

**AGREEMENT FOR SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
KONE, INC.**

PREAMBLE

This Agreement is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and KONE, Inc. a California corporation (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. City desires to secure the services more fully described in this Agreement, at Exhibit A1, entitled "Scope of Services";
- B. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and,
- C. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

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

Exhibit A1 – Scope of Services

A2 – Schedule of Performance

A3 – Major Parts Covered Under Advance Maintenance Plan

Exhibit B – Schedule of Fees

Exhibit C – Insurance Requirements

Exhibit D – Labor Compliance Addendum

Exhibit E – Notice of Exercise of Option to Extend Agreement

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

2. TERM OF AGREEMENT

- A. Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on March 1, 2021 and terminate on February 28, 2026.
- B. After the Initial Term, the City reserves the right, at its sole discretion, to extend the term of the Agreement for up to five (5) additional one-year terms through February 28, 2031 (“Option Periods”), subject to the appropriation of funds. See Exhibit E for Notice of Exercise of Option to Extend Agreement Form.

3. SCOPE OF SERVICES & PERFORMANCE SCHEDULE

Contractor shall perform those Services specified in Exhibit A1 and A2 within the time stated in Exhibit A1 and A2. Time is of the essence.

4. WARRANTY

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

5. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

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

6. COMPENSATION AND PAYMENT

In consideration for Contractor's complete performance of Services, City shall pay Contractor for all materials provided and Services rendered by Contractor in accordance with Exhibit B, entitled "SCHEDULE OF FEES." The maximum compensation of this Agreement for scheduled services shall not exceed One Hundred Sixty-Three Thousand One Hundred Sixty-One Dollars (\$163,161), and the maximum compensation for unscheduled as-needed repair services including materials shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000), for a total not to exceed maximum compensation of **Four Hundred Thirteen Thousand One Hundred Sixty-One Dollars (\$413,161)** during the Initial Term, subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance.

7. TERMINATION

- A. Termination for Convenience. City shall have the right to terminate this Agreement, without cause or penalty, by giving not less than Thirty (30) days' prior written notice to Contractor.
- B. Termination for Default. If Contractor fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, City may terminate this Agreement immediately upon Thirty (30) days' prior written notice to Contractor.
- C. Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to City all City information or material that Contractor has in its possession.

8. ASSIGNMENT AND SUBCONTRACTING

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

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

9. NO THIRD PARTY BENEFICIARY

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

10. INDEPENDENT CONTRACTOR

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

11. CONFIDENTIALITY OF MATERIAL

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

12. OWNERSHIP OF MATERIAL

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

13. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR

City, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for four (4) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor in connection with Contractor compensation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City. Contractor shall bear the

cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the City.

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

14. HOLD HARMLESS/INDEMNIFICATION

- A. To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and attorney's fees in providing a defense to any such claim or other action, and whether sounding in law, contract, tort, or equity, in any manner arising from, or alleged to arise in whole or in part from, or in any way connected with the Services performed by Contractor pursuant to this Agreement – including claims of any kind by Contractor's employees or persons contracting with Contractor to perform any portion of the Scope of Services to the extent caused by the negligence of Contractor. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of City; the obligation to defend is not similarly limited.
- B. Contractor's obligation to protect, defend, indemnify, and hold harmless in full City and City's employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against City (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.
- C. To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act ("Act") and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Contractor's responsibilities under the Act.

15. INSURANCE REQUIREMENTS

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

16. WAIVER

Contractor agrees that waiver by City of any one or more of the conditions of Agreement with KONE, Inc.

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

17. NOTICES

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

City of Santa Clara
Attention: Ken Winland
1500 Warburton Avenue
Santa Clara, CA 95050
and by e-mail at kwinland@santaclaraca.gov

And to Contractor addressed as follows:

KONE Inc.
Attention: General Manager
15021 Wicks Blvd
San Leandro, CA 94577
and by e-mail Koneservice@KONE.com

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

18. COMPLIANCE WITH LAWS

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

19. CONFLICTS OF INTEREST

Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and

following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

20. FAIR EMPLOYMENT

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

21. NO USE OF CITY NAME OR EMBLEM

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

22. GOVERNING LAW AND VENUE

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

23. SEVERABILITY CLAUSE

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

24. AMENDMENTS

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

25. COUNTERPARTS

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

26. FORCE MAJEURE

Contractor shall not be liable for any loss, damage, claim, or delay due to any cause beyond Contractor's control, including, but not limited to, acts of domestic or foreign government (including a change in law), strikes, lockouts, work interruption or other labor disturbance, delays caused by others, fire,

explosion, theft, floods, inclement weather, riot, civil commotion, war, malicious mischief, infectious diseases, epidemic, pandemic, quarantine, border or port of entry and exit restrictions or acts of God. In the event of such delays, Contractor shall be entitled to an extension in time equal to the length of such delay affecting Contractor.

27. ASBESTOS

Notwithstanding anything contained to the contrary within this Agreement, Contractor's work shall not include any abatement or disturbance of asbestos containing material (ACM), presumed asbestos containing materials (PACM) or other hazardous materials (i.e. lead, PCBs) (collectively "HazMat"). Contractor shall have the right to discontinue its work in any location where suspected HazMat is encountered or disturbed. Any HazMat removal or abatement, or delays caused by such, required in order for Contractor to perform its work shall be the City's sole responsibility and expense.

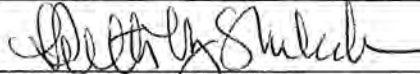
The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

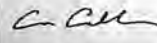
CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Digitally signed by Caio
Arellano
Date: 2021.03.03
11:10:03 -08'00'

Dated: 3/4/2021




BRIAN DOYLE
City Attorney

DEANNA J. SANTANA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

KONE, INC.
a California corporation

Dated: 2-3-2021

By (Signature): 

Name: Jeff Blum

Title: Senior Vice President

Principal Place of Business Address: One KONE Ct

Moline, IL 61265

Email Address: jeffrey.blum@kone.com

Telephone: (877) 276-8691

Fax: N/A

KONE Opp 9972672
"CONTRACTOR"

Exhibit A1 Scope of Services

The following Scope of Services defines the services and responsibilities of Contractor and City to perform Citywide Elevator Repair and Maintenance Services.

The Scope of Services, including Exhibits A1 to A2, Contractor's proposal response, and Contractor's Best and Final Offer (BAFO) response provide context, supplemental information, and are incorporated by reference to the extent not inconsistent with the Agreement.

1 GENERAL REQUIREMENTS

- 1.1** Contractor shall provide all labor, materials, and equipment required to perform citywide elevator maintenance and repair services.
- 1.2** The Contractor shall be responsible for performing the maintenance and repair services required to keep all equipment in the condition prescribed by the original equipment manufacturer (OEM) recommended guidelines, including but not limited to all items, finishes, components, systems, subsystems, erected hoist way construction, and machinery enclosures.
- 1.3** Contractor shall provide trained and experienced mechanics who are knowledgeable and capable of diagnosing and repairing problems with the various elevators utilized by the City.
- 1.4** The Contractor shall maintain all equipment in accordance with latest codes and requirements of the following regulatory agencies, associations and policies.
 - 1.4.1** ADA: Americans with Disabilities Act;
 - 1.4.2** ASME: American Society of Mechanical Engineers - A17.1; Safety Code for Elevators;
 - 1.4.3** CBC: Title 24; California Building Codes;
 - 1.4.4** CCR: Titles 8; California Code of Regulations;
 - 1.4.5** NEC: National Electric Code. NFPA-72;
 - 1.4.6** IBC: International Building Code and
 - 1.4.7** All applicable and governing codes, ordinances, and laws.
- 1.5** Should the Contractor find where the City is not in compliance with the codes, regulatory agencies, associations, and polices specified in Section 1.4 it is the responsibility of the Contractor to notify the City of the necessary repairs/upgrades required. In addition, Contractor shall provide a quote to the City for those repairs/upgrades.

- 1.6 Contractor shall be responsible for maintaining updated maintenance manuals, maintenance of testing equipment and tools, and cleaning of equipment and its area at no additional charge.
- 1.7 The City at its discretion reserves the right to add or remove elevators from this statement of requirements.
- 1.8 City shall notify Contractor if a site is not in use and Contractor will agree to temporarily reduce the monthly billing and scope of services for that site. Upon notification Contractor will provide documentation of the change request and City will confirm via email when to begin the reduction of rate and services. It is the City's responsibility to notify Contractor when the site becomes operational again.

2 BASE PREVENTATIVE MAINTENANCE SERVICES

2.1 General Description of Base Services

The Contractor shall provide all supervision, labor, materials, tools, parts, supplies, lubricants and equipment necessary to perform all of the base services described below in the elevators listed in Exhibit A2, Schedule of Performance. Base Services include, but are not limited to:

- 2.1.1 Preventative maintenance services on all City elevators;
- 2.1.2 State elevator tests and inspections, including annual State testing and five-year load testing; and
- 2.1.3 Documentation of equipment activity and services performed on all Citywide elevators identified herein.

2.2 Preventative Maintenance Services

- 2.2.1 Contractor shall examine, maintain, adjust and lubricate the elevator components listed below.
 - 2.2.1.1 Relay Logic Control System: All control system components.
 - 2.2.1.2 Microprocessor Control System: All control system components. Additionally, Contractor shall conduct system performance examination to ensure that dispatching and motion control systems are operating properly.
 - 2.2.1.3 Power Unit: Pump, motor, valves and all related part and accessories.
 - 2.2.1.4 Hydraulic System Accessories: Exposed piping; fittings accessories between the pumping unit and jack; jack packing; hydraulic fluid; and any heating or cooling elements installed by the OEM for controlling fluid temperature.
 - 2.2.1.5 Car Equipment: All elevator system components on the car.
 - 2.2.1.6 Wiring: All elevator control wiring and all power wiring from the elevator input terminals to the motor.
 - 2.2.1.7 Hoistway and Pit Equipment: All elevator control equipment

and buffers.

2.2.1.8 Rails and Guides: Guide rails, guide shoe gibs, and rollers.

2.2.1.9 Door Equipment: Automatic door operators; hoistway and car door hangers; hoistway and car door contacts; door protective

devices; hoistway door interlocks; door gibs; and auxiliary door closing devices.

2.2.1.10 Manual Freight Door Equipment: Switches; retiring cams; interlocks; guide shoes; sheaves; rollers; chains; sprockets; tensioning devices; and counter-balancing equipment.

2.2.1.11 Power Freight Door Equipment: Controller; relays; contactors; rectifiers; timers; resistors; solid state components; door motors; retiring cams; interlocks; switches; guide shoes; sheaves; rollers; chains; sprockets; and tensioning devices.

2.2.1.12 Signals and Accessories: Car operating panels, hall push button stations; hall lanterns; emergency lighting; car and hall position indicators; car operating panels; fireman's service equipment and all other signals.

2.2.2 Contractor shall perform annual clean down of the units, drip pans, pits, hoist ways, pallets, hydraulic pumps and components, and all interior parts as required.

2.2.3 Contractor shall perform a five-year, full load, full speed test of buffers, governors and safeties on each unit.

2.2.4 Contractor shall perform a five-year pressure test on each of the City's hydraulic elevators.

2.2.5 Contractor shall perform annual smoke and recall tests on each unit by coordinating with the City's Facilities Services team in advance so the City's fire alarm contractor can be scheduled.

2.3 State Tests and Inspections

2.3.1 On at least an annual basis, Contractor shall respond to the State Preliminary Inspections and conduct inspections and testing of each City elevator in order to verify the proper operation of all safety features, including Fire Department recall service and other special controls.

2.3.2 The inspections and testing shall include, but not be limited to:

2.3.2.1 Examining all safety devices and governors;

2.3.2.2 Electrically testing the car balance; and

2.3.2.3 Testing elevator speed.

2.3.3 Contractor shall perform all tests per industry standards and best practices. The Contractor shall document results of all tests and provide documented results to the City and State inspectors.

2.3.4 State inspection fees shall be paid by the City. If a re-inspection is required due to a failure to eliminate deficiencies covered under the maintenance services, the re-inspection fee will be paid by the

Contractor. Deficiencies that were not promptly corrected shall be corrected at the Contractor's expense.

2.4 Frequency of Services

- 2.4.1 Contractor shall provide the required maintenance and repair services for all elevators listed in Exhibit A2 in accordance with the designated frequencies.
- 2.4.2 Contractor shall perform the required maintenance and repair services during regular business hours (8:00 AM - 5:00 PM, Monday through Friday) at each location listed in Exhibit A2.
- 2.4.3 If the City requires services outside of regular business hours, Contractor shall provide to the City a quote for the required services (listing labor costs and parts/equipment costs separately). Contractor shall not begin work until the City has given it written approval.
- 2.4.4 All work associated with the base services described in this Section 2 shall be performed during scheduled times, not at callback times.

2.5 Base Bid with 24/7 Connected Services

- 2.5.1 In addition to the services specified in Sections 2 and 3, as requested by the City Contractor shall provide 24/7 connected services.
- 2.5.2 A device is placed on the car top of the evaluator and a deceive in the machine room.
- 2.5.3 The device measures several data points such as ride quality, vibrations, up and down speed, irregular movements, door openings/closings, level by level run counting, and oil levels on hydraulic elevators.
- 2.5.4 The data points are categorized into service needs that is routed to the technician that will address the services needs on the next visit.
- 2.5.5 If there is an urgent issue Contract will contact the City to determine if an immediate maintenance visit is required.

2.6 Advanced Maintenance Plan

- 2.6.1 In addition to the services specified in Sections 2 and 3, as requested by the City Contractor shall provide an advanced maintenance plan.
- 2.6.2 Advanced maintenance plans may include, but not be limited to, remote monitoring; predictive maintenance analytic tools; special performance reporting tools; special plans for maintenance, repairs, and/or parts; online portals; etc. See Section 4.4.3 herein and Exhibit A-3.

3 ELEVATOR REPAIR SERVICES

3.1 General

- 3.1.1 Contractor shall provide all labor, materials and equipment needed to perform elevator repair services as required by the City.

- 3.1.2 Contractor shall provide a quote for repairs upon request from the City. The quote shall detail the specific repair requirements, designated job site, and estimated price for the services.
- 3.1.3 At no time shall Contractor begin work before the City has approved the submitted quote.
- 3.1.4 City shall not be required to pay a deposit or any other form of pre-payment prior to the Contractor beginning work.
- 3.1.5 Repairs shall be completed in a timely, efficient manner so as to ensure the equipment is operational as soon as possible.
- 3.1.6 Manufacturer's warranty shall apply to all parts.
- 3.1.7 Labor shall be warranted for ninety (90) days from the date of repair.

3.2 Calls for Service

- 3.2.1 Contractor shall provide and maintain a twenty-four (24) hour, seven (7) day per week telephone answering system/call center, capable of contacting and dispatching service personnel. A telephone answering machine will not be acceptable.

3.3 Emergency Repair Services

- 3.3.1 Contractor shall perform emergency repairs as required.
- 3.3.2 Calls for emergency services shall include, but not be limited to, situations where there is actual or imminent physical or psychological danger to the user(s) of the elevator; entrapment of elevator passengers; passengers stranded due to an elevator malfunction or breakdown; and malfunction or breakdown of the public-facing elevator at the Santa Clara Police Station.
- 3.3.3 The Contractor shall respond to all emergency calls for service within thirty (30) minutes.
- 3.3.4 Contractor shall arrive on-site at the respective City facility within one and a half (1.5) hours after receiving an emergency call for services.

3.4 Replacement Parts

- 3.4.1 The Contractor shall maintain enough replacement parts to service the City's elevators in a safe and efficient operating condition.
- 3.4.2 The Contractor shall utilize OEM replacement parts and lubricants obtained from and/or recommended by the manufacturer.
- 3.4.3 Contractor shall make every reasonable effort to maintain the existing components. However, it is understood that components may become obsolete during the term of the Agreement.

Components that may become obsolete are without limitation any part, component, assembly, product, or firmware or software module. A component is "obsolete" when it can no longer be economically

produced due to the cessation of consistent sources for materials, a loss or termination of a manufacturing process occurs, product reliability analysis shows that it is not economically feasible to continue to produce the component, escalation of component costs beyond acceptable industry expectations drive alternative equipment upgrades, the support of product safety programs or conformance to codes or standards mandates that use of a component be discontinued in its entirety, the OEM designates the component as obsolete, or such component has been installed 20 or more years.

Contractor will provide the City with a separate quotation for the price to replace obsolete components. After the replacement component is installed, that component will thereby be covered under the Agreement unless and until it becomes obsolete.

3.5 Equipment Performance Requirements

3.5.1 It is the City's preference that all equipment operate within tolerances as established by the OEM or industry standard best practices, whichever is more stringent.

4 SERVICE LEVEL REQUIREMENTS

4.1 Preventative Maintenance

The Contractor shall perform all required preventative maintenance work at the required frequencies for 100% of the equipment listed in Attachment A2.

4.2 State Reinspection

In the event that Contractor's failure to complete repairs prior to State of California inspection results in any charges incurred by the City for preliminary order reinspection, then the Contractor shall be obligated to pay such charges and the City shall have the right to deduct such charges from amounts otherwise owing to the Contractor.

4.3 Callback Service

4.3.1 Contractor shall respond to all non-emergency calls for service on the same day they are received if possible, but no later than the next calendar day.

4.3.2 The Contractor shall respond to all emergency calls for service within thirty (30) minutes of service request by the City via a callback.

4.3.3 Contractor shall arrive on-site at the respective City facility within one and a half (1.5) hours after receiving an emergency call for services.

4.4 Service Level Plan

4.4.1 Base Service Level: Includes all service requirements specified herein in Exhibit A1, Scope of Services.

- 4.4.2** Base Service Level with 24/7 Connected Services: Includes all service requirements specified herein in Exhibit A1, Scope of Services. In addition, this level includes KONE's 24/7 Connected Services devices which allows Contractor to see the performance of the equipment offsite. This will prepare technicians for service needs prior to being onsite.
- 4.4.3** Advanced Maintenance Plan Service Level: Includes all service requirements specified herein in Exhibit A1, Scope of Services. In addition, this level includes KONE's 24/7 Connected Services devices and major parts coverage where Contractor will repair and replace equipment damaged by wear and tear. The major parts covered are specified in Exhibit A3, Major Parts List Covered.

5 QUALITY CONTROL AND ASSURANCE

5.1 Quality Control

- 5.1.1** The Contractor shall implement an effective quality control program. This program shall ensure the Contractor fulfills all the requirements of this Statement of Requirements.

- 5.2** At various times, either scheduled or unscheduled, authorized City staff may accompany the Contractor while an inspection is performed.

5.3 Quality Assurance

- 5.3.1** The Contractor shall be responsible for the inspection and monitoring of all of its work to ensure compliance with the requirements described in this Exhibit A1.
- 5.3.2** The City has the right to inspect maintenance and repair services performed, Contractor's workmanship, and materials furnished/utilized in the performance of such services to a practicable extent. The City shall perform inspections as it deems necessary; inspections and/or walk-throughs shall be conducted in a manner that will not unduly interrupt/delay the Contractor's work.
- 5.3.3** The City's quality assurance (inspections/evaluations etc.) is NOT a substitute for adequate and consistent quality control (labor supervision/control/resource management etc.) by the Contractor.
- 5.3.4** If any of the performed services do not conform to the City's requirements, the City may require the Contractor to perform the services again in conformity with the Contract requirements, at no additional cost.

6 SANTA CLARA POLICE DEPARTMENT ACCESS

- 6.1** All Contractor's employees who may perform services at the Santa Clara Police Department (SCPD) shall be required to submit to and pass a background check prior to being allowed on site.

- 6.2 All approved Contractor's employees shall be provided with a temporary badge to be worn while they perform the required maintenance and repair services at SCPD. Contractor's employees shall return the temporary badges to the Police Department upon the completion of services.
- 6.3 The City prefers that the Contractor assign one employee to serve as the primary mechanic/technician for the SCPD, and one employee to serve as a backup mechanic/technician in case the primary mechanic/technician is unavailable.

7 CONTRACT START-UP REQUIREMENTS

7.1 Pre-inspection of Equipment

- 7.1.1 Within thirty (30) days from the contract execution, the Contractor shall perform an inspection of each elevator list in Exhibit A1 to establish a condition baseline. The inspection shall include an observation and assessment of any deficiencies in equipment condition, operation and/or performance, and shall provide a written baseline report of discrepancies and serve as a "starting point" for Contractor to provide ongoing maintenance.
- 7.1.2 Contractor shall submit the results of the inspection to the City in the form of a written report, which shall serve as a starting point for Contractor to provide ongoing maintenance. The report shall identify all deficiencies that the Contractor found during its inspection, together with a detailed breakdown of the estimated cost to repair each deficiency and the recommended prioritization to correct each.
- 7.1.3 The City will request a quote from the Contractor when it is ready to proceed with the recommended repair(s).

8 CONTRACT PHASE OUT

- 8.1 Upon expiration/termination of the Contract or discontinuance of employment of any of the Contractor's personnel working in the City's facilities, all City's keys, security badging and all other City identification shall be surrendered to the authorized City staff.

**Exhibit A2
Schedule of Performance**

Service Level	Location	Location Address	Service Hours	Equipment	Equipment #	Frequency of Service
Basic Plan	City Hall	1500 Warburton Avenue	8am-5pm, M-F	Passenger-Hydro	50162	Quarterly
Basic Plan	Fire Station 2	1900 Walsh Avenue	8am-5pm, M-F	Passenger-Hydro	127099	Quarterly
Base with 24/7 Connected Service	Police Department	601 El Camino Real	24/7	Passenger-Hydro	118614	Quarterly
Base with 24/7 Connected Service	Police Department	602 El Camino Real	24/7	Passenger-Hydro	118615	Quarterly
Base with 24/7 Connected Service	Santa Clara Recreation Center	969 Kiely Blvd.	As Needed	Stage Lift	126652	Annually
Basic Plan	Berman Building	1405 Civic Center Drive	8am-5pm, M-F	Passenger-Hydro	40408	Quarterly
Base with 24/7 Connected Service	Gun Range	1990 Walsh Avenue	8am-5pm, M-F	Dumbwaiter	102595	Annually
Base with 24/7 Connected Service	Santa Clara Senior Center	1303 Fremont Street	8am-5pm, M-F	Passenger-Hydro	138485	Quarterly
Base with 24/7 Connected Service	Santa Clara Senior Center	1303 Fremont Street	8am-5pm, M-F	Passenger-Hydro	67312	Quarterly

Service Level	Location	Location Address	Service Hours	Equipment	Equipment #	Frequency of Service
Base with 24/7 Connected Service	Santa Clara Senior Center	1303 Fremont Street	As Needed	Stage Lift	62646-I	Annually
Basic Plan	Donald Von Raesfeld Power Plant	850 Duane Avenue	8am-5pm, M-F	Passenger-Hydro	135821	Quarterly
Base with 24/7 Connected Service	Tasman Garage	2525 Tasman Ave	24 Hours/7 Days Wk.	Gearless Traction MRL – Passenger	159760	Quarterly
Base with 24/7 Connected Service	Tasman Garage	2525 Tasman Ave	24 Hours/7 Days Wk.	Gearless Traction MRL – Passenger	159756	Quarterly
Base with 24/7 Connected Service	Tasman Garage	2525 Tasman Ave	24 Hours/7 Days Wk.	Gearless Traction MRL – Passenger	159757	Quarterly
Base with 24/7 Connected Service	Tasman Garage	2525 Tasman Ave	24 Hours/7 Days Wk.	Gearless Traction MRL – Passenger	159758	Quarterly
Base with 24/7 Connected Service	Tasman Garage	2525 Tasman Ave	24 Hours/7 Days Wk.	Gearless Traction MRL – Passenger	159759	Quarterly
Basic Plan	Santa Clara Convention Center	5001 Great America Parkway	24 Hours/7 Days Wk.	Passenger-Hydro	83179	Quarterly
Basic Plan	Santa Clara Convention Center	5001 Great America Parkway	24 Hours/7 Days Wk.	Passenger-Hydro	83180	Quarterly

Exhibit A3

Major Parts Covered Under Advanced Maintenance Plan

The following major parts are covered for repairs and replacements under the Advanced Maintenance Plan.

1. HYDRAULIC ELEVATORS

- 1.1. RELAY LOGIC CONTROL SYSTEM: All control system components.
- 1.2. MICROPROCESSOR CONTROL SYSTEM: All control system components. System performance examinations will be conducted to ensure that dispatching and motion control systems are operating properly.
- 1.3. POWER UNIT: Unsubmerged Pump, motor, valves, and all related parts and accessories.
- 1.4. HYDRAULIC SYSTEM ACCESSORIES: Exposed piping, fittings accessories between the pumping unit and the jack, jack packing.
- 1.5. CAR EQUIPMENT: All elevator control system components on the car.
- 1.6. WIRING: All elevator control wiring and all power wiring from the elevator equipment input terminals to the motor.
- 1.7. HOISTWAY AND PIT EQUIPMENT: All elevator control equipment and buffers.
- 1.8. RAILS AND GUIDES: Guide rails, guide shoes gibs, and rollers.
- 1.9. DOOR EQUIPMENT: Automatic door operators, hoistway and car door hangers, hoistway and car door contacts, door protective devices, hoistway door interlocks, door gibs, and auxiliary door closing devices.
- 1.10. MANUAL FREIGHT DOOR EQUIPMENT: Switches, retiring cams, interlocks, guide shoes, sheaves, rollers, chains, sprockets, tensioning devices, and counter-balancing equipment.
- 1.11. POWER FREIGHT DOOR EQUIPMENT: Controller, relays, contactors, rectifiers, timers, resistors, solid state components, door motors, retiring cams, interlocks, switches, guide shoes, sheaves, rollers, chains, sprockets, and tensioning devices.

1.12. SIGNALS AND ACCESSORIES: Car operating panels, hall push button stations, hall lanterns, emergency lighting, car and hall position indicators, car operating panels, fireman's service equipment and all other signals, and accessory facilities furnished and installed as an integral part of the elevator equipment. Re-lamping of signal fixtures is included only during KONE's maintenance visits. Service requests for re-lamping of signal fixtures will be billed separately at KONE's then current labor rates.

2. TRACTION ELEVATORS

2.1. RELAY LOGIC CONTROL SYSTEM: All control system components.

2.2. MICROPROCESSOR CONTROL SYSTEM: All control system components. System performance examinations will be conducted to ensure that dispatching and motion control systems are operating properly.

2.3. GEARED/GEARLESS MACHINES: All geared and gearless machine components.

2.4. WIRING: All elevator control wiring and all power wiring from the elevator equipment input terminals to the motor.

2.5. CAR EQUIPMENT: All elevator control system components on the car.

2.6. HOISTWAY AND PIT EQUIPMENT: All elevator control equipment, car and counterweight buffers, overspeed governors, governor tension sheave assemblies, and car and counterweight safeties.

2.7. RAILS AND GUIDES: Guide rails, guide shoe gibs, and rollers.

2.8. DOOR EQUIPMENT: Automatic door operators, hoistway and car door hangers, hoistway and car door contacts, door protective devices, hoistway door interlocks, door gibs, and auxiliary door closing devices.

2.9. MANUAL FREIGHT DOOR EQUIPMENT: Switches, retiring cams, interlocks, guide shoes, sheaves, rollers, chains, sprockets, tensioning devices, and counter-balancing equipment.

2.10. POWER FREIGHT DOOR EQUIPMENT: Controller, relays, contactors, rectifiers, timers, resistors, solid state components, door motors, retiring cams, interlocks, switches, guide shoes, sheaves, rollers, chains, sprockets, and tensioning devices.

2.11. SIGNALS AND ACCESSORIES: Car operating panels, hall push button stations, hall lanterns, emergency lighting, car and hall position indicators, car operating panels, fireman's service equipment and all other signals, and accessory facilities furnished and installed as an integral part of the elevator equipment. Re-lamping of signal fixtures is included only during KONE's maintenance visits. Service requests for re-lamping of signal fixtures will be billed separately at KONE's then current labor rates.

3. REPORTING SERVICES

KONE may provide Purchaser with access to KONE's online reporting tool. Based on the Purchaser's user access, Purchaser can view information about the performance and service of the Equipment. KONE may provide Purchaser with automatic email notifications that provide information on work performed.

4. SAFETY SWITCH SYSTEM

Missing pallet detector, handrail speed detector, handrail inlet switches, comb plate impact device, skirt switches, pit and motor stop switches, access cover switches, out-of-level pallet detector, emergency stop and inspection switches, alarm on the stop switch cover, broken pallet chain switches, and key start switches.

5. GUIDANCE AND ALIGNEMENT SYSTEMS

All pallets, guidance and alignment components, and demarcation lights. Balustrades, decks, and skirt panels will be examined and adjusted, aligned, and fastened as needed

Exhibit B Schedule of Fees

1. Compensation

- 1.1. The maximum compensation of this Agreement for scheduled services shall not exceed One Hundred Sixty-One Thousand One Hundred Sixty-One Dollars (\$163,161), and the maximum compensation for unscheduled as-needed repair services including materials shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000), for a total not to exceed maximum compensation of **Four Hundred Thirteen Thousand One Hundred Sixty-One Dollars (\$413,161)** during the Initial Term, subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance.
- 1.2. All payments are based upon City's acceptance of Contractor's performance of services specified in Exhibit A-1, Scope of Services. City shall have no obligation to pay unless Contractor has successfully completed the work for which payment is due.
- 1.3. City shall pay Contractor monthly for scheduled services at the rates set forth in Table 2 herein of this Exhibit B.
- 1.4. The City reserves the right to add or delete sites and/or equipment for scheduled services from Exhibit A-2, Schedule of Performance adjust the maximum compensation accordingly by a written executed amendment.

2. As-Needed Repair Services

- 2.1. In the event the City requires as-needed repair services as set forth in Section 3 of Exhibit A-1, Scope of Services Contractor shall provide a written quotation, at no cost to the City, for the type of as-needed repair services requested and the time required to complete requested work. The quote must be approved by the City prior to any work being performed.
- 2.2. The labor rates and material equipment markup rates for as-needed repair services is set forth in Table 1 below:

Table 1. Labor Rates and Material/Equipment Markup

Labor Description	Hourly Labor Rate
As-Needed Repair Services (Normal Business Hours)	\$435.55
As-Needed Repair Services (Overtime/After Hours)	\$729.24
Material/Equipment	Markup %
Material/ Equipment Markup Over Cost	20%

- 2.3. The total amount of compensation for as-needed repair services shall not exceed **Two Hundred Fifty Thousand Dollars (\$250,000)** during the Initial Term of the Agreement.
- 2.4. The City reserves the right to request a fixed price quote in lieu of time and materials. Any fixed price quotes shall be consistent with the agreed-upon as-needed repair services rate in Section 2.2 above and must be good for at least 90 days.

3. Monthly Invoice

- 3.1. Contractor shall submit to City a monthly invoice within fifteen (15) working days of the last day of each month, in arrears, for payment of services performed pursuant to this Agreement. The monthly invoices shall include a statement of work performed during the month. City shall review the monthly invoice submitted by Contractor and within ten (10) working days of receipt of the invoice, City shall notify Contractor of any discrepancies or deficiencies in said invoice.
- 3.2. The City shall incur no obligation for out of scope work that is not authorized in advance in writing. These monthly invoices shall provide a breakdown of cost of the work performed and shall have an attachment itemizing the work for each of the following:
 - 3.2.1. Contractor shall invoice the City for maintenance and repair services, preventative maintenance services, and callback services at the end of each calendar month in which the work was performed in accordance with Exhibit A1, Scope of Services, and shall be paid for actual services performed per the monthly payment schedule as set forth in Table 2 of this Exhibit.
 - 3.2.2. Contractor shall submit copies of tags with monthly invoices. Work tag shall include date, facility, time in, time out, and ID numbers of equipment serviced. Contractor shall not invoice the City of travel to or from work sites.

- 3.3. Contractor will invoice City on a monthly basis for Services provided by Contractor during the preceding month on an invoice and in a format approved by City and subject to verification and approval by City. City will pay Contractor within thirty (30) days of City's receipt of an approved invoice.

4. Price Adjustments

- 4.1. Contractor may request adjustments to the compensation rates on each one-year anniversary after the initial year of the Agreement, plus any one-year options to renew the Agreement after the Initial Term. Contractor must demonstrate to the satisfaction of the City that a price increase is warranted. Price adjustments are subject to the City's approval
- 4.2. Agreed to price adjustments during the Initial Term must be executed through an Amendment.
- 4.3. Agreed to price adjustments for one-year options must be executed through Exhibit E, Notice of Exercise of Option to Extend Agreement.

5. Liquidated Damages for Performance Standards

- 5.1. Contractor understands and agrees that one of the City's primary goals is to ensure that the customer service provided is of the highest caliber and consistent with the City's performance standards. Contractor further agrees that City will suffer damage if Contractor fails to meet these standards and that, due to the nature of certain breaches, the actual damage to the City would be impractical or very difficult to fix.
- 5.2. Performance Standard Breaches
 - 5.2.1. The following specified items shall be referred to as "Performance Standard Breaches". Contractor agrees to pay to the City the amount specified below as liquidated damages for the applicable breach.

Performance Standard Breaches

Failure to respond to emergency calls for service on time	\$250 per occurrence, subject to a discussion between the City and Contractor as to why the response time was missed.
Failure to arrive on site on time	\$250 per occurrence, subject to a discussion between the City and Contractor as to why the response time was missed.

5.2.2. If the Contractor is found unduly responsive to service calls, the City reserves the right to request and authorize repairs for defective equipment with a third-party vendor and the Contractor shall credit the City for the repairs cost from the third-party repairs work. In such cases, the City shall provide prior notification to the Contractor of its intention.

**Table 2
Compensation for Scheduled Services**

Row	Location	Equipment Description and Number	Initial Term					
			Monthly Price	Annual Price				
				Year 1 of 5	Year 2 of 5	Year 3 of 5	Year 4 of 5	Year 5 of 5
1	City Hall	Passenger-Hydro (50162)	\$78.20	\$938.40	\$938.40	\$938.40	\$938.40	\$938.40
2	Fire Station 2	Passenger-Hydro (127099)	\$130.79	\$1,569.48	\$1,569.48	\$1,569.48	\$1,569.48	\$1,569.48
3	Police Department	Passenger-Hydro (118614)	\$224.34	\$2,692.08	\$2,692.08	\$2,692.08	\$2,692.08	\$2,692.08
4	Police Department	Passenger-Hydro (118615)	\$224.34	\$2,692.08	\$2,692.08	\$2,692.08	\$2,692.08	\$2,692.08
5	Santa Clara Recreation Center	Stage Lift (126652)	\$34.80	\$417.60	\$417.60	\$417.60	\$417.60	\$417.60
6	Berman Building	Passenger-Hydro (40408)	\$78.20	\$938.40	\$938.40	\$938.40	\$938.40	\$938.40
7	Gun Range	Dumbwaiter (10595)	\$34.80	\$417.60	\$417.60	\$417.60	\$417.60	\$417.60
8	Santa Clara Senior Center	Passenger-Hydro (138485)	\$195.79	\$2,349.48	\$2,349.48	\$2,349.48	\$2,349.48	\$2,349.48
9	Santa Clara Senior Center	Passenger-Hydro (67312)	\$143.20	\$1,718.40	\$1,718.40	\$1,718.40	\$1,718.40	\$1,718.40

Row	Location	Equipment Description and Number	Initial Term					
			Monthly Price	Annual Price				
				Year 1 of 5	Year 2 of 5	Year 3 of 5	Year 4 of 5	Year 5 of 5
10	Santa Clara Senior Center	Stage Lift (62646-I)	\$34.80	\$417.60	\$417.60	\$417.60	\$417.60	\$417.60
11	Donald Von Raesfeld Power Plant	Passenger-Hydro (135821)	\$130.79	\$1,569.48	\$1,569.48	\$1,569.48	\$1,569.48	\$1,569.48
12	Tasman Garage	Gearless Traction MRL – Passenger (159670)	\$250.58	\$3,006.96	\$3,006.96	\$3,006.96	\$3,006.96	\$3,006.96
13	Tasman Garage	Gearless Traction MRL – Passenger (159756)	\$250.58	\$3,006.96	\$3,006.96	\$3,006.96	\$3,006.96	\$3,006.96
14	Tasman Garage	Gearless Traction MRL – Passenger (159757)	\$250.58	\$3,006.96	\$3,006.96	\$3,006.96	\$3,006.96	\$3,006.96
15	Tasman Garage	Gearless Traction MRL – Passenger (159758)	\$250.58	\$3,006.96	\$3,006.96	\$3,006.96	\$3,006.96	\$3,006.96
16	Tasman Garage	Gearless Traction MRL – Passenger (159759)	\$250.58	\$3,006.96	\$3,006.96	\$3,006.96	\$3,006.96	\$3,006.96
17	Santa Clara Convention Center	Passenger-Hydro (83179)	\$78.20	\$938.40	\$938.40	\$938.40	\$938.40	\$938.40
18	Santa Clara Convention Center	Passenger-Hydro (83180)	\$78.20	\$938.40	\$938.40	\$938.40	\$938.40	\$938.40
TOTAL				\$32,632.20	\$32,632.20	\$32,632.20	\$32,632.20	\$32,632.20
							Grand Total	\$163,161.00

Exhibit C
Insurance Requirements

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

A. COMMERCIAL GENERAL LIABILITY INSURANCE

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

\$2,000,000 Each Occurrence
\$4,000,000 General Aggregate
\$2,000,000 Products/Completed Operations Aggregate
\$1,000,000 Personal Injury

2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.
3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:
 - a. Coverage shall be on a "pay on behalf" basis with defense costs payable within policy limits;
 - b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and
 - c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars (\$1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned, non-owned and hired autos.

In the event that the Work being performed under this Agreement involves transporting of hazardous or regulated substances, hazardous or regulated

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

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.
2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).
3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. COMPLIANCE WITH REQUIREMENTS

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

1. Owners and Contractors Protective Liability (OCPL) policy. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents shall be listed as named insureds and policy limits shall be \$5,000,000.
2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the Indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance Indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.

3. Cancellation.

- a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.
- b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.

4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through D of this Exhibit C, above.

E. ADDITIONAL INSURANCE RELATED PROVISIONS

Contractor and City agree as follows:

1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.
2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Contractor for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

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

F. EVIDENCE OF COVERAGE

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

G. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the redacted Schedule of Forms and Endorsements from all required insurance policies. The Schedule of Forms and Endorsements provides a listing of all forms and endorsements in each respective policy. The form number as well as the title of the form are included. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be emailed to:

ctsantaclara@ebix.com

Or mailed to:

EBIX Inc.
City of Santa Clara Public Works
P.O. Box 100085 – S2
Duluth, GA 30096

Telephone number: 951-766-2280

H. QUALIFYING INSURERS

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

Exhibit D Labor Compliance Addendum

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

I. Prevailing Wage Requirements

1. Contractor shall be obligated to pay not less than the General Prevailing Wage Rate, which can be found at www.dir.ca.gov and are on file with the City Clerk's office, which shall be available to any interested party upon request. Contractor is also required to have a copy of the applicable wage determination posted and/or available at each job site.
2. Specifically, contractors are reminded of the need for compliance with Labor Code Section 1774-1775 (the payment of prevailing wages and documentation of such), Section 1776 (the keeping and submission of accurate certified payrolls) and 1777.5 in the employment of apprentices on public works projects. Further, overtime must be paid for work in excess of 8 hours per day or 40 hours per week pursuant to Labor Code Section 1811-1813.
3. Special prevailing wage rates generally apply to work performed on weekends, holidays and for certain shift work. Depending on the location of the project and the amount of travel incurred by workers on the project, certain travel and subsistence payments may also be required. Contractors and subcontractors are on notice that information about such special rates, holidays, premium pay, shift work and travel and subsistence requirements can be found at www.dir.ca.gov.
4. Only bona fide apprentices actively enrolled in a California Division of Apprenticeship Standards approved program may be employed on the project as an apprentice and receive the applicable apprenticeship prevailing wage rates. Apprentices who are not properly supervised and employed in the appropriate ratio shall be paid the full journeyman wages for the classification of work performed.
5. As a condition to receiving progress payments, final payment and payment of retention on any and all projects on which the payment of prevailing wages is required, Contractor agrees to present to City, along with its request for payment, all applicable and necessary certified payrolls (for itself and all applicable subcontractors) for the time period covering such payment request. The term "certified payroll" shall include all required documentation to comply with the mandates set forth in Labor Code Section 1720 *et seq.*, as well as any additional documentation

requested by the City or its designee including, but not limited to: certified payroll, fringe benefit statements and backup documentation such as monthly benefit statements, employee timecards, copies of wage statements and cancelled checks, proof of training contributions (CAC2 if applicable), and apprenticeship forms such as DAS-140 and DAS-142.

6. In addition to submitting the certified payrolls and related documentation to City, Contractor and all subcontractors shall be required to submit certified payroll and related documents electronically to the California Department of Industrial Relations. Failure to submit payrolls to the DIR when mandated by the project parameters shall also result in the withholding of progress, retention and/or final payment.
7. No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
8. No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractors MUST be a registered "public works contractor" with the DIR AT THE TIME OF BID. Where the prime contract is less than \$15,000 for maintenance work or less than \$25,000 for construction alternation, demolition or repair work, registration is not required.
9. All contractors/subcontractors and related construction services subject to prevailing wage, including but not limited to: trucking, surveying and inspection work must be registered with the Department of Industrial Relations as a "public works contractor". Those you fail to register and maintain their status as a public works contractor shall not be permitted to perform work on the project.
10. Should any contractor or subcontractors not be a registered public works contractor and perform work on the project, Contractor agrees to fully indemnify the City for any fines assessed by the California Department of Industrial Relations against the City for such violation, including all staff costs and attorney's fee relating to such fine.
11. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

J. Audit Rights

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

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

K. Enforcement

1. City shall withhold any portion of a payment; including the entire payment amount, until certified payroll forms and related documentation are properly submitted, reviewed and found to be in full compliance. In the event that certified payroll forms do not comply with the requirements of Labor Code Section 1720 et seq., City may continue to hold sufficient funds to cover estimated wages and penalties under the Agreement.
2. Based on State funding sources, this project may be subject to special labor compliance requirements of Proposition 84.
3. The City is not obligated to make any payment due to Contractor until Contractor has performed all of its obligations under these provisions. This provision means that City can withhold all or part of a payment to Contractor until all required documentation is submitted. Any payment by the City despite Contractor's failure to fully perform its obligations under these provisions shall not be deemed to be a waiver of any other term or condition contained in this Agreement or a waiver of the right to withhold payment for any subsequent breach of this Addendum.

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

**Exhibit E
Notice of Exercise of Option to Extend Agreement**

AGREEMENT TITLE:	
CONTRACTOR:	
DATE:	

Pursuant to Section of the Agreement referenced above, the City of Santa Clara hereby exercises its option to extend the term under the following provisions:

OPTION NO.	# of #
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NEW OPTION TERM

Begin date:	
End date:	

CHANGES IN RATE OF COMPENSATION

Percentage change in CPI upon which adjustment is based:	
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Pursuant to Section ___ of the Agreement the rates of compensation are hereby adjusted as follows:
(use attachment if necessary)

MAXIMUM COMPENSATION for New Option Term:	
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For the option term exercised by this Notice, City shall pay Contractor an amount not to exceed the amount set forth above for Contractor's services and reimbursable expenses, if any. The undersigned signing on behalf of the City of Santa Clara hereby certifies that an unexpended appropriation is available for the term exercised by this Notice, and that funds are available as of the date of this signature.

Approved as to Form: _____ Dated: _____

BRIAN DOYLE
City Attorney

DEANNA J. SANTANA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771