
File ID: 2024-01232

6/25/2024

Consent Item 14.

Contract: Mobile Services and General Maintenance and Repairs for Medium and Heavy-Duty Vehicles and Equipment

File ID: 2024-01232

Location: Citywide

Recommendation: Pass a **Motion:** 1) awarding an initial one-year contract with four one-year renewal options to Ray Gaskin Service for the purchase of mobile maintenance and repair services for medium and heavy-duty vehicles and equipment in an amount not to exceed \$950,000 for the potential five-year term; and 2) authorizing the City Manager or the City Manager's designee to execute the contract and renewal options specified provided that sufficient funds are available in the adopted budget for the applicable fiscal year.

Contact: Bobbie Small, Program Specialist, (916) 808-6711, bsmall@cityofsacramento.org; Alison Kerstetter, Fleet Manager, (916) 808-1163, akerstetter@cityofsacramento.org; Department of Public Works

Presenter: None

Attachments:

- 1 - Description/Analysis
- 2 - Agreement

Additional Description/Analysis

Issue Detail: The Department of Public Works, Fleet Management Division, has an ongoing requirement to purchase mobile maintenance repairs and services for medium and heavy-duty vehicles and equipment. These services are essential to support the operational needs of various City departments. By ensuring that all medium and heavy vehicles and equipment are properly maintained and quickly repaired when needed, the Fleet Management Division helps to minimize downtime and maximize efficiency across city operations. This initiative is critical for maintaining the reliability and performance of the city's fleet, which includes vehicles used for public safety, public works, sanitation, and other essential services.

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.56, which requires City Council approval of actions of \$250,000 or more.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): No environmental review is necessary because the recommendations in this report involve the purchase of mobile repair services for medium and heavy-duty vehicles and equipment and is not considered to be a project in accordance with Section 15378(b)(2) of the guidelines.

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: On March 28, 2024, the Department of Public Works, Fleet Management Division, in accordance with City Code Chapter 3.56, issued Invitation for Bid No. B24153311010 for mobile maintenance and repairs for medium and heavy-duty vehicles and equipment. Seven bids were received. Fleet Management recommends awarding the contract to Ray Gaskin Service as the lowest cost, responsive and responsible bidder.

Financial Considerations: Sufficient funds are available in the Department of Public Works, Fleet Management Fiscal Year 2024/2025 operating budget to purchase maintenance and repairs for medium and heavy-duty vehicles and equipment through June 30, 2025. Purchases made after June 30, 2025, are subject to funding availability in the adopted budget of the applicable fiscal year.

Due to the forecasted structural budget gap, the City Manager has directed City departments to minimize costs and for all new contracts to receive an additional level of scrutiny to ensure they are necessary for the operation of the City. This contract has been reviewed and approved by the City Manager's Office to advance to Council for approval. Funding for the proposed contract beyond FY2024/25 is subject to Council approval.

Local Business Enterprise (LBE): Ray Gaskin Service is an LBE.

CONTRACT ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

General Information (Required)

Original Contract # (supplements only): _____ Supplement/Addendum #: _____
Assessor's Parcel Number(s): _____
Contract Effective Date: 07/02/2024 Contract Expiration Date (if applicable): 07/01/2029
\$ Amount (Not to Exceed): \$ 950,000.00 Adjusted \$ Amount (+/-): \$ 0.00
Other Party: Ray Gaskin Service
Project Title: Mobile Services and General Maintenance and Repairs for Medium and Heavy-Duty Vehicles and Equipment
Project #: _____ Bid/RFQ/RFP #: B24153311010
City Council Approval: YES if YES, Council File ID#: 2024-01232

Contract Processing Contacts

Department: Public Works Project Manager: Bobbie Small
Contract Coordinator: Song Moua Email: smoua@cityofsacramento.org

Department Review and Routing

Accounting:	_____	_____
	(Signature)	(Date)
Supervisor:	_____	_____
	(Signature)	(Date)
Division Manager:	_____	_____
	(Signature)	(Date)
Other:	_____	_____
	(Signature)	(Date)

Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)

Recording Requested **Other Party Signature Required**

-----**FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE**-----

CONTRACT #:
CONTRACT NAME: Mobile Services and General Maintenance and Repairs for Medium and Heavy-Duty Vehicles and Equipment
CONTRACT PROJECT #: B24153311010
DEPARTMENT: Public Works
DIVISION: Fleet Management

CITY OF SACRAMENTO

GOODS AND NONPROFESSIONAL SERVICES AGREEMENT

THIS CONTRACT is made at Sacramento, California, by and between the **CITY OF SACRAMENTO**, a charter city and municipal corporation (“CITY”), and

Ray Gaskin Service
8553 Weyand Ave, Sacramento, CA 95828
916-798-2304 / david@raygaskinservice.com

(“Contractor”), as of the Effective Date, as defined below.

The City and Contractor agree as follows:

1. **Effective Date.** This Contract shall be effective beginning July 2, 2024.
2. **Contract Documents.** This Contract includes each of the following documents, which are attached or incorporated by this reference (referred to collectively as the “Contract Documents”):

Invitation to Bid, Request for Qualifications, or Request for Proposals, and any Addenda
Exhibit A - Technical Specifications
Exhibit B – Payment
Exhibit C – Insurance
Exhibit D – General Conditions
Purchase Orders

If there is a conflict between the terms and conditions of any document prepared or provided by the Contractor and made a part of this Contract and the other terms or conditions of the Contract, the other terms and conditions of the Contract control.

3. **Goods and Services.** Subject to the terms and conditions set forth in this Contract, Contractor shall provide to City the goods, materials, equipment or supplies (“Goods”) and the non-professional services (“Services”) described in Exhibit A (referred to collectively as “Goods and Services”).

Contractor will not be compensated for goods, materials, equipment, supplies, or non-professional services outside the scope of Exhibit A (“Additional Goods and Services”) unless, before providing Additional Goods and Services: (a) Contractor notifies City and City agrees that

the Additional Goods and Services are outside the scope of Exhibit A; (b) Contractor estimates the additional compensation required for these Additional Goods and Services; and (c) City, after notice, approves in writing a Supplemental Contract specifying the Additional Goods and Services and the amount of additional compensation to be paid Contractor.

City will have no obligations whatsoever under this Contract or any Supplemental Contract, unless and until this Contract or any Supplemental Contract is approved by the City as required by the Sacramento City Code. As used in this Contract, the term "Goods and Services" includes both Goods and Services and Additional Goods and Services as applicable.

4. **Payment.** City shall pay Contractor at the times and in the manner set forth in Exhibit B. Contractor shall submit all invoices to City in the manner specified in Exhibit B.
5. **Facilities and Equipment.** Except as set forth below, Contractor shall, at its sole cost and expense, furnish all facilities and equipment required for Contractor to perform this Contract. City shall furnish to Contractor only the facilities and equipment listed below, if any.
6. **Insurance.** Contractor shall, at its sole cost and expense, maintain the insurance coverage described in the attached Exhibit C.
7. **General Conditions.** Contractor shall comply with the terms and conditions set forth in the attached Exhibit D.
8. **Non-Discrimination in Employee Benefits.** This Contract may be subject to Sacramento City Code chapter 3.54, Non- Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits Code (Equal Benefits Ordinance)," can be viewed at:

<https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances>.

Contractor acknowledges and represents that Contractor has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance.

Contractor's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

9. **Living Wage.** This Contract may be subject to Sacramento City Code chapter 3.58, Living Wage. A summary of the requirements, entitled "Living Wage Requirements", can be viewed at: <https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances>. The Living Wage Ordinance is applicable to certain contracts with the City in an amount of \$250,000 or more (either initial value or total value after amendment) or if the total value of all Contractor's contracts with the City is \$250,000 or more over a 12-month period.

Contractor acknowledges and represents that Contractor has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.58. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance.

Contractor shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.58 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.58.

Contractor's violation of Sacramento City Code chapter 3.58 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

In addition, for Services that constitute "Public Works" under California Labor Code Section 1720 et seq., if both prevailing wage and living wage requirements apply, Contractor shall pay the higher of the two rates.

10. **Considering Criminal Conviction Information in the Employment Application Process.** This Contract may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled "Ban-The-Box Requirements," can be viewed at:

<https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances>.

The Ban-The-Box Requirements are applicable to certain contracts with the City in an amount of \$250,000 or more (either initial value or total value after amendment) or if the total value of all Contractor's contracts with the City is \$250,000 or more over a 12-month period.

Contractor acknowledges and represents that Contractor has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance. Contractor shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62.

Contractor's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

11. **Local Business Enterprise Program.** The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") are applicable to this Contract. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:

<https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances>.

Contractor acknowledges and represents that Contractor has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance. Contractor shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.

Contractor's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

12. **Authority.** The person signing this Contract for Contractor represents and warrants that he or she has read, understands, and agrees to all the Contract terms and is fully authorized to sign this Contract on behalf of the Contractor and to bind the Contractor to the performance of the Contract's obligations.

[Signature Pages Follow Exhibits]

EXHIBIT A
TECHNICAL SPECIFICATIONS

1. Representatives.

The CITY Representative for this Agreement is:

*Bobbie Small / Program Specialist
5730 24th Street, Sacramento, CA 95822
916-808-6711 / bsmall@cityofsacramento.org*

The CONTRACTOR Representative for this Agreement is:

*David Edwards / Shop Foreman
8553 Weyand Ave., Sacramento, CA 95828
916-798-2304 / david@raygaskinservice.com*

Unless otherwise provided in this Contract, all Contractor questions and correspondence pertaining to this Contract must be addressed to the City Representative. All City questions and correspondence must be addressed to the Contractor Representative.

2. Scope of Services. Contractor shall provide Goods and Services to City as set forth in Attachment 1 to this Exhibit A.

3. Quantities. The quantities stated in Attachment 1 to this Exhibit A or Exhibit B are only estimates of the City's requirements. Contractor shall furnish Goods and Services at the prices quoted, in accordance with the City's available funds and actual needs as they occur throughout the term of this Contract.

The City is not required to purchase all of the Goods and Services listed, or to expend all available funding reflected in Exhibits A or B.

4. Time of Performance. The Goods and Services described in this Contract shall be provided for *one year*). The City may extend this Contract for up to 4 additional one-year terms, for a maximum five-year term. Contractor shall provide the Goods and Services in accordance with any schedule in Attachment 1 to this Exhibit A.

5. Delivery and Inspection.

A. Delivery. Unless otherwise stated by the City in writing, delivery of Goods shall be made to the City address set forth in Exhibit A. All shipments are Free on Board (F.O.B.) destination with freight prepaid unless otherwise stated.

Contractor assumes full responsibility for all transportation scheduling and costs, including costs for containers, packing, handling, and insurance. The City reserves the right

to request and receive a copy of the freight bill of lading on all purchases shipped F.O.B. prepaid and added.

Time is of the essence in the delivery. If delivery cannot be made as specified in Exhibit A or as otherwise stated by the City, Contractor shall notify the City immediately to request instructions on how to proceed and shall not make delivery before receipt of instructions. Periods of performance may be extended if, in the sole judgment of the City, the cause of delay justifies an extension.

- B. Inspections: Goods will be inspected at the destination before acceptance by an authorized representative of the City for workmanship, appearance, proper functioning of all equipment and systems, and conformance to all other requirements of this Contract. The Goods shall be delivered to City free of any liens or encumbrances.

Notwithstanding the requirements for any City inspection and testing at the destination and except where specialized inspections or testing are specified for performance solely by the City, Contractor shall perform or have performed the inspections or tests required to substantiate that all Goods provided under the Contract conform to the drawings, specifications, and other Contract requirements, including, if applicable, the technical requirements for the manufacturer's part number(s) specified.

- C. Deficiencies: If deficiencies in the Goods are discovered, Contractor shall correct and redeliver the Goods for re-inspection and acceptance. The period for payment and/or commencement of discount period (if applicable) does not begin until corrective action is complete. The cost of storing rejected Goods and the cost for shipping rejected Goods back to the Contractor or point of origin shall be paid by Contractor.
- D. Inspection of Facilities: If requested by the City, Contractor shall provide the City with an inspection tour of Contractor's facilities where any Goods will be designed, manufactured, or assembled by Contractor.

- 6. **Title/Risk of Loss.** Title, ownership, and risk of loss or damage of the Goods remains with the Contractor until the Goods are delivered to, inspected, and accepted by the City, except when the loss or damage is due to the sole negligence of the City.

Attachment 1 to Exhibit A

Scope of Services:

CONTRACTOR shall provide Mobile Services and General Maintenance and Repairs for Medium and Heavy-Duty City Vehicles and Equipment on an “as-needed” basis, as determined by the City. CONTRACTOR understands and agrees that work will be assigned to CONTRACTOR on an individual job or task basis through the City’s issuance of a written notice to proceed. The jobs/tasks may involve varying levels of effort throughout the term of the Agreement. The need for services may not be continuous during the term. It is understood and agreed by CONTRACTOR that no services at all may be required by the City under this Agreement, in which case, CONTRACTOR shall not receive any compensation. If services are performed under this Agreement, total payment for said services shall not exceed that amount stated in Exhibit B for the five-year term. The City will contact CONTRACTOR regarding a specific job/task. CONTRACTOR shall not commence work on any job or task prior to receipt of a written notice to proceed from the City. CONTRACTOR shall perform, comply with and be subject to all provisions of this Agreement regarding any work performed pursuant to such written notices to proceed.

Time of Performance:

CONTRACTOR shall provide these services for one year beginning on the “Effective Date” of this Agreement. Upon the mutual agreement of the parties, the Agreement may be extended for four additional one-year terms, for a potential five-year term. Extensions must be processed in accordance with the City Code.

Technical Specifications:

General Requirements

- a. The CONTRACTOR’s facility shall be a clean and safe working environment. The facility shall comply with all federal, state and local regulations.
- b. CONTRACTOR shall provide onsite lubrication and preventative maintenance (PM) of various off-road type vehicles and equipment owned and operated by the City of Sacramento.
- c. CONTRACTOR shall provide lubrication and preventative maintenance (PM) at various City sites. This includes but is not limited to weekly lubrication of critical lubrication points, scheduled fluid changes and filter change. Successful CONTRACTOR will also identify and report items requiring maintenance and repair.
- d. The CONTRACTOR's facility and/or plant shall have the necessary capacity, machinery and tools, prior to the bid opening to fulfill the City's needs and requirements, as well as CONTRACTOR's current work load. The CONTRACTOR shall demonstrate that they have the ability and capacity to meet the City's needs and requirements prior to the award of contract.
- e. Authorized representative(s) of the City of Sacramento shall be permitted to inspect the CONTRACTOR’s facility prior to the award of this bid. After the award of the bid, authorized representative(s) of the City shall be permitted to inspect the CONTRACTOR’s facility on a periodic basis. More frequent inspections shall be permitted if problems develop and remain

unresolved. Persistent and/or unresolved performance or other issues may be grounds for termination of this agreement.

- f. Availability and timely delivery are critical to the award and maintenance of this agreement. Failure to maintain adequate inventory or provide timely repairs and delivery for items requested shall be grounds for termination. Failure to perform repairs in a timely manner on regular basis will be grounds for termination of this contract.
- g. All prices quoted on the bid sheet shall include all charges necessary to perform and the complete repair, fluids, road testing, pickup and delivery of vehicle back to the City, any hazardous disposal fees, shop fees and 8.75% sales tax.
- h. Items and quantities listed on the bid sheet are based on past usage and have constituted some of the items required. Other items will be required. Quantities are subject to increase or decrease. Bid items are listed for evaluation purposes only. CONTRACTOR will be required to supply other services/repairs at the same discounts that are offered in the bid.

Repair Service Requirements

- a. CONTRACTOR shall provide onsite lubrication and preventative maintenance (PM) of various off-road type vehicles and equipment owned and operated by the City of Sacramento.
- b. CONTRACTOR shall provide lubrication and preventative maintenance (PM) at various City sites. This includes but is not limited to weekly lubrication of critical lubrication points, scheduled fluid changes and filter change. Successful CONTRACTOR will also identify and report items requiring maintenance and repair.
- c. The successful CONTRACTOR shall have a minimum of one service truck that is equipped to perform onsite and scheduled preventative maintenance at City sites.
- d. The successful CONTRACTOR may perform services after 5:00 pm Monday thru Friday if requested by the City.
- e. The successful CONTRACTOR will be responsible for providing all items necessary to perform tasks requested including filters, oil lubricants and disposal of all waste oil and shall clean all excess grease from the equipment and from the ground.
- f. CONTRACTOR shall have a minimum of five years' experience performing on site lubrication and mobile services for off road type equipment.
- g. If additional maintenance or repairs are necessary, authorized City representatives will review the successful CONTRACTOR's estimates and if it is acceptable to the City, authorization will be given to start the repair. No repairs will be authorized unless an estimate is generated, approved and authorization given to perform the repairs.
- h. If additional repairs are required and cannot be serviced by the CONTRACTOR's service truck, then the City will tow the vehicle to the CONTRACTOR's facility if the vehicle is not drivable. The

CONTRACTOR must have the ability when necessary to pick up and deliver all vehicles that are drivable. Some vehicles will require a Class B license to drive.

- i. All repairs shall be warranted for a minimum of 90 days.
- j. Labor rate quoted on the pricing page shall include road testing and as a minimum, all wages, payroll taxes, fringe benefits, insurance, tools transportation, overhead, profit, and general administrative expenses and environmental fees. No other charges, other than costs for replacement parts will be charged to the City.

Parts Requirements

- a. All items provided under this agreement shall be first quality items and equal to original equipment manufacturer (OEM) specifications or better and shall be identical in size, design and a direct replacement for items requested without any modifications to vehicle.
- b. The parts percentage mark up over net cost quoted on the bid pricing page for bid items shall be applied to all purchases of like or similar items. The items shown are a sampling of what is required by the City. Since various types of equipment are either leased, owned or will subsequently be purchased by the City, other items will be required. CONTRACTOR must therefore attach the most current price list(s), if available, listing all exchange transmissions and related items available, and the allowed discount(s) from that list for items not indicated.

EXHIBIT B

PAYMENT

1. **Contractor's Compensation.** The total of all fees paid to the Contractor for the provision of Goods and Services as set forth in Exhibit A, including any authorized reimbursable expenses, shall not exceed the total sum of \$ 950,000. The payments specified in this Exhibit B shall be the only payments made to Contractor unless the City approves a Supplemental Contract.
2. **Pricing.** Contractor shall be paid as set forth in Exhibit A or Attachment 1 to this Exhibit B and any applicable special provisions included in the request for bids or proposals. If there is a conflict between Exhibit A or Exhibit B and the Special Provisions, Exhibit A or Exhibit B controls.
3. **Contractor's Reimbursable Expenses.** "Reimbursable Expenses" are limited to actual expenditures of Contractor for expenses that are necessary for the proper satisfaction of the Contract and are only payable if specifically authorized in advance in writing by the City.
4. **Miscellaneous Charges.** No additional charges will be allowed unless specified in the Contract, including charges for transportation, fuel, containers, packing, or disposal.
5. **Price Adjustments for Goods.** Unless otherwise stated, prices are maximum for the term of the Contract. Price adjustments, if allowed under this Contract, must be requested in writing and accompanied by the required information to substantiate the request for price adjustment, as set forth in the Contract. Any allowable request for price adjustment must be delivered to the City at least 30 days before the adjusted prices become effective. No price adjustment allowable under this Contract will be granted retroactively. The City must also be given the benefit of any decline in prices. If any price increase is granted by the City, the increase shall not be greater than 3% from the prior year.
6. **Purchase Orders.** Unless otherwise stated, a purchase order will be issued to the Contractor on behalf of the City. Purchase orders will cite the quantity of Goods or Services requested, the purchase amount, and time of performance. If the time of performance of this Contract extends beyond the close of the City's fiscal year, another purchase order may be issued. No purchase order supersedes any provision of this Contract. Contractor shall not deliver Goods or provide Services until Contractor receives a purchase order or other written notification by the City.
7. **Payments to Contractor.** Contractor is responsible for supplying all documentation necessary to verify invoices to the City's satisfaction.
 - A. Payment terms are NET 30 days, unless the Contractor offers a prompt payment discount that was accepted by the City or as otherwise stated in this Contract. Any prompt payment discounts will be computed from the date of acceptance by the City, or from the date an invoice is received, whichever occurs later.
 - B. Invoices must be submitted to either of the addresses specified below.
 - (1) Email. Submit email invoices and any attachments to:
apinvoices@cityofsacramento.org

(2) Postal Mail. If emailing is not an option, mail to:
A/P Processing Center
City of Sacramento
915 I Street, Floor 4
Sacramento, CA 95814-2608

C. All invoices submitted by CONTRACTOR must contain the following information:

- (1) Job/Project Name
- (2) CITY's current Purchase Order Number
- (3) Contractor's Invoice Number
- (4) Date of Invoice Issuance
- (5) Work Order Number (if applicable)
- (6) CITY representative identified on the Purchase Order
- (7) Contractor's remit address
- (8) Itemized description of items billed under Invoice
- (9) Itemized description of all authorized Reimbursable Expenses
- (10) Itemized description of all applicable taxes (sales, use, excise, etc.)
- (11) Amount of Invoice (itemize all authorized Reimbursable Expenses)
- (12) Total Billed to Date under Contract (if applicable)

D. Items must be separated into Goods, Services, and Reimbursable Expenses. All applicable sales, use, excise, or similar taxes, including federal excise tax, must be itemized separately on the invoice. Invoices that do not conform to the format outlined above will be returned to Contractor for correction. City is not responsible for delays in payment to Contractor resulting from Contractor's failure to comply with the invoice format described above.

E. For Goods only, a bill of lading number and weight of shipment will be shown for shipments on the Government Bill of Lading.

F. Unless otherwise specified in this Contract, partial payments will not be made by the City and payment will not be due until the completion of the Goods order. No payment precludes the City's right to inspect. Requests for payment status should be addressed to the City Representative for this Contract.

8. Additional Goods and Services. Additional Goods and Services shall be provided only when a Supplemental Contract authorizing the Additional Goods and Services is approved in writing by the City in accordance with the City's contract amendment procedures. The City reserves the right to perform any Additional Services with its own staff or to retain other contractors to perform the Additional Services.

9. Billing Disputes. The burden of proof shall be on the Contractor to establish the accuracy of its invoices. Upon presentation and verification of the information provided by Contractor, the City will review all records and make a final determination and present its finding to Contractor.

10. Accounting Records of Contractor. During performance of this Contract and for a period of three

years after completion of performance, Contractor shall maintain all accounting and financial records related to this Contract, in accordance with generally accepted accounting practices, including records of Contractor's costs for performance under this Contract and records of Contractor's Reimbursable Expenses. Contractor shall keep and make records available for inspection and audit by representatives of the City upon reasonable written notice.

11. **Sales Tax Requirements.** The City is not exempt from paying sales tax. Sales tax must be shown on the invoice as a separate line item.

12. **Use Tax Requirements.** On out-of-state purchases, Contractor shall list its Use Tax Permit Number (if applicable) on the invoice, which authorizes Contractor to charge and collect California Sales Tax. The Purchase Order will include sales tax, if applicable to the purchase, regardless of whether an out-of-state Contractor collects California State sales tax or not. The City shall pay Use Tax directly to the California Department of Tax and Fee Administration ("CDTFA") if the out-of-state Contractor is not required to collect California Sales Tax. During the performance of this Contract, Contractor, for itself, its assignees and successors in interest, agrees as follows:
 - A. Use Tax Direct Payment Permit: For all leases and purchases of tangible personal property used to perform the Contract and shipped from outside California, Contractor and any subcontractor(s) leasing or purchasing such tangible personal property shall obtain a Use Tax Direct Payment Permit from the CDTFA in accordance with the applicable CDTFA criteria and requirements.

 - B. Sellers Permit: For any construction contract and any construction subcontract in the amount of \$5,000,000 or more, Contractor and the subcontractor(s) shall obtain sellers permits from the CDTFA and shall register the jobsite as the place of business for the purpose of allocating local sales and use tax to the City. Contractor and its subcontractors shall remit the self-accrued use tax to the CDTFA and shall provide a copy of each remittance to the City.

 - C. The above provisions apply in all instances unless prohibited by the funding source for the Contract.

13. **Excise Tax Requirements.** The City of Sacramento is exempt from the payment of Federal Excise Tax. An exemption certificate will be submitted to Contractor upon request. If Federal Excise Tax is applicable to the transaction, it must be so stated and excluded from the price.

14. **Tax Payments.** Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide CITY with proof of the payment upon request. Contractor hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of Contractor's breach of this section.

15. **Public Works Requirements.** *[To be completed by the City Representative:]*

The services provided under this Contract include ***[check one if applicable]:***

- _____ Construction work in an amount exceeding \$25,000;
- _____ Land Surveying, material testing, or inspection services provided for a City construction project during the design, pre-construction, construction, or post-construction phases of the project; or
- _____ Alteration, demolition, repair, or maintenance work in an amount exceeding \$15,000.

If any of the lines is checked above, this Contract includes “Public Work” under the California Labor Code and is subject to the following requirements:

- A. Payment of Prevailing Wages: Contractor and any subcontractor(s) performing any Public Work shall comply with the provisions of Sacramento City Code section 3.60.180 and applicable provisions of the California Labor Code, which require, among other things, that Contractor and all subcontractors pay not less than the prevailing rate of wages, as determined by the Director of the California Department of Industrial Relations (“DIR”) in accordance with California Labor Code section 1773. Contractor and every subcontractor shall maintain payroll records and submit certified payrolls and other labor compliance documentation electronically when and as required by CITY. In addition, Labor Code Section 1771.4 requires the Contractor and any subcontractor performing any Public Work to furnish electronic payroll records directly to the Labor Commissioner. Contractor shall include these requirements in every subcontract.

This Agreement is subject to compliance monitoring and enforcement by the DIR, as specified in California Labor Code section 1771.4. The Contractor and any subcontractor will be subject to withholding and penalties for violation of prevailing wage requirements in accordance with applicable law, including Labor Code Sections 1726, 1741, 1771.5, and 1775, and City Code Section 3.60.180. Questions regarding the City’s Labor Compliance Program should be directed to the City Representative.

- B. DIR Registration: California Labor Code Section 1725.5 requires the Contractor and all subcontractors performing Public Works services to be currently registered with the DIR, as specified in California Labor Code Section 1725.5. California Labor Code Section 1771.1 provides that a contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal (subject to the requirements of Section 4104 of the California Public Contract Code), or engage in the performance of any contract for Public Work, unless currently registered and qualified to perform Public Work in accordance with California Labor Code Section 1725.5.

Further information can be found on DIR’s website at <http://www.dir.ca.gov/Public-Works/Contractors.html>. The above summary is provided solely for informational purposes and does not in any way affect the Contractor’s and subcontractors’ obligation to comply in all respects with all other applicable laws and regulations. The Contractor shall disseminate these provisions to all subcontractors.

Before the performance of work by Contractor or any subcontractor(s) under this Contract, Contractor shall furnish Contractor's and any subcontractors' current DIR registration number(s). The Contractor's current DIR registration number and the current DIR registration number of all subcontractors will be listed on the Subcontractor and LBE Participation Verification Form, incorporated herein.

- C. Workers' Compensation Certification. In accordance with California Labor Code Section 1861, by signing this Contract, Contractor acknowledges and represents that Contractor is aware of the provisions of section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Contractor will comply with the provisions of the Labor Code before commencing performance under this Contract.
- D. Apprentices. If this Contract is for the performance of any Public Work, and the amount of the Contract is \$30,000 or more, the Contractor and any subcontractors performing any Public Work under this Contract must comply with and be subject to enforcement under, the provisions of Sacramento City Code Section 3.60.190, Section 1777.5 et seq. of the California Labor Code, and implementing regulations set forth in Title 8 of the California Code of Regulations, governing the employment of apprentices. The Contractor and any subcontractors performing Public Work will be subject to penalties for apprenticeship violations in accordance with Labor Code Section 1777.7.
- E. Working Hours. If this Contract is for the performance of any Public Work, Contractor and any subcontractors performing any Public Work under this Contract must comply with and be subject to enforcement under, the provisions of Sacramento City Code Section 3.60.180 and California Labor Code Section 1810 et seq., governing the working hours of employees performing Public Work.
- F. Failure to Comply with Labor Compliance. If all applicable labor compliance requirements are not met, the City will have the right to withhold or reject a payment request and/or invoice, in whole or in part, without in any way relieving Contractor or its subcontractors of any obligations under this Contract.
- G. Subcontractors. The Contractor shall include these provisions A through F in every subcontract or sub-agreement for any subcontractors performing work under this Contract.

Attachment 1 to Exhibit B

Billable Rates

For work authorized by the City in accordance with the terms of this Agreement, CONTRACTOR shall be paid at the rates listed below.

GROUP I – Mobile Services – Lubrication and Preventative Maintenance (PM) for Off Road Vehicles and Equipment

Description	Parts Markup	Hourly Labor Rate
Change engine oil, engine oil filters and lubricate chassis on John Deere 324K and 244K loaders.		\$ 305.31
Lubricate chassis and bucket, check all fluids and perform safety inspection on John Deere 324K and 244K loaders.		\$105.00
Hourly labor rate for all repairs beyond PM work specified on items listed above.		\$110.00
Parts Mark-up	Dealer Cost plus 20% Markup	

GROUP II – Mobile Services – General Maintenance and Repair of Medium and Heavy-Duty Vehicles including Refuse Trucks, Fire Apparatus and Other City Vehicles

Description	Parts Markup	Hourly Labor Rate
Change engine oil, engine oil filters and lubricate chassis on John Deere 324K and 244K loaders.		\$175.00
Perform BIT Inspections.		\$210.00
Parts and labor for complete brake job on rear axle, including 16 ½ x 7 extended service shoes, new springs, S-cam bushings and seals.		\$942.84
Hourly labor rate for all repairs beyond PM work specified on items listed above		\$110.00
Parts Mark-up	Dealer Cost plus 20% Markup	

Estimate and Invoice Requirements

- a. The quoted labor rate will be used to perform all repairs and all parts used for repairs shall be priced in accordance with the price discount quoted in the bid. The hourly labor rates and any applicable discounts shall be reflected on all invoices and estimates.
- b. Prior to the commencement of any work or repairs on City equipment, CONTRACTOR shall provide a written cost estimate and schedule to the City for the requested or recommended repairs. Approval from an authorized representative of the City must be given prior to work being performed and shall be based on the estimated cost provided. If additional work is required, approval from the City must be obtained prior to work being completed. The City will not be responsible for the costs associated with any unauthorized repairs.

Price Adjustments

No requests for price adjustments will be considered during the first two years of this contract. If the contract extends beyond two years, prices quoted may be subject to adjustment, based upon manufacturer price increase/decrease. Price adjustments will be in accordance with the current published manufacturer's price listing as they are updated.

Adjustments will not be allowed until the updated list is delivered to the Contract Representative, listed in Section 5A of the Special Provisions. A minimum (30) day advance notice period shall be required for such requests. If an increase is approved by the City, the increase in cost shall not be greater than 3% of the cost in effect the prior year. The discount from commercial or fleet retail pricing cannot be adjusted and shall remain the same for the full term of the contract. In the event of a price decline, the benefit of such lower prices shall be immediately extended to the City.

Any approval of a request for a price increase or labor rate adjustment is subject to the review and written approval of the City in a contract amendment.

EXHIBIT C

INSURANCE

- 1. Insurance Requirements.** During the entire term of this Contract, Contractor shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that Contractor is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Contract. No additional compensation will be provided for Contractor's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

Contractor's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the Contractor in connection with this Contract.

- 2. General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the Contractor and subcontractors, products and completed operations of Contractor and subcontractors, and premises owned, leased, or used by Contractor and subcontractors, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Contractor and subcontractors; products and completed operations of Contractor and subcontractors; and premises owned, leased, or used by Contractor and subcontractors.

- 3. Automobile Liability Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision.*)

Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the Contractor.

The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

No automobile liability insurance is required, and by signing this Contract, Contractor certifies as follows:

"Contractor certifies that a motor vehicle will not be used in the performance of any work or services under this agreement. If, however, Contractor does transport items under this Contract, or this Contract is amended to require any employees of Contractor to use a

vehicle to perform services under the Contract, Contractor understands that it must maintain and provide evidence of Automobile Liability Insurance providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars (\$1,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the Contractor.”

4. **Excess Insurance.** The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of Contractor's umbrella or excess coverage and will not contribute to it.
5. **Workers' Compensation Minimum Scope and Limits of Insurance Coverage.** (*Check the applicable provision.*)

Workers' Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars (\$1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

No work or services will be performed on or at CITY facilities or CITY Property, therefore a Workers' Compensation waiver of subrogation in favor of the CITY is not required.

No Workers' Compensation insurance is required, and by signing this Contract, Contractor certifies as follows:

“Contractor certifies that its business has no employees, and that it does not employ anyone, and is therefore exempt from the legal requirements to provide Workers' Compensation insurance. If, however, Contractor hires any employee during the term of this Contract, Contractor understands that Workers' Compensation with statutory limits and Employer's Liability Insurance with a limit of not less than one million dollars (\$1,000,000) is required. The Workers' Compensation policy will include a waiver of subrogation in favor of the City.”

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:
- A. Contractor's insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees or volunteers will be in excess of Contractor's insurance and will not contribute with it.
 - B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.
 - C. Coverage shall state that Contractor's insurance applies separately to each insured

against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

D. Contractor shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance.** Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Contract.

8. **Verification of Coverage.**

A. Contractor shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.

B. Contractor shall send all insurance certificates and endorsements, including policy renewals, during the term of this Contract directly to:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

C. Certificate Holder must be listed as:

City of Sacramento
c/o Exigis LLC
PO Box 947
Murrieta, CA 92564

D. The City may withdraw its offer of Contract or cancel this Contract if the certificates of insurance and endorsements required have not been provided before execution of this Contract. The City may withhold payments to Contractor and/or cancel the Contract if the insurance is canceled or Contractor otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage.** Contractor shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.

EXHIBIT D

GENERAL CONDITIONS

1. Independent Contractor.

- A. It is understood and agreed that Contractor (including Contractor's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto for any purpose whatsoever. Neither Contractor nor Contractor's assigned personnel will be entitled to any benefits payable to CITY employees. CITY is not required to make any deductions or withholdings from the compensation payable to Contractor under the provisions of this Contract, and Contractor will be issued a Form 1099 for its services hereunder. As an independent contractor, Contractor hereby agrees to indemnify and hold CITY harmless from any and all claims that may be made against CITY based upon any contention by any of Contractor's employees or by any third party, including any state or federal agency, that an employer-employee relationship or a substitute therefor exists for any purpose whatsoever by reason of this Contract or by reason of the nature and/or performance under this Contract.
- B. It is further understood and agreed by the parties that Contractor, in the performance of its obligations, is subject to the City's control and direction as to the designation of tasks to be performed and the results to be accomplished under this Contract, but not as to the means, methods, or sequence used by Contractor for accomplishing the results. To the extent that Contractor obtains permission to, and does, use CITY facilities, space, equipment or support services in the performance of this Contract, this use will be at the Contractor's sole discretion based on the Contractor's determination that the use will promote Contractor's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Contract, the CITY does not require that Contractor use CITY facilities, equipment or support services or work in CITY locations in the performance of this Contract. As used in this Contract, "sole discretion" or "sole judgment" means that the party authorized to exercise its discretion or judgment may do so based on an unfettered assessment of its own interests, without considering how its decision affects the other party, and unconstrained by the implied covenant of good faith and fair dealing.
- C. If, in the performance of this Contract, any third persons are employed by Contractor, such persons will be entirely and exclusively under the direction, supervision, and control of Contractor. Except as otherwise provided in this Contract, all terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by Contractor. It is further understood and agreed that Contractor will issue W-2 or 1099 Forms for income and employment tax purposes for all Contractor's assigned personnel and subcontractors.
- D. The provisions of this section will survive any expiration or termination of this Contract. Nothing in this Contract creates an exclusive relationship between CITY and Contractor. Contractor may represent, perform services for, or be employed by any additional persons or companies so long as Contractor does not violate the provisions of Section 5, below.

2. **Licenses; Permits, Etc.** Contractor represents and warrants that Contractor has, and shall maintain at all times during the term of this Contract at its sole cost and expense, all licenses, permits, qualifications, and approvals of any nature that are legally required for Contractor to practice its profession or fulfill the terms of this Contract, including a City Business Operations Tax Certificate and any required certification issued by the California Secretary of State.
3. **Time.** Time is off the essence in the performance of this Contract. Contractor shall devote the necessary time and effort to its performance under this Contract. Neither party will be considered in default of this Contract, to the extent that party's performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.
4. **Contractor Not Agent.** Except as City may specify in writing, Contractor and Contractor's personnel have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor and Contractor's personnel shall have no authority, express or implied, to bind City to any obligations whatsoever.
5. **Conflicts of Interest.** Contractor covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the City's interests or that would in any way hinder Contractor's performance under this Contract. Contractor further covenants that in the performance of this Contract, no person having any such interest will be employed by it as an officer, employee, agent or subcontractor, without the City's written consent.

Contractor agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City's interests during the performance of this Contract. If Contractor is or employs a former officer or employee of the City, Contractor and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any City department, board, commission, or committee.

6. **Hazardous Substances.** "Hazardous Substances" means any substance, material, waste, or other pollutant or contaminant that is or becomes designated, classified, or regulated as hazardous or toxic under any law, regulation, rule, order, decree, or other governmental requirement now in effect or later enacted. If Contractor is shipping Hazardous Substances, Contractor must supply a Safety Data Sheet ("SDS") with the first shipment of Hazardous Substances to each City location receiving the Hazardous Substances. If the content of an SDS is revised, Contractor must provide a revised SDS to each City location receiving Hazardous Substances.
7. **Confidentiality of City Information.** During performance of this Contract, Contractor may gain access to and use City information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as "City Information") that are valuable, special and unique assets of the City.

Contractor agrees to protect all City Information and treat it as strictly confidential, and further agrees that Contractor shall not at any time, either directly or indirectly, divulge, disclose or

communicate in any manner any City Information to any third party without the City's prior written consent.

In addition, Contractor must comply with all City policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by Contractor of this section is a material violation of this Contract and shall justify legal and equitable relief.

8. Contractor Information.

- A. City shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by Contractor under this Contract. In this Contract, the term "information" means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. Contractor shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by City.
- B. Contractor shall fully defend, indemnify and hold harmless City, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by Contractor under this Contract infringes upon any third party's trademark, trade name, copyright, patent or other intellectual property rights. City shall make reasonable efforts to notify Contractor not later than ten days after City is served with any such claim, action, lawsuit or other proceeding. However, City's failure to provide notice within the ten-day period does not relieve Contractor of its obligations hereunder, which survive any termination or expiration of this Contract.
- C. All proprietary and other information received from Contractor by City, whether received in connection with Contractor's proposal to City or in connection with Contractor's performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked "trade secret" when it is provided to City, City shall give notice to Contractor of any request for the disclosure of such information. The Contractor will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. The Contractor shall have sole responsibility for defense of the actual "trade secret" designation of such information.
- D. The parties understand and agree that any failure by Contractor to respond to the notice provided by City and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by Contractor of any rights regarding the information designated "trade secret" by Contractor, and the information will be disclosed by City in accordance with the Public Records Act.

9. **Notification of Material Changes in Business.** Contractor agrees that if it experiences any material changes in its business, including a reorganization, refinancing, restructuring, leveraged buyout, bankruptcy, name change, or loss of key personnel, it will immediately notify the City of the changes. Contractor also agrees to immediately notify the City of any condition that may jeopardize the scheduled delivery or fulfillment of Contractor's obligations to the City under this Contract.

10. **Standard of Performance.** Contractor shall perform in the manner and according to the standards currently observed by a competent practitioner of Contractor's profession in California and in compliance with all requirements of this Contract. All products that Contractor delivers to City under this Contract must be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in Contractor's profession.

Contractor shall assign only competent personnel to perform on its behalf under this Contract. Contractor must notify the City in writing of any changes in Contractor's staff assigned to perform under this Contract, before any performance by the new staff member. If the City, in its sole discretion, determines that any person assigned by the Contractor to perform under this Contract is not performing in accordance with the standards required herein, City shall provide notice to Contractor. Contractor shall immediately remove the assigned person upon receipt of the notice.

11. **Performance or Different Terms and Conditions.** The City's subsequent performance will not be construed as either acceptance of additional or different terms and conditions or a counteroffer by the Contractor, nor will the City's subsequent performance be viewed as acceptance of any provision of the Uniform Commercial Code, as adopted by any State, that is contrary to the terms and conditions contained herein. Contractor's performance shall conform to the applicable requirements of the Sacramento City Charter, Sacramento City Code, and all applicable State and Federal laws, and all the requirements of this Contract. The California Commercial Code will apply except as otherwise provided in the Contract.

12. **Emergency/Declared Disaster Requirements.** If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state or federal government, this Contract may be subjected to increased usage. The Contractor shall serve the City during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency / non-disaster conditions. The pricing set forth in this Contract will apply, without mark-up, regardless of the circumstances. If the Contractor is unable to fulfill the terms of the Contract because of a disruption in its chain of supply or service, then the Contractor shall provide proof of the disruption. Acceptable forms of proof will include a letter or notice from the Contractor's source stating the reason for the disruption

13. **Term; Suspension; Termination.**

A. This Contract is effective on the Effective Date and continues in effect until both parties have fully performed their respective obligations under this Contract, unless sooner terminated as provided herein.

B. City shall have the right at any time to suspend Contractor's performance hereunder, in whole or in part, by giving a written notice of suspension to Contractor. Upon receipt of

such notice, Contractor shall immediately suspend its activities under this Contract, as specified in the notice.

C. The City shall have the right to terminate this Contract at any time by giving a written notice of termination to Contractor. Upon receipt of such notice, Contractor shall immediately cease performance under this Contract as specified in the notice. If the City terminates this Contract:

(1) Contractor shall, not later than five days after receipt of the notice, deliver all information prepared under this Contract to the City.

(2) The City shall pay Contractor the reasonable value of Goods or Services provided by Contractor before termination; provided, however, City shall not in any manner be liable for lost profits that might have been made by Contractor had the Contract not been terminated or had Contractor completed performance required by this Contract. Contractor shall furnish to the City any financial information requested by the City to determine the reasonable value of the Goods or Services provided by Contractor. The foregoing is cumulative and does not affect any right or remedy that City may have in law or equity.

14. Default by Contractor. In case of default by the Contractor, the City reserves the right to procure the Goods or Services from other sources and deduct from any monies due, or that may thereafter become due to the Contractor, the difference between the price named in this Contract and the actual cost to the City to procure from an alternate source. Prices paid by the City will be considered the prevailing market price at the time such purchase is made.

15. Guarantee and Warranty. Contractor assumes design responsibility and warrants the articles to be free from design defect and suitable for the purposes intended by City. If it is determined by the City that the Goods and Services do not meet the minimum requirements of this Contract, the Contractor shall correct the same at Contractor's sole expense.

A. The Contractor agrees that the Goods and Services furnished under this Contract will be covered by the industry standard or better warranty.

B. Contractor further warrants that the Goods and Services furnished under this Contract will be covered by the most favorable commercial warranties the Contractor gives to any customer for the Goods and Services and that the rights and remedies provided herein are in addition to and do not limit any rights afforded to the City at law or equity, or by any other clause of this Contract.

C. Any additional warranties provided by law, including the warranty of merchantability and warranty of fitness for a particular purpose will remain in full force and effect and inure to the City's benefit. City reserves all rights and remedies provided by law for breach of any applicable warranty related to the Goods and Services.

D. City's inspections, approval, acceptance, or payment for all or part of any Goods and

Services will in no way affect City's warranty rights.

16. Indemnity.

- A. Indemnity: Contractor shall defend, hold harmless and indemnify CITY, its officers and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, whether arising on or off the site of the work or services performed under this Contract, including, any fees and costs reasonably incurred by City's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including Liabilities for personal injury or death, damage to personal, real or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Contract by Contractor, any subcontractor (including lower-tier subcontractors) or agent of Contractor, their respective officers and employees, and anyone else for whose acts or omissions any of them may be liable, whether or not the Liabilities (1) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled or reduced to judgment; provided that the foregoing indemnity does not apply to liability for any damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the supervision and control of Contractor or any subcontractor (including lower-tier subcontractors) or agent of Contractor.
- B. Insurance Policies; Intellectual Property Claims: The existence or acceptance by City of any of the insurance policies or coverages described in this Contract does not affect or limit any of City's rights under this section, nor do the limits of any insurance limit the liability of Contractor hereunder. This section will not apply to any intellectual property claims, actions, lawsuits or other proceedings subject to the provisions of section 8.B., above.
- C. Survival. The provisions of this section will survive any expiration or termination of this Contract.

17. Funding Availability.

- A. This Contract is subject to the budget and fiscal provisions of the Charter and the Sacramento City Code.
- B. The City's payment obligation under this Contract will not exceed the amount of funds appropriated and approved for this Contract by the Sacramento City Council.
- C. This Section shall govern over any other contrary provision of the Contract.

18. Equal Employment Opportunity. During the performance of this Contract, Contractor, for itself, its assignees and successors in interest, agrees as follows:

- A. Compliance With Regulations: Contractor shall comply with all state, local, and federal anti-discrimination laws and regulations, including the Executive Order 11246 entitled "Equal Opportunity in Federal Employment," as amended by Executive Order 11375, 12086, and 13672, and as supplemented in Department of Labor regulations (41 CFR Chapter 60), referred to collectively as the "Regulations."
- B. Nondiscrimination: Contractor, with regards to the work performed by it after award and before completion of the work under this Contract, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation in selection and retention of subcontractors, including procurement of materials and leases of equipment. Contractor shall not participate either directly or indirectly in discrimination prohibited by the Regulations.
- C. Solicitations for Subcontractors, Including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiations made by Contractor for work to be performed under any subcontract, including all procurement of materials or equipment, each potential subcontractor or supplier shall be notified by Contractor of Contractor's obligation under this Contract and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation.
- D. Information and Reports: Contractor shall provide all information and reports required by the Regulations, or by any orders or instructions issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the City to be pertinent to ascertain compliance with the Regulations, orders and instructions. Where any information required of Contractor is in the exclusive possession of another who fails or refuses to furnish this information, Contractor shall so certify to the City, and shall set forth what efforts it has made to obtain the information.
- E. Sanctions for Noncompliance: In the event of noncompliance by Contractor with the nondiscrimination provisions of this Contract, the City shall impose any sanctions it determines are appropriate including:
- (1) Withholding of payments to Contractor under this Contract until Contractor complies;
 - (2) Cancellation, termination, or suspension of this Contract, in whole or in part.
- F. Incorporation of Provisions: Contractor shall include the provisions of subsections A through E, above, in every subcontract, including procurement of materials and leases of equipment, unless exempted by the Regulations, or by any order or instructions issued pursuant thereto. The City may direct Contractor to take specific actions to enforce these provisions, including sanctions for noncompliance; provided, however, that if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, Contractor may request that the City join such litigation to protect the City's interests.

19. **Entire Agreement.** This Contract, including all Exhibits and documents referenced herein, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had before the execution of this Contract. No alteration to the terms of this Contract shall be valid unless approved in writing by Contractor, and by City, in accordance with applicable provisions of the Sacramento City Code.
20. **Modification of Contract.** The Contractor shall take no direction from any City employee that changes the executed terms and conditions of the Contract, including Exhibit A, or any change that impacts the cost, price, or schedule, before receiving a written, signed modification to the Contract.
21. **Severability.** If a court with jurisdiction rules that any portion of this Contract or its application to any person or circumstance is invalid or unenforceable, the remainder of this Contract will not be affected thereby and will remain valid and enforceable as written, to the greatest extent permitted by law.
22. **Waiver.** Neither the City's acceptance of, or payment for, any Goods or Services, nor any waiver by either party of any default, breach or condition precedent, will be construed as a waiver of any provision of this Contract, nor as a waiver of any other default, breach or condition precedent or any other right hereunder. No waiver will be effective unless it is in writing and signed by the waiving party.
23. **Governing Law.** This Contract shall be governed, construed and enforced in accordance with the laws of the State of California, except that the rule of interpretation in California Civil Code section 1654 will not apply. Venue of any litigation arising out of this Contract will lie exclusively in the state trial court or Federal District Court located in Sacramento County in the State of California, and the parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.
24. **Assignment Prohibited.** The expertise and experience of Contractor are material considerations for this Contract. City has a strong interest in the qualifications and capability of the persons and entities that will fulfill the obligations imposed on Contractor under this Agreement. In recognition of this interest, Contractor shall not assign any right or obligation pursuant to this Contract without the written consent of the City. Any attempted or purported assignment without City's written consent shall be void and of no effect.
25. **Binding Effect.** This Contract is binding on the heirs, executors, administrators, successors and assigns of the parties, subject to the provisions of Section 24, above.
26. **Compliance with Laws.** The Contractor shall be responsible for strict compliance with all applicable laws, regulations, court orders and other legal requirements applicable to the work to be accomplished under the Contract, including the California Occupational Safety and Health Act and all applicable safety orders issued by the Division of Occupational Safety and Health, Department of Industrial Relations, State of California, and all applicable requirements of Underwriters Laboratories and the Federal Communication Commission.

27. Debarment Certification

A. Pursuant to 2 CFR, Part 200, and applicable Executive Orders, the City is restricted in its ability to contract with certain parties that are debarred, suspended, or otherwise excluded or ineligible for participating in Federal assistance programs or activities. By signing this Agreement, CONTRACTOR warrants and certifies under penalty of perjury under the laws of the State of California that Contractor, including any owner, partner, director, officer, or principal of the CONTRACTOR, or any person in a position with management responsibility or responsibility for the administration of federal funds:

(1) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency;

(2) Has not within a three-year period preceding this certification been convicted of or had a civil judgment rendered against it for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction or contract (federal, state, or local); violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, or other criminal felony;

(3) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (b) above; or

(4) Has not, within a three-year period preceding this certification, had one or more public contracts (federal, state, or local) or transactions terminated for cause or default.

(5) Has not been notified, within a three-year period preceding this certification, been notified of any delinquent Federal taxes in an amount that exceeds \$3,500 for which the liability remains unsatisfied. Federal taxes are considered delinquent if the tax liability has been finally determined and the taxpayer is delinquent in making payment, as defined in Section 52.209-5 of the Federal Acquisition Regulations.

B. CONTRACTOR further warrants and certifies that it shall not knowingly enter into any transaction with any subcontractor, material supplier, or vendor who is debarred, suspended, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department/agency. Any exceptions to the warranties and certifications in this Section must be disclosed to the City.

C. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining Contractor's responsibility. Disclosures must indicate to whom exceptions apply, the initiating agency, and dates of action.

D. City will review the Federal Government's System for Award Management Exclusions maintained by the General Services Administration for eligibility, prior to the execution of this Agreement. The CONTRACTOR shall provide immediate written notice to the City if, at any time prior to execution, the CONTRACTOR learns this certification is erroneous or has become erroneous by reason of changed circumstances. If it is later determined that the Contractor's warranties and certification in this Section were erroneous, the City may terminate this Agreement for default.

Executed as of the day and year first above stated.

CITY OF SACRAMENTO
A Municipal Corporation

By: _____

Print name: Ryan Moore

Title: Assistant City Manager

For: Howard Chan, City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

Paul A. Gale

City Attorney

Attachments

- Exhibit A Technical Specifications
- Exhibit B Payment
- Exhibit C Insurance
- Exhibit D General Conditions

CONTRACTOR:

Ray Gaskin Service

NAME OF FIRM

Federal I.D. No.

State I.D. No.

City of Sacramento Business Op. Tax Cert. No.

TYPE OF BUSINESS ENTITY (*check one*):

- Individual/Sole Proprietor
- Partnership
- Corporation (*may require 2 signatures*)
- Limited Liability Company
- Other (*please specify: _____*)

David Edwards
David Edwards (Jun 4, 2024 08:58 PDT)

Signature of Authorized Person

David Edwards Shop Supervisor

Print Name and Title

Additional Signature (*if required*)

Print Name and Title



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/07/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER F and I Insurance Services, LLC. 99 Long Ct. Suite 201 Thousand Oaks CA 91360	CONTACT NAME: Debbie Andersen PHONE (A/C No. Ext): (805) 496-6555 E-MAIL ADDRESS: dandersen@fandiinsurance.com	FAX (A/C, No): (805) 497-7870
	INSURER(S) AFFORDING COVERAGE	
INSURED Ray Gaskin Service 14572 Rancho Vista Drive Fontana CA 92335	INSURER A: Hartford Fire Insurance Company	
	INSURER B: Hartford Accident and Indemnity Company	
	INSURER C: State Compensation Insurance Fund	
	INSURER D:	
	INSURER E:	
INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 2024-2025/2023-2024

REVISION NUMBER:


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		72UUNSV6270	02/07/2024	02/07/2025	EACH OCCURRENCE \$ 1,000,000	
	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000							
B	<input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			72UENOL1854	02/07/2024	02/07/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000	
	BODILY INJURY (Per person) \$							
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$	
	AGGREGATE \$							
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y	N/A	Y	9266226-2023	12/20/2023	12/20/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER
	E.L. EACH ACCIDENT \$ 1,000,000							
								E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
								E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Sacramento, its officials, employees, and volunteers are named as Additional Insured in respect to the General Liability per form #HG0001, Workers Compensation waiver of subrogation for form #10217 as per written contract; *10 day notice of cancellation applies for non-payment of premium, 30 days all other;

CERTIFICATE HOLDER**CANCELLATION**

City of Sacramento c/o EXIGIS Risk Management Services ECM #35050 New York NY 10163-4668	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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ENDORSEMENT AGREEMENT



WAIVER OF SUBROGATION
BLANKET BASIS

REP B8
9266226-23
RENEWAL
SC
0-24-58-22
PAGE 1 OF 1

HOME OFFICE
SAN FRANCISCO

EFFECTIVE DECEMBER 20, 2023 AT 12.01 A.M.
AND EXPIRING DECEMBER 20, 2024 AT 12.01 A.M.

ALL EFFECTIVE DATES ARE
AT 12:01 AM PACIFIC
STANDARD TIME OR THE
TIME INDICATED AT
PACIFIC STANDARD TIME

RAY GASKIN SERVICE
14572 RANCHO VISTA DR
FONTANA, CA 92335

WE HAVE THE RIGHT TO RECOVER OUR PAYMENTS FROM ANYONE
LIABLE FOR AN INJURY COVERED BY THIS POLICY. WE WILL
NOT ENFORCE OUR RIGHT AGAINST THE PERSON OR
ORGANIZATION NAMED IN THE SCHEDULE.

THIS AGREEMENT APPLIES ONLY TO THE EXTENT THAT YOU
PERFORM WORK UNDER A WRITTEN CONTRACT THAT REQUIRES YOU
TO OBTAIN THIS AGREEMENT FROM US.

THE ADDITIONAL PREMIUM FOR THIS ENDORSEMENT SHALL BE
2.00% OF THE TOTAL POLICY PREMIUM.

SCHEDULE

<u>PERSON OR ORGANIZATION</u>	<u>JOB DESCRIPTION</u>
ANY PERSON OR ORGANIZATION FOR WHOM THE NAMED INSURED HAS AGREED BY WRITTEN CONTRACT TO FURNISH THIS WAIVER	BLANKET WAIVER OF SUBROGATION

NOTHING IN THIS ENDORSEMENT SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND
ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS POLICY
OTHER THAN AS ABOVE STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR
LIMITATIONS IN THIS ENDORSEMENT.

COUNTERSIGNED AND ISSUED AT SAN FRANCISCO:

DECEMBER 21, 2023

AUTHORIZED REPRESENTATIVE

PRESIDENT AND CEO

2572

The insurance afforded herein for any subsidiary not named in this Coverage Part as a named insured does not apply to injury or damage with respect to which such insured is also a named insured under another policy or would be a named insured under such policy but for its termination or the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The following person(s) or organization(s) are an additional insured when you have agreed, in a written contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement.

A person or organization is an additional insured under this provision only for that period of time required by the contract or agreement.

However, no such person or organization is an insured under this provision if such person or organization is included as an insured by an endorsement issued by us and made a part of this Coverage Part.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Sub-paragraphs (d) or (f); or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

(1) Any person(s) or organization(s) from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

(2) With respect to the insurance afforded to these additional insureds this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

c. Lessors Of Land Or Premises

Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.

With respect to the insurance afforded these additional insureds the following additional exclusions apply:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease that land; or
2. Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or

omissions of those acting on your behalf:

(1) In connection with your premises; or

(2) In the performance of your ongoing operations performed by you or on your behalf.

With respect to the insurance afforded these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
2. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional services by or for you.

e. Permits Issued By State Or Political Subdivisions

Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

With respect to the insurance afforded these additional insureds, this insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

Any other person or organization who is not an additional insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (1) In the performance of your ongoing operations;

- (2) In connection with your premises owned by or rented to you; or
- (3) In connection with "your work" and included within the "products-completed operations hazard", but only if
 - (a) The written contract or agreement requires you to provide such coverage to such additional insured; and
 - (b) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

However:

- (1) The insurance afforded to such additional insured only applies to the extent permitted by law; and
- (2) If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- (2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional services by or for you.

The limits of insurance that apply to additional insureds is described in Section III - Limits Of Insurance.

How this insurance applies when other insurance is available to the additional insured is described in the Other Insurance Condition in Section IV - Commercial General Liability Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. General Aggregate Limit

The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage C;
- b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage B.

3. Products-Completed Operations Aggregate Limit

The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Personal And Advertising Injury Limit

Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Each Occurrence Limit

Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

- a. Damages under Coverage A; and
- b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Damage To Premises Rented To You Limit

Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.