque all coupling bolts. Inspect motor to frame shaft alignment using laser alignment tooling.

2.1.4. Reassemble Compressor with new gaskets and new or reconditioned/requalified wear item parts. Torque all critical fasteners to OEM specifications including Frame Base Bolts. Re-measure and record all updated clearance readings on clearance data sheet. Notify customer of any out of tolerance conditions. Normal Intervals up to 50,000 operating hours depending on gas integrity and service.

2.1.5. Contractor shall provide for any required materials to facilitate on-site compressor maintenance including inventory requested by SVP.

3. AIR COMPRESSOR PREVENTATIVE MAINTENANCE SERVICES

3.1. Contractor shall provide routine quarterly, semiannually, and annual maintenance. Tasks may include, but are not limited to:

3.1.1. Take service readings before and after maintenance

3.1.2. Check air filter element(s)

3.1.3. Change air filter element(s)

3.1.4. Check filter element of gear case breather

3.1.5. Replace filter element, gear case breather

3.1.6. Check cycle of air intake throttle valve

3.1.7. Replace diaphragm of air throttle valve

3.1.8. Replace shaft bushing (air intake valve)

3.1.9. Overhaul air intake valve

3.1.10. Replace blow-off silencer

3.1.11. Verify check valve operation

3.1.12. Check coolers function

3.1.13. Overhaul check valve

3.1.14. Check condition of balance piston diaphragm

3.1.15. Change balance piston diaphragm

3.1.16. Check/clean condensate drain(s)

3.1.17. Grease main drive motor bearings

3.1.18. Clean fan cowl of electric motor

3.1.19. Overhaul main drive motor

3.1.20. Clean cooler block

3.1.21. Check rubber inserts, drive coupling

3.1.22. Replace inserts, drive coupling

3.1.23. Check for air- water- & oil leakage

3.1.24. Check condition of drive gear teeth

3.1.25. Replace LP/HP element

3.1.26. Replace main shaft bearings

3.1.27. Replace rubber buffers

3.1.28. Blast clean cubicle

3.1.29. Check for loose wiring & connections in cubicle

3.1.30. Check bolt/coupling connections

3.1.31. Clean injector nozzle breather (needle)

3.1.32. Check safety valve switches

3.1.33. Check for presence of water in lube oil

3.1.34. Oil change

3.1.35. Change compressor oil filter

3.1.36. Check condition of air intake chamber

4. AS NEEDED SERVICES

4.1. Contractor shall provide as needed services (As Needed Services) that include the repair and replacement of air compressor parts and consumables. Such parts and consumables include, but are not limited to:

4.1.1. Compressor(s)

4.1.2. Motors

4.1.3. Bearings

4.1.4. Coolers

4.1.5. Belts

4.1.6. Pumps

4.1.7. Valves

4.1.8. Relief valves

4.1.9. Regulators

4.1.10. Instrumentation

4.1.11. Local gauges

4.1.12. Hoses

4.1.13. Tubing

4.1.14. Piping

4.1.15. Receivers

4.1.16. Dryers

4.1.17. Oil water separators

4.1.18. Desiccant

4.1.19. Gaskets and seals

4.1.20. Oils

4.1.21. Filters

4.1.22. Contactors

4.1.23. Housings and insulation

4.2. Contractor shall also provide the following As Needed Services:

4.2.1. Rental of a temporary air compressor and air dryer.

4.2.2. Supply of all types of air compressor parts as aforementioned.

4.2.3. Installation and commissioning of new air compressors and their related equipment.

4.2.4. Other miscellaneous air compressor work to support the successful operation of power plants.

4.2.5. Waste removal generated by the contractor, including hazardous waste.

4.2.6. Recycle all material scrap and the value credited to the project.

4.2.7. All maintenance and inspections per the respective air compressor's OEM standards and maintenance manual.

4.2.8. Project management services.

5. PROCESS FOR REQUESTING AND AUTHORIZING SERVICES

5.1. Non-Emergency Work

5.1.1. When the City requires Services, the City shall request a proposal from Contractor ("Work Request"). In its request, the City will provide a description of the Services required, the deadline for response, and any other relevant information.

5.1.2. Contractor shall prepare and submit a proposal ("Proposal") for each Work Request that includes:

5.1.2.1. The specific Service(s) to be performed. The detail of the Services shall have a level of detail reflective of the Scope, timeline, and cost of the specific Services.

5.1.2.2. Locations where Services will be performed.

5.1.2.3. The project timeline/schedule which shall be approved by SVP. Such schedule shall indicate any activities and/or products or materials that may impact the project timeline, including but not limited to, lead time(s) for material sourcing; shipping and receiving delays; and any other delays.

5.1.2.4. Estimated cost for the requested Service, including, but not limited to:

5.1.2.4.1. Hours and rates by position and/or service as listed in Exhibit B for both Contractor and subcontractor personnel if applicable. Indicate labor subject to prevailing wage requirements;

5.1.2.4.2. Project management costs (if applicable);

5.1.2.4.3. Subcontractors, including subcontractor California Department of Industrial Relations (DIR) number;

5.1.2.4.4. Parts and materials;

5.1.2.4.5. Tools and special equipment;

5.1.2.4.6. Rental Equipment (tools, equipment, etc.);

5.1.2.4.7. Reimbursable expenses, in accordance with the limitations set forth in Exhibit B.

5.1.2.4.8. Any additional costs including, but not limited to freight, permits, fees;

5.1.2.4.9. Estimated total amount including sales tax;

5.1.2.4.10. Any drawings, photos or documents required; and

5.1.2.4.11. Total not to exceed price.

5.1.2.5. All submitted Proposals shall be in accordance with the rates authorized in Exhibit B of this Agreement and the Proposal shall include sufficient information for the City to determine that rates are in accordance with the Agreement.

5.1.2.6. Costs for any additional equipment, parts, or services required for completion of the Services as detailed in the Work Request and in Contractor's Proposal but not reflected in the Contractor's Proposal shall be the sole responsibility of the Contractor and at no cost to the City.

5.1.3. Work Authorization:

5.1.3.1. If the completion of the Services in the Proposal will not exceed the maximum compensation in Section 6 of the Agreement (Compensation and Payment), additional Services may be authorized as set forth in this Section.

5.1.3.2. City shall review the Proposal and, if there are no issues or concerns, City will approve the and issue a purchase order (Purchase Order) as authorization for Contractor to begin Services.

5.1.3.3. The Purchase Order shall serve as final authorization and, except in the case of emergency which shall confirm to the conditions of Section 5.2 or where the circumstances in Section 5.1.6.4. apply, Contractor shall not commence Services until it receives a Purchase Order and notice to proceed from SVP.

5.1.3.4. For Proposals with a total cost exceeding $50,000, a work Authorization ("Work Authorization") shall be issued in substantially the same format as Exhibit E. Each Work Authorization shall describe the services and deliverables the Contractor must provide, the time limit within which the Contractor must complete the service and deliverables, the system acceptance criteria, warranty provisions, and the compensation for the additional services.

5.1.3.5. Subject to the terms and conditions of this Agreement, Contractor and City will negotiate the specific scope and requirements of each Work Authorization. Upon execution by the Parties, the Work Authorization shall become an Approved Work Authorization.

5.1.3.6. Each Approved Work Authorization shall have a purchase order ("Purchase Order") attached to it.

5.1.3.7. For Proposals with a total cost less than $50,000, a signed Work Authorization is not required. The City will issue a Purchase Order authorizing Services and the Purchase Order will serve as the Approved Work Authorization.

5.1.3.8. Only the Assistant Director of the Electric Utility, Electric Utility Chief Operating Officer, or Chief Electric Utility Officer may, on behalf of the City, execute a Work Authorization. Purchase Orders are issued by the Finance Department.

5.1.3.9. Except in the case of emergency which shall confirm to the conditions of Section 5.2 or where the circumstances in Section 5.1.6.4 apply, Contractor shall not initiate the additional services and the City will not compensate the Contractor until the City has executed the Work Authorization for such additional services where applicable ("Approved Work Authorization") and issued a Purchase Order.

5.1.3.10. If Contractor begins Services or fails to dispute a Purchase Order within three (3) business days, Contractor is assumed to have accepted the terms of the Purchase Order.

5.1.3.11. An Approved Work Authorization must be consistent with – and cannot alter - the terms and conditions of this Agreement. The terms and conditions of this Agreement shall prevail over any and all terms and conditions contained in an Approved Work Authorization – even if the Approved Work Authorization expressly states that it is intended to control. Any conflicting terms and conditions in an Approved Work Authorization are invalid and unenforceable.

5.1.4. Each Approved Work Authorization and Purchase Order shall be incorporated into the Agreement by reference and subject to its terms and conditions and the services contained therein shall be included within the Services.

5.1.5. Proposals are not confidential and will not be treated as confidential even if marked confidential when submitted.

5.1.6. Changes to Work Authorization:

5.1.6.1. Contractor shall notify the City immediately when a situation occurs that may result in a change to the total project cost or specific line items in an Approved Work

Authorization or Purchase Order. Contractor shall provide the reason for the change specific to each Approved Work Authorization or Purchase Order.

5.1.6.2. If Contractor requires changes to a fixed price Work Authorization, Contractor shall only be permitted to request changes with justification such as additional scope requested by City or unanticipated field conditions. For such changes, Contractor shall submit justification demonstrating that changes in cost are associated with changes in scope. Contractor shall not be entitled to additional compensation for issues such as errors in calculation of original pricing, changes in staff, or other changes that are not directly related to changes requested by City.

5.1.6.3. In the event that unanticipated site conditions or other issues result in costs that exceed the approved Proposal or changes to line items in an Approved Work Authorization order in the Purchase Order, Contractor shall submit to the City an updated Proposal for review and approval from the City in advance of performing Services. The City will issue a new or amended Work Authorization (if required pursuant to Section 5.1.3.) or Purchase Order (as applicable) to authorize such additional Services. Each changed Work Authorization and Purchase Order shall amend the Services and be incorporated into the Services by reference.

5.1.6.4. In the event that issues are identified that can be most efficiently and economically resolved while on site, changes may be approved verbally (in the field), by telephone, or e-mail by the following authorized individuals: Assistant Director of the Electric Utility, Electric Utility Chief Operating Officer, or Chief Electric Utility Officer. Such authorization shall be defined as an Interim Work Order. Contractor shall provide an updated Proposal within two (2) business days so that such changes can be documented in a Work Authorization and/or Purchase Order.

5.2. Emergency Work Orders

5.2.1. An emergency work order ("Emergency Work Order") should be utilized only in instances of a threat to public health or safety, loss of or damage to property, or serious disruption to essential services. An emergency ("Emergency") is defined as an unforeseen event,

circumstance, or combination of circumstances that the City reasonably determines to require immediate action.

5.2.2. Emergency Work Orders do not need to be in writing and may only be authorized by the Assistant Director of the Electric Utility, Electric Utility Chief Operating Officer, or Chief Electric Utility Officer. Such verbal authorizations will be confirmed by the City in writing within three (3) business days by a Purchase Order or, where applicable, a Work Authorization and Purchase Order.

5.2.3. When Emergency services are required, Contractor shall send a Proposal to the City for the required services as soon as possible, but no later than three (3) business days after starting Services. The Proposal shall be detailed in accordance with this Section and shall also include any completed Services. The City will issue a Work Authorization (if required pursuant to Section 5.1.3.) and a Purchase Order as soon as reasonably practicable.

6. DISPOSAL OF WASTE AND SCRAPS

6.1. Contractor shall be responsible for disposing of all hazardous material generated during the performance of Services under this agreement.

6.2. Contractor shall recycle all material scraps, and the value credited to the City.

6.3. Contractor shall keep their work site(s) free from all surplus material, waste material, dirt and rubbish caused by Contractor's performance of Services.

6.4. Contractor shall leave the work site in a neat and orderly condition. All clean-up work will be done to the satisfaction of the City, and at the sole expense of Contractor.

7. REPORTING AND DOCUMENTATION

7.1. Contractor shall provide regular status updates on Services performed during the term of the agreement. Depending on work activity, status updates may be required daily, weekly, or monthly at the direction of SVP.

7.2. Contractor shall provide weekly cost and schedule updates during each project.

8. E-BUILDER

8.1. Contractor may utilize e-Builder for submission of data and documents throughout the term of this agreement, as requested by the City.

8.1.1. e-Builder is a web-based construction management application hosted by e-Builder, Inc. For certain projects to be defined by the City,

e-Builder shall be the primary means of project information submission and management or as otherwise agreed upon with the City.

8.1.2. The City will establish the Contractor's access to e-Builder by providing licenses to Contractor's personnel at City's cost. The Contractor's designated users will be required to set up their computers/systems to use e-Builder in accordance to the e-Builder User Training Guider. The City reserves the right to limit the licenses issued to Contractor in the future.

8.1.3. Contractor is required to obtain all necessary training to use the software. The City will provide one classroom training or a web-based seminar. A training session is 1 - 2 hours.

8.1.4. Contractor e-Builder is a web-based environment and therefore it is subject to the inherent speed and connectivity limitations of the Internet. The Contractor is responsible for its own connectivity to the Internet. e-Builder's response time is dependent on the Contractor's equipment, including processor speed, Internet access speed, etc. and current traffic on the Internet. The City will not be liable for any delays associated from the usage of e-Builder including, but not limited to: slow response time, down time periods, connectivity problems, or loss of information. The Contractor shall ensure connectivity to the e-Builder system whether at the home office or job site. Under no circumstances will usage of e-Builder be grounds for a time extension or cost adjustment to the Contract.

8.1.5. Data entered in a collaborative mode (entered with the intent to share as determined by permissions and workflows within the e-Builder system) by the City and the Contractor will be jointly owned.

8.1.6. The Contractor is responsible for managing, tracking, and documenting the work to comply with the requirements of this Agreement. The City's acceptance via automated system notifications or audit logs extends only to the face value of the submitted documentation and does not constitute validation of the Contractor's submitted information.

8.1.7. At the City's sole discretion, project documents may be processed and distributed digitally over the internet or may be required to be presented in hard copy format.

8.1.8. While regular email may still be used for communication, when requested by the City, e-Builder shall be utilized as much as possible in connection with all document and information management required in the performance of projects where City has directed the

use of e-Builder. Contractor shall be responsible for scanning or otherwise converting to electronic format all project submittals and Contractor correspondence, drawings, sketches, etc., and uploading them to the e-Builder web site and shall be responsible for the validity of its information placed in e-Builder. The Contractor shall utilize the existing forms and processes in e-Builder to the maximum extent possible. If a required form does not exist in e-Builder, the Contractor shall include a form of its own or one provided by the City (if available) as an attachment to a submittal or process. Documents and information to be submitted electronically include, but are not limited to:

8.1.8.1. Correspondence

8.1.8.2. Meeting minutes

8.1.8.3. Submittals and shop drawings

8.1.8.4. Product data, reports, certifications, etc. must be submitted in PDF format. (If a sample is able to be scanned, it is requested a scanned PDF copy is submitted with the sample.)

8.1.8.5. Requests for Information (RFI's)

8.1.8.6. Change order requests and documentation, including record copies of change orders, proposals, modifications

8.1.8.7. Pay applications

8.1.8.8. "Official" correspondence (such as letters) including informal correspondence, such as e-mail

8.1.8.9. Pre-Task Plans (PTPs)

8.1.8.10. Daily construction reports and other daily reports including Contractor Quality Control (CQC) reports

8.1.8.11. Quality Control (QC) documentation

8.1.8.12. All official reports, such as commissioning reports

8.1.8.13. Notices and claims

8.1.8.14. Operations and maintenance manuals

8.1.8.15. All close-out documents

8.1.8.16. All testing results

8.1.9. Archive Copies: When requested by City, Contractor shall keep an archive copy of all digital data created by Contractor, or submitted to Contractor via e- mail, or resident on the e-Builder for the duration of the Project. Such data shall be available to City, authorities with jurisdiction (including funding agencies or representatives) on demand.

8.1.10. Should the City replace e-Builder with a different project management tool, Contractor, and subcontractors, shall be required to utilize the new project management tool selected by the City.

9. SCHEDULE

9.1. For scheduled outages, Contractor shall be available to provide Services within thirty (30) days of request by SVP.

9.2. Remedial measures shall be completed within 24-hours or less in a timely, efficient manner to ensure the power plant equipment is operational as soon as possible.

9.3. Except where otherwise directed by the City, Contractor shall perform the required Services between 7:00 AM - 7:00 PM, Monday through Friday and avoid overtime except when requested and approved by the City.

9.4. If SVP requires Services outside of regular business hours, Contractor shall provide to SVP a Proposal for the required Services (listing labor costs and parts/equipment costs separately). Contractor shall not begin work until SVP has given written approval.

10. STAFFING REQUIREMENTS

10.1. The Contractor shall be solely responsible for selecting, hiring, employing, paying, supervising, training and discharging all personnel necessary for the efficient testing, inspection, maintenance, and repair Services.

10.2. Contractor shall ensure the following employment standards for all employees (including subcontractors) are complied with and enforced throughout the term of the contract.

10.3. Contractor shall employ only competent craftsmen/skilled workers who are well-qualified to perform the job duties for which they are being hired, appropriately trained, licensed to perform the required Services.

10.4. Contractor shall be responsible for understanding and complying with any training and licensing required for the performance of the Services described in this Attachment A, including but not limited to, Department of Transportation (DOT) requirements for commercial driver's license and required drug testing if applicable.

10.5. Contractor shall ensure that all its employees and agents abide by established local, state and federal safety rules and regulations.

10.6. Contractor's employees and any subcontractors shall supply proper identification when requested by SVP.

10.7. Classification and Duties of Employees: The Contractor shall include the classifications of employee positions and the duties of each position in their proposal. Classifications may include, but are not limited to:

10.7.1. Project Manager/General Manager: Responsible for the day-to-day management and supervision of the required Services. On-site responsibilities shall also include, but not be limited to, correcting problems, managing conflicts and complaints, and overseeing work schedules, personnel, and equipment requirements. If the Project Manager/General Manager is off-site or otherwise unable to give direction to Contractor's employees (including subcontractors), the City may give directions to the personnel until the Project Manager/General Manager returns.

10.7.2. Technician/Field Personnel: Performs the required valve inspection, maintenance and repair Services.

10.7.3. Administrative Personnel: Assists in the administration and reporting of the required Services.

10.8. Contractor shall inform SVP immediately of any change in key personnel assigned to this project.

10.8.1. Contractor shall submit the resumes and other qualifications of the proposed replacement employee(s) to SVP for review and approval.

10.8.2. SVP shall not unreasonably withhold approval.

10.9. SVP reserves the right to request the removal of any Contractor employee(s) who does not conduct themselves in a courteous, professional manner, or whose actions endanger the safety of people or property. The Contractor shall promptly respond to requests for replacement personnel.

11. EMPLOYEE TRAINING

11.1. Contractor shall provide training to its employees (including subcontractors) for them to perform their work in a safety manner.

11.2. Contractor's employee training shall be at no cost to SVP.

11.3. Contractor shall ensure that all employees (including subcontractors) who will be involved in the performance of Services understand how to safely inspect,

maintain, and repair the valves and the systems they are installed in as required for their respective positions.

11.4. Contractor shall review its training procedures annually and shall submit any revisions in writing to SVP.

11.5. Contractor shall provide ongoing training at least once per year. Contractor shall ensure that all assigned employees attend this annual training.

11.6. Contractor shall provide ongoing training such as LOTO, confined space, fall protection or other job-related trainings for starters at least once per year. Contractor shall ensure that all assigned employees attend this annual training.

11.7. Contractor shall be responsible for understanding and complying with any training and licensing required for the performance of the Services described in this Exhibit B.

12. SAFETY

12.1. Contractor shall comply with all site-specific safety requirements and procedures including but not limited to Lockout/Tagout (LOTO), Confined Space, Fall Protection, Chemical Safety, Hazardous Waste and Personnel Protective Equipment (PPE).

12.2. Contractor, its employees, and any subcontractors shall always act in a safe manner Contractor shall assume full responsibility for the protection and safekeeping of material and tools stored at the site and shall lock all Contractor vehicles when parked and unattended, to prevent unauthorized use. Contractor shall not leave vehicles or equipment unattended with the motor running or the ignition key in place.

12.3. The Contractor shall be responsible for creating a safe work environment for all personnel and City employees as well as for traffic control at the job site.

12.4. Contractor's safety provisions shall be in accordance with all applicable federal, state, county, and local laws, ordinances and codes.

12.5. Contractor shall be responsible for remaining up to date on all applicable federal, state, county, and local laws, ordinances and codes in the event they are amended. Where any amended applicable laws or ordinances are in conflict with the City's requirements, the more stringent requirement(s) shall be followed. The Contractor's failure to be thoroughly familiarized with the safety provisions shall not relieve the Contractor from compliance with the obligations and penalties resulting therefrom.

12.6. Contractor shall provide and maintain an Injury and Illness Prevention Program (IIPP) pursuant to Title 8, Section 3203 of the California

Administrative Code. The program shall include, but not be limited to, a safety training program instructing Contractor's employees in general safe work practices and shall include specific instructions with regard to hazards unique to the employee's job assignment. A copy of the Contractor's IIPP shall be submitted to the City prior to the execution of an agreement, and be made available on site upon request.

12.7. Contractor shall schedule periodic safety inspections to identify and correct unsafe conditions and work practices. SVP reserves the right to accompany Contractor during these inspections.

12.8. Contractor's employees (including any subcontractors) shall not use or possess alcohol, narcotics, firearms, or drugs of any nature other than medical (for which the Contractor's employee has a current doctor's prescription) on City property and while performing Services for the City. Employees using prescribed medication will not engage in any work if the medication can potentially impair the employee's ability to perform the work safely.

12.9. Contractor's employees (including any subcontractors) shall utilize appropriate Personal Protective Equipment (PPE) and Fire Resistant (FR) clothing, as required. Contractor shall provide the required PPE and FR clothing at its own expense.

12.10. Contractor shall immediately remove any personnel who is acting in an unsafe or dangerous manner.

12.11. Contractor shall notify the City immediately in event of an injury or property damage that occurs during the performance of the Services described in this Attachment A. Contractor shall investigate the reported injury or damage upon request from SVP, and provide SVP with regular updates until the investigation is resolved. SVP reserves the right to perform its own investigation. Should SVP choose to conduct its own investigation, Contractor shall assist the City as required.

12.12. Contractor and its employees shall watch an SVP safety video once per calendar year prior to the commencement of work or as assigned by SVP.

13. TOOLS AND EQUIPMENT

13.1. Contractor is responsible for identifying all tools and equipment necessary to perform work. SVP will not loan tools or equipment to the Contractor.

13.2. All equipment shall be operated and well-maintained in a satisfactory condition at all times and in compliance with state and federal regulations including, but not limited to, the Occupational Safety and Health Administration (OSHA).

13.3. SVP may suspend work where they observe that proper tools and equipment are not being used.

13.4. Contractor shall assume full responsibility for the protection and safekeeping of material and tools stored at the site and shall lock all Contractor vehicles when parked and unattended, to prevent unauthorized use. Contractor shall not leave vehicles or equipment unattended with the motor running or the ignition key in place.

13.5. Upon the end of the workday, or suspension of work, Contractor shall remove all equipment and obstructions from any property typically open for use by public traffic. Any incomplete work shall be secured in a manner that does not present a hazard to the City or public.

14. PROFESSIONAL BEHAVIOR

14.1. Contractor shall be responsible for the conduct, demeanor and appearance of its employees while on or about the job site or while acting in the course and scope of employment.

14.2. Contractor's employees shall be neat and clean and shall act in a courteous and professional manner. No employee shall use improper language or act in a loud, offensive, or otherwise improper manner.

14.3. Contractor's employees shall be trained as to the requirements of their positions and the importance of performing their jobs according to the SVP's instructions.

14.4. Contractor's employees shall be all times polite and courteous in their dealings with SVP staff and members of the public, treating them with patience and respect.

14.5. Contractor's employees shall speak clearly and in a professional manner while interacting with members of the public, offering the assistance needed by each person.

14.6. Contractor shall submit any complaints received against it to the City immediately.

15. WORKMANSHIP

15.1. The Contractor shall perform the required Services in an environmentally responsible manner.

15.2. Contractor shall take all necessary precautions to protect SVP, City and private property from damage during the performance of the required Services. Contractor shall be responsible for the repair of any property damaged during the performance of Services. Damage to City property that

cannot be repaired shall be replaced at the Contractor's sole expense, prior to issuance of payment to the Contractor by SVP. Any expenses incurred by SVP to repair property damage will be deducted from the Contractor's compensation.

15.3. Contractor will make all reasonable efforts to minimize obstructions and inconvenience to private property owners such as, but not limited to, noise associated with testing.

15.4. Contractor shall keep their work site(s) free from all surplus material, waste material, dirt and rubbish caused by Contractor's performance of Services.

15.5. Contractor shall leave the work site in a neat and orderly condition. All clean-up work will be done to the satisfaction of the City, and at the sole expense of Contractor.

15.6. Upon the end of the workday, or suspension of work, Contractor shall remove all equipment and obstructions from any property typically open for use by public traffic. Any incomplete work shall be secured in a manner that does not present a hazard to the City or public.

15.7. SVP shall have the right to inspect any work performed by the Contractor and any subcontractors. Should the City determine upon inspection any unsatisfactory or defective work, the Contractor shall immediately correct the work at no additional cost to SVP.

15.8. SVP shall not perform any work for Contractor except in an emergency situation or as determined necessary by the City such as, but not limited to adequately protect the SVP's electrical or other facilities or to restore work area to a safe condition. SVP will be reimbursed for any work done for the Contractor (deduction from the Contract or invoice to Contractor at the sole discretion of SVP). This will include all costs (direct straight time or overtime wages, all overhead, administration, engineering, vehicle, and equipment costs).

16. WARRANTY

16.1. Manufacturer's warranty shall apply to all parts.

16.2. Parts fabricated by Contractor shall have a warranty equal to or greater than manufacturer's warranty for similar parts.

16.3. Labor shall be warranted for at least twelve (12) months from the date of acceptance.

16.4. Contractor shall correct any deficiencies and/or errors in Contractor's work discovered during the warranty period, at no cost to the City.

EXHIBIT B
SCHEDULE OF FEES AND PAYMENT PROVISIONS

1. Maximum Compensation

1.1. The maximum amount of compensation to be paid to Contractor under this Agreement shall not exceed the amount specified in Section 6 of the Agreement (Compensation and Payment).

1.2. Any Services or materials requested by the City that exceeds the Maximum Compensation shall require the execution of an amendment to this Agreement before commencement of Services.

1.3. The City does not guarantee a minimum compensation under this Agreement.

2. Rates and Fees

2.1. Services shall be performed at the rates and fees specified in Exhibit B-1 – Hourly Rates and Fees.

2.2. Definitions:

2.2.1. Standard Rate is applicable for the first eight hours of work Monday through Friday during normal business hours.

2.2.2. Overtime Rate is the Standard Rate times one and one-half (1.5). Overtime Rate is applicable for work performed over eight hours Monday through Friday, work performed before or after normal working hours, and work performed on Saturdays.

2.2.3. Observed holidays are: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday following Thanksgiving Day, and Christmas Day.

2.2.4. Double Time Rate is the Standard Rate times two (2.0). Double Time Rate is applicable for work performed after twelve hours Monday through Saturday and work performed on Sunday or holidays.

2.3. Unless otherwise noted on the Work Authorization, a four-hour minimum of man hours plus truck fee is required for callouts.

2.4. Rates shall remain fixed for the initial two years of the Agreement. After the initial two years Contractor may request adjustments to the compensation rates no more than annually.

2.4.1. Contractor shall demonstrate to the satisfaction of City that a price increase is warranted.

2.4.2. Contractor shall notify City ninety (90) days in advance of any proposed rate increase.

2.4.3. City approval or denial of the requested rate adjustment will be provided in writing (e-mail acceptable). Once accepted, such rates shall be incorporated into the agreement by reference.

3. Reimbursable Expenses

3.1. Reimbursable Expenses. Contractor may submit invoices for reimbursement of expenses set forth subject to the following conditions. Any reimbursement to the Contractor is limited to the expenses set forth below in the Reimbursable Expense Schedule.

	Reimbursable Expense Schedule	Mark Up
1.	The cost of mailing, shipping and/or delivery of any documents or materials.	No Markup
2.	The cost of photographing, printing, reproducing and/or copying any documents or materials.	No Markup
3.	Charges for outside services and materials (including subcontractor fees, equipment, materials, and facilities not furnished directly by Contractor).	Not to exceed 10%
4.	Other reimbursable expenses with prior written approval from the City	No Markup
5.	Allowable mileage will be charged at the prevailing IRS rate per mile.	No Markup
6.	Unless approved in writing (e-mail acceptable) in advance, meals, lodging, and related per diem shall not exceed the rates outlined by United States General Services Administration (GSA). https://www.gsa.gov/travel-resources. Airfare or rental car, where applicable shall be at economy rates.	No Markup

3.2. Expenses shall be reimbursable only to the extent that the Contractor submits supporting information (such as receipts or invoices) for reimbursable expenses as well as sufficient documentation to City that the expenses were directly incurred in providing the Services, that such expenses aren't included in fixed or hourly rates, and (when a Work Authorization is required), such expenses were included in Work Authorization.

3.3. Except in the case of emergency, the City will only reimburse expenses to the extent such expenses are in Proposals submitted pursuant to Section 9 of Exhibit A.

3.4. City shall not reimburse local travel (within Santa Clara County).

4. Invoicing and Payment

4.1. Contractor shall submit invoices to City monthly, in arrears, for payment for preventative maintenance Services and/or Services performed per task or project for the previous month.

4.1.1. Each invoice shall include the task costs for the previous month.

4.1.2. Each invoice shall provide sufficient detail for City to verify that the rates in Exhibit B are charged.

4.2. City shall review the invoice submitted by Contractor and shall notify Contractor of any discrepancies or deficiencies in said invoice.

4.3. Pre-Payment. City shall not be required to pay a deposit or any other form of pre-payment prior to Contractor beginning of the Services.

4.4. Payment Limited to Satisfactory Services. Contractor is not entitled to any payments until the City concludes that the Services have been satisfactorily completed.

4.5. Disputed Invoices. If the City in good faith disputes any portion of an invoice, the City shall pay the undisputed portion of the invoice and submit written notice to Contractor regarding the disputed amount. The notice shall include documentation supporting the disputed amount.

4.6. Certified Payroll. When applicable, Contractor shall submit all necessary certified payrolls with its request for payment, in accordance with Exhibit D and such submittals are subject to verification by City. In no event shall Services subject to Certified Payroll be invoiced in advance of the Services being performed.

4.7. Payment. If there are no discrepancies or deficiencies in the submitted invoice and Contractor has submitted all required Certified Payroll, City shall process the invoice for payment.

EXHIBIT B-1
HOURLY BILLING RATES AND FEES
EFFECTIVE July 1, 2023

Classification	Standard Rate	Overtime Rate	Double Time Rate
Foreman	$145.00/hour	$217.50/hour	$290.00/hour
Journeyman	$140.00/hour	$210.00/hour	$280.00/hour
Apprentice	$111.00/hour	$166.50/hour	$222.00/hour
Supervisor	$155.00/hour	$232.50/hour	$310.00/hour
Truck and Tool	$25.00/hour	$25.00/hour	$25.00/hour
Borescope	$250.00 Setup, Standard hourly crew rates apply		
Emissions Analyzer	$250 Setup		
Laser Alignment	$250 Setup, Standard hourly crew rates apply		

EXHIBIT C
INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Contractor shall provide and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions and endorsements:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:

   $5,000,000 Each occurrence
   $5,000,000 General Aggregate
   $5,000,000 Products/Completed Operations Aggregate
   $5,000,000 Personal Injury
   $5,000,000 Project Aggregate

2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.

3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:

   a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;

   b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and

   c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than five million dollars ($5,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned, non-owned and hired autos.

In the event that the Work being performed under this Agreement involves transporting of hazardous or regulated substances, hazardous or regulated wastes and/or hazardous or regulated materials, Contractor and/or its subcontractors involved in such activities shall provide coverage with a limit of two million dollars ($2,000,000) per accident covering transportation of such materials by the addition to the Business Auto Coverage Policy of Environmental Impairment Endorsement MCS90 or Insurance Services Office endorsement form CA 99 48, which amends the pollution exclusion in the standard Business Automobile Policy to cover pollutants that are in or upon, being transported or towed by, being loaded onto, or being unloaded from a covered auto.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars ($1,000,000) policy limit Bodily Injury by disease, one million dollars ($1,000,000) each accident/Bodily Injury and one million dollars ($1,000,000) each employee Bodily Injury by disease.

2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).

3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. POLLUTION LIABILITY

In the event that this contract involves hazardous or regulated wastes and/or hazardous or regulated materials, Contractor and/or its subcontractors shall provide a Contractor's Pollution Liability Insurance policy with coverage limits not less than two million dollars ($2,000,000) each claim in connection with the Work performed under this Contract. All activities contemplated in this agreement shall be specifically scheduled on the policy as "covered operations." Any deductible must be declared to and approved by City. Such policy shall cover, at a minimum, liability for bodily injury, damage to and loss of use of property, and clean–up costs arising from sudden, accidental and gradual pollution and remediation in connection with the Work under this Agreement. Contractor will use its best efforts to have the City, Council, officers, employees and volunteers added as additional insureds under this policy. The following provisions shall apply:

1. The policy shall provide coverage for the hauling of waste from the project site to the final disposal location, including non-owned disposal sites.

2. Products/completed operations coverage shall extend a minimum of three (3) years after project completion.

3. Coverage shall be included on behalf of the insured for covered claims arising out of the actions of independent contractors.

4. If the insured is using subcontractors the Policy must include work performed "by or on behalf" of the insured.

5. Policy shall contain no language that would invalidate or remove the insurer's duty to defend or indemnify for claims or suits expressly excluded from coverage. Policy shall specifically provide for a duty to defend on the part of the insurer.

E. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85 or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.

2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.

3. General Aggregate. The general aggregate limits shall apply separately to Contractor's work under this Agreement providing coverage at least as broad as Insurance Services Office (ISO) Endorsement CG 2503, 1985 Edition, or insurer's equivalent (CGL);

4. Cancellation.

   a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of

non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.

b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.

5. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through E of this Document 00820.

F. ADDITIONAL INSURANCE RELATED PROVISIONS

Contractor and City agree as follows:

1. Requirements of specific insurance coverage features described in this Agreement shall not be construed to be a limitation of liability on the part of Contractor or any of its subcontractors, nor to relieve any of them of any liability or responsibility under the Contract Documents, as a matter of law or otherwise. Such requirements are not intended by any Party to be limited to providing coverage for the vicarious liability of the City or to the supervisory role, if any, of City. All insurance coverage provided pursuant to this Agreement in any way relating to City is intended to apply to the full extent of the policies involved.

2. Contractor shall maintain all required insurance policies in full force and effect during entire period of performance of the Services under this Agreement of Contract Documents. Contractor shall also keep such insurance in force during warranty and guarantee periods. At time of making application for extension of time, Contractor shall submit evidence that insurance policies will be in effect during requested additional period of time.

3. City reserves the right, at any time during the term of this Agreement to change the amounts and types of insurance required by giving the Contractor thirty (30) days advance written notice of such change. If such change results in substantial additional cost to the Contractor, the City will negotiate in good faith additional compensation proportional to the increased benefit to City.

4. Any type of insurance or any increase of limits of liability not described in this Exhibit which Contractor requires for its own protection or in

compliance with applicable statutes or regulations, shall be Contractors' responsibility and at its own expense.

5. No liability insurance coverage provided by Contractor to comply with the terms of this Agreement shall prohibit Contractor, or Contractor's employees, or agents, from waiving the right of subrogation prior to a loss. Contractor waives its right of subrogation against Indemnitees. Any property insurance policies affected by Contractor shall be endorsed to delete the subrogation condition as to indemnitees or shall specifically allow Contractor to waive subrogation prior to a loss. Contractor hereby waives any right of recovery against the indemnitees and agrees to require any subcontractor to do so.

6. Contractor agrees to ensure that subcontractors, and any other party involved with the Services who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, <u>except as with respect to limits</u>. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.

7. Contractor shall cooperate fully with City and Contractor's insurance companies in any safety and accident prevention program and claims handling procedures as established for the performance of Services under this Agreement.

8. All coverage types and limits required under this Agreement are subject to approval, modification and additional requirements by the City, as the need arises. Contractor shall not make any reductions in scope of coverage which may affect City's protection without City's prior written consent.

9. For purposes of applying insurance coverage only, all contracts pertaining to the performance of services will be deemed to be executed when finalized and any activity commences in furtherance of performance under this agreement.

10. Contractor acknowledges and agrees that any actual or alleged failure on the part of City to inform Contractor of non-compliance with any of the insurance requirements set forth in this Agreement in no way imposes any additional obligations on City nor does it waive any of the City's rights under this Agreement or any other regard.

11. Any provision in this Agreement dealing with the insurance coverage provided pursuant to these requirements, is subordinate to and superseded by the requirements contained herein. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by the Parties here to be interpreted as such.

12. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Contractor for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

13. Contractor agrees to obtain and provide to City evidence of Professional Liability insurance for Architects or Engineers if engaged by Contractor to perform any of the Services required under this Agreement. City shall determine the minimum coverage and policy limits required, after consultation with Contractor.

14. The City acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Contractor. The Contractor's insurance obligations under this Agreement under may be satisfied in whole or in part by adequately funded self-insurance retention, but only after approval from the City Attorney's Office upon satisfactory evidence of financial capacity.

15. The City reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

G. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, provide and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Contractor shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

H. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its

equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be mailed to:

EBIX Inc.
City of Santa Clara [*insert City department name here]
P.O. Box 100085 – S2 or 1 Ebix Way
Duluth, GA 30096 John's Creek, GA 30097

Telephone number: 951-766-2280
Fax number: 770-325-0409
Email address: ctsantaclara@ebix.com

I. QUALIFYING INSURERS

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.

EXHIBIT D
LABOR COMPLIANCE EXHIBIT

This Agreement is subject to the requirements of California Labor Code section 1720 et seq. requiring the payment of prevailing wages, the training of apprentices, and compliance with other applicable requirements.

A. **Prevailing Wage Requirements**

1. Contractor shall be obligated to pay not less than the General Prevailing Wage Rate, which can be found at www.dir.ca.gov and are on file with the City Clerk's office, which shall be available to any interested party upon request. Contractor is also required to have a copy of the applicable wage determination posted and/or available at each job site.

2. Specifically, contractors are reminded of the need for compliance with Labor Code Section 1774-1775 (the payment of prevailing wages and documentation of such), Section 1776 (the keeping and submission of accurate certified payrolls) and 1777.5 in the employment of apprentices on public works projects. Further, overtime must be paid for work in excess of 8 hours per day or 40 hours per week pursuant to Labor Code Section 1811-1813.

3. Special prevailing wage rates generally apply to work performed on weekends, holidays and for certain shift work. Depending on the location of the project and the amount of travel incurred by workers on the project, certain travel and subsistence payments may also be required. Contractors and subcontractors are on notice that information about such special rates, holidays, premium pay, shift work and travel and subsistence requirements can be found at www.dir.ca.gov .

4. Only bona fide apprentices actively enrolled in a California Division of Apprenticeship Standards approved program may be employed on the project as an apprentice and receive the applicable apprenticeship prevailing wage rates. Apprentices who are not properly supervised and employed in the appropriate ratio shall be paid the full journeyman wages for the classification of work performed.

5. As a condition to receiving progress payments, final payment and payment of retention on any and all projects on which the payment of prevailing wages is required, Contractor agrees to present to City, along with its request for payment, all applicable and necessary certified payrolls (for itself and all applicable subcontractors) for the time period covering such payment request. The term "certified payroll" shall include all required documentation to comply with the mandates set forth in Labor Code Section 1720 *et seq*, as well as any additional documentation requested by the City or its designee including, but not limited to: certified

payroll, fringe benefit statements and backup documentation such as monthly benefit statements, employee timecards, copies of wage statements and cancelled checks, proof of training contributions (CAC2 if applicable), and apprenticeship forms such as DAS-140 and DAS-142.

6. In addition to submitting the certified payrolls and related documentation to City, Contractor and all subcontractors shall be required to submit certified payroll and related documents electronically to the California Department of Industrial Relations. Failure to submit payrolls to the DIR when mandated by the project parameters shall also result in the withholding of progress, retention and/or final payment.

7. No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

8. No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractors MUST be a registered "public works contractor" with the DIR AT THE TIME OF BID. Where the prime contract is less than $15,000 for maintenance work or less than $25,000 for construction alternation, demolition or repair work, registration is not required.

9. All contractors/subcontractors and related construction services subject to prevailing wage, including but not limited to: trucking, surveying and inspection work must be registered with the Department of Industrial Relations as a "public works contractor". Those you fail to register and maintain their status as a public works contractor shall not be permitted to perform work on the project.

10. Should any contractor or subcontractors not be a registered public works contractor and perform work on the project, Contractor agrees to fully indemnify the City for any fines assessed by the California Department of Industrial Relations against the City for such violation, including all staff costs and attorney's fee relating to such fine.

11. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

B. Audit Rights

All records or documents required to be kept pursuant to this Agreement to verify compliance with this Exhibit shall be made available for audit at no cost to City, at any time during regular business hours, upon written request by the City Attorney, City Auditor, City Manager, or a designated representative of any of these officers. Copies of such records or documents shall be provided to City for audit at City Hall when it is

practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records or documents shall be made available at Contractor's address indicated for receipt of notices in this Agreement.

C. Enforcement

1. City shall withhold any portion of a payment; including the entire payment amount, until certified payroll forms and related documentation are properly submitted, reviewed and found to be in full compliance. In the event that certified payroll forms do not comply with the requirements of Labor Code Section 1720 et seq., City may continue to hold sufficient funds to cover estimated wages and penalties under the Agreement.

2. Based on State funding sources, this project may be subject to special labor compliance requirements of Proposition 84.

3. The City is not obligated to make any payment due to Contractor until Contractor has performed all of its obligations under these provisions. This provision means that City can withhold all or part of a payment to Contractor until all required documentation is submitted. Any payment by the City despite Contractor's failure to fully perform its obligations under these provisions shall not be deemed to be a waiver of any other term or condition contained in this Agreement or a waiver of the right to withhold payment for any subsequent breach of this Exhibit.

City or the California Department of Industrial Relations may impose penalties upon contractors and subcontractors for failure to comply with prevailing wage requirements. These penalties are up to $200 per day per worker for each wage violation identified; $100 per day per worker for failure to provide the required paperwork and documentation requested within a 10-day window; and $25 per day per worker for any overtime violation.

EXHIBIT E

SAMPLE WORK AUTHORIZATION FORM

This work authorization ("Work Authorization") is made pursuant to the Agreement for Service between the City of Santa Clara and Gavin D. Yates, doing business as Northwest Industrial Engine & Compressor Co. ("Agreement"), a California Sole Proprietorship. This Work Authorization is governed by the provisions of the Agreement and is hereby incorporated into that Agreement by reference. All Services shall be using the terms and rates included in the Agreement. In the event of any inconsistency between the terms and conditions of the Work Authorization and the Agreement, the terms and conditions of the Agreement shall govern and control.

PART A: GENERAL INFORMATION

WORK AUTHORIZATION NUMBER:		☐ Original ☐ First Revised ☐ Second Revised ☐ Other_____
Contract No.		
Contractor Name/Address:		
Expiration Date of Agreement:		
Contractor's Project Manager:	**Name:**	**Email:**
City's Project Manager	**Name:**	**Email:**
Period of Performance for this Work Order:	**Start Date:**	**Expected Completion Date:**
Maximum Compensation of Agreement:		
Previously Committed Funds:		
Available Funds		
Maximum Compensation for this Work Authorization		
Remaining Available Funds		
Sufficient funds are available in Fund #: (to be completed by City)		
Contractor Representative Name (Print)		
Contractor Representative Signature		
Contractor Representative Signature Date		
City Project Manager Name (Print)		
Authorized City Representative (Print)		
City Representative Signature		
City Representative Signature Date		
** Authorized City Representatives include Electric Utility Assistant Director, Chief Electric Utility Operating Officer, Chief Electric Utility Officer*		

PART B: SERVICES TO BE PERFORMED

1. REVISED WORK AUTHORIZATION

☐ No

☐ If yes, provide a brief description of the change(s).

2. SCOPE OF SERVICES TO BE PERFORMED

The Contractor shall perform the service(s) described below in accordance with all of the terms and conditions of the Agreement. (Insert a detailed Scope of Services below or attach as a separate file.) Scope of Services and cost proposal shall meet all of the provisions of Section 5 of Exhibit B.

3. COMPENSATION

a. Basis of Compensation: ☐ Time & Materials ☐ Fixed Fee

b. Reimbursable Expenses:

☐ No expenses are reimbursable.

☐ Expenses are separately reimbursable in the maximum amount of:

_____

c. Payment Schedule:
☐ Monthly ☐ Completion of Deliverable/Milestone ☐ Completion of Services

d. Payment Terms. Provide payment terms below or attach as a separate file.

*Payment for on-site labor may not be paid in advance. On-site labor shall not be invoiced until completed and Customer will not make payment until certified payroll is approved.

4. LIQUIDATED DAMAGES

☐ Liquidated Damages do not apply.

☐ Liquidated Damages apply as follows:

It is mutually agreed by Contractor and City that, in event completion of the Services to be provided by the Contractor under this Agreement is delayed beyond _____, 20___, City will suffer
damages and will incur other costs and expenses of a nature and amount which is difficult or impractical to determine. The Parties agree that by way of ascertaining and fixing the amount of damages, costs and expenses, and not by way of penalty, Contractor shall pay to City the sum of _____dollars ($_____) per day in liquidated damages to a cap of _____. Contractor agrees that City may deduct the amount of said unpaid damages from any money due or that may become due to Contractor under this Agreement.

Notwithstanding the foregoing both Parties understand and agree that no liquidated damages shall accrue for delivery delays due to any modification of the Scope of Services, for delays caused by or attributable to the City, for delays caused by or attributable to third parties not under the direct control of Contractor or any force majeure event during the period of service of this Work Authorization.

Such liquidated damages shall be the City's sole and exclusive remedy for Contractor's failure to meet the agreed delivery schedule.

5. ACCEPTANCE CERTIFICATE

☐ Acceptance Certificate not required.

☐ Acceptance Certificate required: