

**AGREEMENT FOR
CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
CPM ASSOCIATES, INC.**

PREAMBLE

This Agreement is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and **CPM ASSOCIATES, 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 A, entitled "Scope of Services";
- B. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain 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

2. AGREEMENT DOCUMENTS

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

Exhibit A – Scope of Services

Exhibit B – Schedule of Rates and Charges

Exhibit C – Insurance Requirements

Exhibit D – Labor Compliance Addendum

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.

3. TERM OF AGREEMENT

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 upon execution of the Agreement by the City and terminate on April 30, 2025.

4. SCOPE OF SERVICES & SERVICE ORDERS

Contractor shall perform those Services specified in Exhibit A on an as-needed basis pursuant to individual service orders ("Service Orders") issued in accordance with the Terms and Conditions of this Agreement.

1. City will initiate each Service Order by specifying and describing the services and deliverables (collectively "Work") requested, which the Contractor must respond to by providing proposals and estimates of the time limit(s) within which the Contractor must complete the Work, and the compensation for the Work. Exhibit A further describes the procedure for Service Orders.
2. The Contractor shall not perform any Work pursuant to a Service Order, and therefore will not be entitled to any compensation for any Work, until the City has approved and executed the service order for such Work ("Approved Service Order").
3. Each Approved Service Order incorporates the Terms and Conditions of this Agreement.
4. The City has no obligation to approve, issue, or execute any Service Orders under this Agreement, nor does it have any obligation to pay Contractor for any Work absent an Approved Service Order. The City may issue any number of Approved Service Orders provided that the sum of the maximum compensation of all Approved Service Orders cannot exceed the Maximum Total Compensation defined in Section 7 below.

To the extent possible, the services to be provided under this Agreement shall be performed in the City of Santa Clara.

5. 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.

6. 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.

7. COMPENSATION AND PAYMENT

There is a maximum total compensation for this Agreement and a separate maximum compensation for each Approved Service Order.

- A. **Maximum Total Compensation – Agreement:** The maximum total, aggregate compensation the City will pay the Contractor for all Approved Service Orders issued under this Agreement, subject to budget appropriations, shall not exceed Two Hundred Forty-Six Thousand Dollars (\$246,000) ("Maximum Total Compensation"). All work performed or materials provided in excess of the Total Maximum Compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the Total Maximum Compensation under any circumstance.
- B. **Maximum Compensation – Service Order:** Each Approved Service Order will specify the maximum amount payable to the Contractor for all professional fees related to the Contractor providing the Work ("Maximum Service Order Compensation"). The Contractor shall fully complete all Work required by the Approved Service Order for no more than that Maximum Service Order Compensation. Exhibit B sets forth a schedule of the Contractor's rates and charges ("Schedule of Rates and Charges") that applies to any services provided in an Approved Service Order.

8. TERMINATION

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

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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 – and shall expressly include passive or active negligence by City connected with the Services. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of City; the obligation to defend is not similarly limited.

- B. Contractor's obligation to protect, defend, indemnify, and hold harmless in full City and City's employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against City (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.
- C. To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act ("Act") and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Contractor's responsibilities under the Act.

16. 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.

17. WAIVER

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

18. NOTICES

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

City of Santa Clara
Attention: Department of Public Works
1500 Warburton Avenue
Santa Clara, CA 95050
and by e-mail at kforouhi@santaclaraca.gov and
manager@santaclaraca.gov

And to Contractor addressed as follows:

Ismael G. Pugeda, CEO
CPM Associates, Inc.
1663 Mission Street, Suite 425
San Francisco, CA 94103
and by e-mail at ismaelp@cmpservices.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.

19. 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>).

20. 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. AMENDMENTS

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

26. COUNTERPARTS

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

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

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form: _____

Dated: _____

Office of the City Attorney
City of Santa Clara

Office of the City Manager
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

CPM ASSOCIATES, INC.
a California corporation

Dated: _____

By (Signature): _____

Name: Ismael G. Puga

Title: CEO

Principal Place of Business Address: 1663 Mission Street, Suite 425, San Francisco, CA 94103

Email Address: ismaelp@cpmservices.com

Telephone: (415) 543-6515

Fax: (415) 543-6570

"CONTRACTOR"

EXHIBIT A SCOPE OF SERVICES

The Services to be performed for the City by the Contractor under this Agreement are set forth below.

1. SCOPE OF SERVICES

The Contractor will provide professional construction management and inspection consulting services pursuant to individual Service Orders.

Contractor responsibilities include the following: a) qualifications of staff that will be assigned; b) ability to respond to deadlines in a timely manner; c) experience working as a consultant for a City jurisdiction; and d) ability to manage projects with minimal oversight, including proactive communications across all project participants, and maintenance of project schedules. Contractor is an extension of City staff; therefore Contractor shall follow all City established policies and procedures related to the services performed.

The consulting services shall include, but not be limited to, the following:

1.1 Field Inspection

- 1.1.1 Develop and maintain familiarity with the City's Standard Details and Specifications
- 1.1.2 Develop and maintain familiarity with the City's Project Plans and Specifications (Contract Documents)
- 1.1.3 Develop and maintain familiarity with relevant permits and permit conditions
- 1.1.4 Inspect, monitor and ensure the quality of work
- 1.1.5 Verify work is in compliance with plans and specifications
- 1.1.6 Verify work is in compliance with approved material submittals, field directives, requests for information (RFIs), etc.
- 1.1.7 Monitor quantity of work in place
- 1.1.8 Anticipate issues and work pro-actively to resolve them
- 1.1.9 Monitor safety of construction operations
- 1.1.10 Inspect traffic control for proper implementation, safety, and compliance with approved traffic control plan(s)
- 1.1.11 Inspect work areas for impacts to public safety and convenience and resolve issues identified

- 1.1.12 Verify work is in compliance with stormwater regulations and requirements
- 1.1.13 Develop punchlist(s) of incomplete and/or deficient work
- 1.1.14 Interact with the public
- 1.1.15 Verify construction contractor is updating as-builts
- 1.1.16 Monitor and document construction contractor work effort (manpower, equipment and materials) associated with time and material payment items or contract changes
- 1.1.17 Perform preliminary and final inspections

1.2 Coordination

- 1.2.1 Coordinate work activities and issue resolution with City Departments
- 1.2.2 Coordinate work activities and issue resolution with other public agencies (if applicable)
- 1.2.3 Ensure construction contractor complies with all relevant permits and permit conditions
- 1.2.4 Coordinate work activities and issue resolution with utility owners
- 1.2.5 Coordinate work activities and issue resolution with materials testing provider(s)
- 1.2.6 Coordinate work activities and issue resolution with the City's special inspections consultant
- 1.2.7 Coordinate and/or monitor work activities and issue resolution with the City's building code inspection staff (if required)
- 1.2.8 Attend pre-construction meeting
- 1.2.9 Attend regularly scheduled meetings
- 1.2.10 Attend issue-specific meetings

1.3 Reporting and Management

- 1.3.1 Complete, maintain and organize daily reports (daily reports to include: work completed and in progress; construction contractor manpower, equipment and materials; weather; key issues; etc.). Daily reports shall be entered directly into e-Builder.
- 1.3.2 Prepare and communicate a Weekly Statement of Working Days

- 1.3.3 Review and/or process construction contractor submittals using e-Builder submittal process
- 1.3.4 Review and/or process construction contractor RFIs using e-Builder RFI process
- 1.3.5 Review and/or process construction contractor requests for substitution
- 1.3.6 Maintain photographic documentation for work progress and issue management
- 1.3.7 Provide weekly project status updates to City
- 1.3.8 Direct and notify construction contractor for any non-compliance, track all incidences, and work with construction contractor to correct as soon as practicable
- 1.3.9 Prepare, review and/or process field directives
- 1.3.10 Review construction contractor pay requests, resolve issues, and recommend payment amounts. Pay requests will be processed through e-Builder.
- 1.3.11 Develop and distribute draft and final meeting minutes as required
- 1.3.12 Track all materials testing and maintain log of events and results
- 1.3.13 Track and/or monitor tracking of all building code and special inspections and reports
- 1.3.14 Monitor construction contractor's compliance with the City's requirements for Construction and Demolition Debris Recycling
- 1.3.15 Track and maintain documentation related to LEED certification requirements
- 1.3.16 Review, monitor and report on construction contractor's schedule status (on-schedule, ahead, behind)
- 1.3.17 Monitor and/or manage construction impacts to the public, other agencies, utilities, etc.
- 1.3.18 Monitor, evaluate and report on potential contract changes (potential change orders) and advise City regarding change resolution and/or negotiation. Potential change orders will be processed through e-Builder.
- 1.3.19 Provide independent cost estimates for potential contract changes as required

- 1.3.20 Manage punchlist process and closeout from substantial completion through to final completion and acceptance of work
- 1.3.21 Review construction contractor as-builts and coordinate corrections as necessary to ensure accurate record drawings
- 1.3.22 Ensure all warranties, operations & maintenance manuals and related documentation are submitted
- 1.3.23 Manage the construction inspection and management team to ensure successful completion of services, and within budget
- 1.3.24 Develop and maintain familiarity with e-Builder and the City of Santa Clara's specific implementation of e-Builder for construction phase activities
- 1.3.25 Support City in fully utilizing e-Builder for construction management and construction inspection processes and documentation

1.4 Land Surveying

- 1.4.1 Perform topographic surveys to determine and verify locations and elevations of existing/proposed improvements, structures and topographic features including utility valves/vaults, etc.
- 1.4.2 Determine locations of property lines, boundaries, easements, and rights-of-way
- 1.4.3 Prepare legal descriptions and plat maps for easements and/or property and right-of-way boundaries
- 1.4.4 Create plat maps from existing legal descriptions
- 1.4.5 Establish and adjust benchmarks
- 1.4.6 Perform research and survey work related to public and private land ownership, public easements, etc.
- 1.4.7 Prepare and interpret deeds and descriptions
- 1.4.8 Establish horizontal and vertical controls
- 1.4.9 Perform photogrammetric control surveys and prepare photogrammetric mapping/orthophotos
- 1.4.10 Create, stamp and sign subdivision maps, parcel maps, lot line adjustments and other documents (if requested)

1.4.11 Perform quality assurance checks of construction contractor-provided survey work

1.4.12 Provide construction staking (if requested)

2. PROCEDURE FOR SERVICE ORDERS

2.1 City will provide a description of the desired Work to be performed by Contractor. City will indicate to Contractor if any City staff (part-time or full-time) is available to participate in delivering the Work. (Refer to Section 3 below regarding staffing coordination.)

2.2 Contractor will prepare a written service order proposal in accordance with the City's request. Contractor shall consider and incorporate into the proposal any City input regarding City staffing availability to participate in the delivery of the Work. The proposal must include, but is not limited to, the following:

2.2.1 The proposed scope of Work;

2.2.2 The name and assignment of each of Contractor's professional employees who will be principally responsible for performing the Work;

2.2.3 A time schedule and total cost for providing the Work; and

2.2.4 Any other information requested by the City.

2.3 City will review and provide comments to Contractor. Or, City will accept Contractor's written proposal without comments.

2.4 If the City provides comments on Contractor's proposal, Contractor shall revise the proposal to address City's comments.

2.5 Once the Contractor and the City agree on the terms of the proposed Service Order, the City will prepare the final ("Approved Service Order").

2.6 Contractor will be authorized to proceed with the Work under the Approved Service Order upon notification by the City that the Approved Service Order has been executed by the City or at some later date as designated by the City in writing.

3. STAFFING IN COORDINATION WITH CITY

The City may be in a position to have City staff perform some of the responsibilities of the construction management and inspection team for a specified scope of services. The City staff may be either part-time or full-time. Contractor should therefore anticipate the possibility that City staff will need to be

integrated into the construction management and inspection team. This will necessarily displace Contractor staff for these functions. All staffing considerations and decisions are anticipated to be a collaborative effort between the City and Contractor; however, in case of a dispute, the City shall have final decision authority regarding staffing for the scope of services. If the City indicates that no City staffing support is available, the Contractor will be requested to propose on a complete team to perform all of the desired scope of services.

4. RESPONSIBILITIES OF CITY

The City shall provide City's Public Works Standard Details and Specifications for construction.

The City shall provide related/needed Storm Drain, Electric, Water, Sewer and Recycled Water Block Book Maps and record drawings (if available).

The City shall provide user licenses/logins for Contractor staff to access and use e-Builder, the City's enterprise project management system. All construction phase documentation shall be developed and/or stored in e-Builder.

EXHIBIT B
SCHEDULE OF RATES AND CHARGES

This Exhibit B sets forth Contractor's rates that apply to any services provided in an Approved Service Order. The rates shall remain fixed throughout each calendar year. Rates may be increased, with City approval, up to a maximum amount of 3% for each calendar year after the beginning of the Agreement term.

The hourly rates are inclusive of all incidental costs, including but not limited to, travel time, vehicle costs, materials, equipment, administration and overhead.

Position	Maximum Hourly Rate (2022)
CPM Associates, Inc.	
Project Manager	\$240
Resident Engineer I	\$180
Resident Engineer II	\$200
Resident Engineer III	\$220
Construction Inspector I	\$145
Construction Inspector II	\$160
Construction Inspector III	\$175
Electrical Inspector	\$190
Scheduler / Claims Analyst I	\$180
Scheduler / Claims Analyst II	\$220
Office Engineer I	\$120
Office Engineer II	\$150
Office Engineer III	\$175

Position	Maximum Hourly Rate (2022)
Towill	
Survey Task Lead	\$250
Party Chief	\$168
PMIT	
e-Builder Consultant (Principal)	\$175

Invoicing:

1. If an Approved Service Order requires invoicing to be generated in a timesheet format, Contractor shall provide information for each Contractor staff person including name and position title (i.e. relevant role with respect to work performed under the service order). Position hourly rates shall comply with the rates included in the table above.

In addition, the itemization on each monthly invoice shall set forth the amount of time (recorded in quarter hours) for each employee, the name of the employee and a description of each task performed. After setting forth the time spent on a daily basis, the itemization will provide a summary, at its end, of the total hours spent by each employee for the month, the hourly rate charged for that employee, and the total value of the service rendered by that employee for the month. The amount billed for Work shall then be determined by adding the value for the Work rendered by each employee for that particular month.

2. If an Approved Service Order requires invoicing to be generated in a progress or percent complete format, Contractor shall provide information describing in detail the services performed and how those services correlate to the percent complete. The detailed descriptions shall be for each category of services as identified in the Approved Service Order.
3. Within thirty (30) days of receipt of an itemized written invoice from the Contractor, City shall pay Contractor the amount billed for Work performed under the Approved Service Order during that billing period.

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:
 - \$1,000,000 Each Occurrence
 - \$2,000,000 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 in addition to policy limits;
 - b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and
 - c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than 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. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85 or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.
2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the Indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance Indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.

3. 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 actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be mailed to:

EBIX Inc.

City of Santa Clara [Department of Public Works]

P.O. Box 100085 – S2

or 1 Ebix Way

Duluth, GA 30096

John's Creek, GA 30097

Telephone number: 951-766-2280

Fax number: 770-325-0409

Email address: ctsantaclara@ebix.com

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.

A. Prevailing Wage Requirements

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

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

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

B. Audit Rights

All records or documents required to be kept pursuant to this Agreement to verify compliance with this 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.

C. Enforcement

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