

CITY OF ARCADIA

City Council Regular Meeting Agenda



Tuesday, September 19, 2023, 5:00 p.m.

Location: City Council Chambers, 240 W. Huntington Drive, Arcadia

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the City Clerk at (626) 574-5455. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

根据《美国残障人法案》，需要调整或提供便利设施才能参加会议的残障人士（包括辅助器材或服务）可与市书记官办公室联系（电话：(626) 574-5455）。请在会前 48 小时通知市书记官办公室，以便作出合理安排，确保顺利参加会议。

Pursuant to the City of Arcadia's Language Access Services Policy, limited-English proficient speakers who require translation services in order to participate in a meeting may request the use of a volunteer or professional translator by contacting the City Clerk's Office at (626) 574-5455 at least 72 hours prior to the meeting.

根据阿凯迪亚市的语言便利服务政策，英语能力有限并需要翻译服务才能参加会议的人可与市书记官办公室联系（电话：(626) 574-5455），请求提供志愿或专业翻译服务，请至少在会前 72 小时提出请求。

How to Submit Public Comment:

Members of the Public who wish to submit public comment may do so using one of the following methods. Public comment is limited to the time and words allotted.

1. **In-Person:** Complete a Speaker Card, indicating the agenda item number and submit it to the City Clerk prior to the meeting, or simply come to the podium when the Mayor asks for those who wish to speak. Speakers shall be limited to five (5) minutes per person. At the Mayor's discretion, the time limit may be shortened to allow all speakers to address the City Council.

Electronic submission of Public Comment is also available via the City's website or by email as noted below. Public Comment submitted electronically will not be read into the record at the posted meeting time but are forwarded to the City Council prior to the meeting for consideration.

1. **Website:** Please submit your comments using our online public comment form at ArcadiaCA.gov/comment. Your comments must be received at least 30 minutes prior to the posted meeting time.
2. **Email:** Please submit your comments via email to CityClerk@ArcadiaCA.gov. Your comments must be received at least 30 minutes prior to the posted meeting time.

如何提交公众评论意见：

公众成员可以使用以下任何一种方法提交公众评论意见。请在时间和字数的限制范围内提交公众评论意见。

1. **亲自出席：**填写一张发言人卡片，注明议程项目编号，然后在会议开始前提交给市书记官，或者在市长询问公众发言时，直接到讲台上发言。每位发言人的发言时间不得超过五（5）分钟。市长可自行决定缩短发言限制时间，以便允许所有发言人向市议会表达自己的意见。

亦可按照以下方法在本市网站上或通过电子邮件以电子方式提交公众评论意见。以电子方式提交的公众评论意见不会在公布的会议期间读入记录，但会在会议开始前转交给市议会，供市议会考虑。

1. **网站：**请使用以下网站中刊载的在线公众评论意见表提交您的评论意见：ArcadiaCA.gov/comment。必须在公布的会议时间前至少提前 30 分钟提交评论意见。
2. **电子邮件：**请将您的评论意见通过电子邮件发送至：CityClerk@ArcadiaCA.gov。必须在公布的会议时间前至少提前 30 分钟提交评论意见。

CALL TO ORDER

ROLL CALL OF CITY COUNCIL MEMBERS

Paul P. Cheng, Mayor
April A. Verlato, Mayor Pro Tem
Michael Cao, Council Member
Sharon Kwan, Council Member
Eileen Wang, Council Member

PUBLIC COMMENTS (5-minute time limit each speaker)

Any person wishing to speak before the City Council is asked to complete a Speaker Card and provide it to the City Clerk prior to the start of the meeting. Each speaker is limited to five (5) minutes per person, unless waived by the City Council. Under the Brown Act, the City Council is prohibited from discussing or taking action on any item not listed on the posted agenda.

CLOSED SESSION

- a. Pursuant to Government Code section 54956.9(d)(2) to confer with legal counsel regarding potential litigation - one (1) case.
Facts and circumstances: Unknown to potential plaintiffs pursuant to Government Code section 54956.9(e)(1).

Regular Meeting
City Council Chambers, 7:00 p.m.

1. CALL TO ORDER

2. INVOCATION

Rabbi Sholom Stiefel, Chabad of Arcadia

3. PLEDGE OF ALLEGIANCE

4. ROLL CALL OF CITY COUNCIL MEMBERS

Paul P. Cheng, Mayor
April A. Verlato, Mayor Pro Tem
Michael Cao, Council Member
Sharon Kwan, Council Member
Eileen Wang, Council Member

5. REPORT FROM CITY ATTORNEY REGARDING CLOSED/STUDY SESSION ITEMS

6. SUPPLEMENTAL INFORMATION FROM CITY MANAGER REGARDING AGENDA ITEMS

7. CITY COUNCIL REORGANIZATION

a. Presentations to outgoing Mayor Paul P. Cheng

Presentation by Assembly Member Mike Fong

Presentation by Gigi Lee on behalf of U.S. Congresswoman Judy Chu

Presentation by Marco Lundgren on behalf of Senator Anthony J. Portantino

Presentation by Vicky Paul on behalf of Supervisor Kathryn Barger

Presentation by Francine Chiu, Karen McNair, and Jennifer Stone on behalf of the Arcadia Chamber of Commerce

Presentation by Shirley Yee and Dr. David Vannasdall on behalf of the Arcadia Unified School District

Presentation by Donna Choi on behalf of the Downtown Arcadia Improvement Association

Presentation by Susan Guo and Sho Tay on behalf of the Arcadia Chinese Association

Presentation by Mike Driebe on behalf of USC Arcadia Hospital Foundation

Presentation by Pastor Andre Bribiesca on behalf of Vessel Calvary Chapel Arcadia

Presentation by Miguel Hernandez on behalf of the City of Sierra Madre

Presentation by Linda Sells, Terrence Williams, and Michelle Wright on behalf of MAD Town Council

Presentation by Tashera Taylor on behalf of Foothill Unity Center, Inc.

Presentation by Mayor Pro Tem April A. Verlato on behalf of Senator Dianne Feinstein

Presentation by Mayor Pro Tem April A. Verlato on behalf of Pete Siberell, Santa Anita Park

Presentation by Mayor Pro Tem April A. Verlato on behalf of City of Monrovia

Presentation by Mayor Pro Tem April A. Verlato on behalf of the City of San Gabriel

Presentation by Mayor Pro Tem April A. Verlato on behalf of the City of Arcadia

Remarks by outgoing Mayor Paul P. Cheng

b. Administration of the oath of office to Mayor April A. Verlato

Presentation by Donna Choi on behalf of the Downtown Arcadia Improvement Association to incoming Mayor April A. Verlato

Remarks by Mayor April A. Verlato

- c. Administration of the oath of office to Mayor Pro Tem Michael Cao

Remarks by Mayor Pro Tem Michael Cao

- d. Remarks by members of the City Council and City Clerk

8. PRESENTATIONS

- a. Introduction of Tainan City Fire Bureau Firefighters

9. PUBLIC COMMENTS (5-minute time limit each speaker)

Any person wishing to speak before the City Council is asked to complete a Speaker Card and provide it to the City Clerk prior to the start of the meeting. Each speaker is limited to five (5) minutes per person, unless waived by the City Council. Under the Brown Act, the City Council is prohibited from discussing or taking action on any item not listed on the posted agenda.

10. REPORTS FROM MAYOR, CITY COUNCIL AND CITY CLERK (including reports from the City Council related to meetings attended at City expense [AB 1234]).

11. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless a member of the City Council, staff, or the public requests that a specific item be removed from the Consent Calendar for separate discussion and action.

- a. Special and Regular Meeting Minutes of September 5, 2023.
CEQA: Not a Project
Recommended Action: Approve
- b. Resolution No. 7522 acknowledging receipt of a report made by the Fire Chief of the Arcadia Fire Department regarding inspections of certain occupancies required by Sections 13146.2 and 13146.3 of the California Health and Safety Code.
CEQA: Not a Project
Recommended Action: Adopt
- c. Design-Build Contract with Clean Energy for Design and Construction Services for a new compressed natural gas facility at the Public Works Services Yard in the amount of \$2,843,487, plus a 10% contingency.
CEQA: Exempt
Recommended Action: Approve
- d. Professional Services Agreement with UniFirst Corporation for Uniform Rental Services for the Public Works Services Department in an amount not to exceed \$72,500.
CEQA: Not a Project
Recommended Action: Approve

- e. Purchase Order with Emergency Vehicle Group (“EVG”) for the purchase of one new Road Rescue Ulta-medical Type I ambulance and one new Basic Life Support (“BLS”) Type II ambulance in the amount of \$701,801.
CEQA: Not a Project
Recommended Action: Approve
- f. Purchase Order with Mountain View Chevrolet for the purchase of one 2023 Chevrolet Silverado 2500 Heavy Duty Utility Service Body pickup truck in the amount of \$64,851.11.
CEQA: Not a Project
Recommendation: Approve
- g. Grant award from the U.S. Department of Homeland Security – State Homeland Security Program (“SHSP”) for reimbursement of portable handheld radio costs in the amount of \$61,230; reject low bid from Foothill Communications and award bid to Day Wireless.
CEQA: Not a Project
Recommended Action: Accept and Approve
- h. Allocate American Rescue Plan Act (“ARPA”) funds for the 2023 Merry & Bright Holiday Shopping Program in the amount of \$200,000.
CEQA: Not a Project
Recommended Action: Approve

12. ADJOURNMENT

The City Council will adjourn this meeting to October 3, 2023, 6:00 p.m. in the City Council Conference Room.

Welcome to the Arcadia City Council Meeting!

The City Council encourages public participation, and invites you to share your views on City business.

MEETINGS: Regular Meetings of the City Council are held on the first and third Tuesday of each month at 7:00 p.m. in City Council Chambers. A full City Council agenda packet with all backup information is available at City Hall, the Arcadia Library, and on the City's website at www.ArcadiaCA.gov. Copies of individual Agenda Reports are available via email upon request (CityClerk@ArcadiaCa.gov). Documents distributed to a majority of the City Council after the posting of this agenda will be available for review at the Office of the City Clerk, 240 W. Huntington Drive, Arcadia, California. Live broadcasts and replays of the City Council Meetings are on cable television. Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice as previously described.

PUBLIC PARTICIPATION: Your participation is welcomed and invited at all City Council meetings. Time is reserved at each regular meeting for those in the audience who wish to address the City Council. The City requests that persons addressing the City Council refrain from making personal, slanderous, profane, or disruptive remarks. Where possible, please submit a **Speaker Card** to the City Clerk prior to your comments, or simply come to the podium when the Mayor asks for those who wish to speak, and state your name and address (optional) for the record. Please provide the City Clerk with a copy of any written materials used in your address to the City Council as well as 10 copies of any printed materials you would like distributed to the City Council. The use of City equipment for presentations is not permitted.

MATTERS NOT ON THE AGENDA should be presented during the time designated as "PUBLIC COMMENTS." In general, each speaker will be given five (5) minutes to address the City Council; however, the Mayor, at his/her discretion, may shorten the speaking time limit to allow all speakers time to address the City Council. **By State law, the City Council may not discuss or vote on items not on the agenda. The matter will automatically be referred to staff for appropriate action or response or will be placed on the agenda of a future meeting.**

MATTERS ON THE AGENDA should be addressed when the City Council considers that item. Please indicate the Agenda Item Numbers(s) on the **Speaker Card**. Your name will be called at the appropriate time and you may proceed with your presentation within the five (5) minute time frame. The Mayor, at his/her discretion, may shorten the speaking time limit to allow all speakers to address the City Council.

PUBLIC HEARINGS AND APPEALS are items scheduled for which public input is either required or desired. Separate and apart from the applicant (who may speak longer in the discretion of the City Council), speakers shall be limited to five (5) minutes per person. The Mayor, at his/her discretion, may shorten the speaking time limit to allow all speakers to address the City Council. The applicant may additionally submit rebuttal comments.

AGENDA ITEMS: The Agenda contains the regular order of business of the City Council. Items on the Agenda have generally been reviewed and investigated by the City Staff in advance of the meeting so that the City Council can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine by the City Council and will be acted upon by one motion. There will be no separate discussion on these items unless a member of the City Council, Staff, or the public so requests. In this event, the item will be removed from the Consent Calendar and considered and acted on separately.

DECORUM: While members of the public are free to level criticism of City policies and the action(s) or proposed action(s) of the City Council or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the proceedings, including but not limited to, conduct that prevents other members of the audience from being heard when it is their opportunity to speak or which prevents members of the audience from hearing or seeing the proceedings. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm. All persons attending the meeting are expected to adhere to the City's policy barring harassment based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, sexual orientation, or age. The Chief of Police, or such member or members of the Police Department, shall serve as the Sergeant-at-Arms of the City Council meeting. The Sergeant-at-Arms shall carry out all orders and instructions given by the presiding official for the purpose of maintaining order and decorum at the meeting. Any person who violates the order and decorum of the meeting may be placed under arrest and such person may be prosecuted under the provisions of Penal Code Section 403 or applicable Arcadia Municipal Code section.

欢迎参加阿凯迪亚市议会会议！

市议会鼓励公众参与，并邀请您分享对城市管理的看法。

会议：市议会定期会议于每个月第一个和第三个星期二下午七时在市议会会议厅举行。在市政厅、阿凯迪亚图书馆和市政府网站（www.ArcadiaCa.gov）可以找到包含所有相关信息的完整市议会议程。单独的议程报告可应请求通过电子邮件索取（CityClerk@ArcadiaCa.gov）。至于在发布该议程后向市议会多数成员分发的文件，公众可在阿凯迪亚市书记官办公室查阅，地址：240 W. Huntington Drive, Arcadia, California。市议会会议实况将通过有线电视进行现场直播和回放。如在以往的通知中所提示，如果您参加这次公开会议，您的图像和/或声音可能被录下并播出。

公众参与：市议会欢迎并邀请您参加市议会的所有会议。在每次定期会议上都为那些希望在会上发言的市民留出时间。市政府要求在市议会发言的人杜绝个人攻击、诽谤、亵渎或破坏性言论。如有可能，请在发表意见之前向市书记官提交一张**发言卡**，亦可在市长宣布自由发言时直接上台发言，并说出您的姓名和地址（如果您愿意），以便制作会议记录。请向市书记官提供一份您在发言中使用的任何书面材料，以及 10 份您希望分发给市议会的任何印刷材料。不允许把市政府设备用于准备发言内容。

议程之外的事项应当在指定的“公众评议”时间提出。在一般情况下，每位发言者将有五（5）分钟时间向市议会陈述意见，但市长可酌情缩短发言时限，以便让所有希望发言的人都有机会发言。**根据州法，市议会不得讨论或表决未列入议程的事项。此类事项将自动转给工作人员采取适当行动或作出回应，或将其列入未来会议的议程。**

列入议程的事项应当在市议会审议该事项时讨论。请在**发言卡**上标明事项的议程编号。在适当的时间会叫到您的名字，您可以在五（5）分钟时限内发言。市长可酌情缩短发言时限，以便让所有希望发言的人都有机会发言。

公开听证和上诉是为需要或希望征求公众意见的事项安排的日程。除申请人外（市议会可酌情决定延长申请人的发言时间），每位发言人的发言不得超过五（5）分钟。市长可酌情缩短发言时限，以便让所有希望发言的人都有机会发言。申请人还可以另外提交反驳意见。

议程事项：议程包含市议会的例行议题。一般而言，由市政府工作人员在会议前对议程中的事项进行审查和调查，以便市议会在作出决定之前能够充分了解情况。

同意日历：在同意日历上列出的事项被市议会视为例行公事，并将通过一项动议采取行动。除非市议员、工作人员或公众提出请求，否则不会对这些事项进行单独讨论。如果有人提出请求，该事项将从同意日历中删除，单独进行审议和采取行动。

行为规范：尽管市民可对市政府的政策和市议会或其成员的行动或拟议行动自由地提出批评，但不得出现干扰会议正常秩序的行为，包括但不限于在别人的发言时间内阻止别人发言，或妨碍公众听到发言内容或看到议程进展状况。市民亦不得威胁进行身体伤害或以可能被合理理解为作出身体伤害紧迫威胁的方式行事。所有出席会议的人都必须遵守市政府的反骚扰政策，禁止基于个人种族、宗教信仰、肤色、原国籍、祖籍、身体残障、疾病、婚姻状况、性别、性取向或年龄骚扰他人。警察局长或警察局其他成员将担任维持市议会会议秩序的保安官。保安官将执行会议主持人的一切命令和指示，以维持会议秩序和行为规范。对任何违反会议秩序和行为规范的人可执行拘捕，并可能根据《刑法典》第 403 条或《阿凯迪亚市政法典》相关条款提出起诉。

**ARCADIA CITY COUNCIL
SPECIAL MEETING MINUTES
TUESDAY, SEPTEMBER 5, 2023**

CALL TO ORDER - Mayor Cheng called the Closed Session to order at 5:03 p.m.

ROLL CALL OF CITY COUNCIL MEMBERS

PRESENT: Cao, Kwan, Wang, and Cheng

ABSENT: Verlato

Mayor Pro Tem Verlato arrived at 5:07 p.m.

PUBLIC COMMENTS – No one appeared.

CLOSED SESSION

- a. Pursuant to Government Code Section 54956.9(d)(4) to confer with legal counsel regarding potential litigation - two (2) cases.
- b. Pursuant to Government Code Section 54956.9(d)(1) to confer with legal counsel regarding the matter of Arcadians for Environmental Preservation v. City of Arcadia, Los Angeles County Superior Court (Case No. 20STCP02902).
- c. Pursuant to Government Code Section 54957.6 to confer with labor negotiators.

City Negotiators: City Manager Dominic Lazzaretto, Assistant City Manager/Development Services Director Jason Kruckeberg, and Human Resources Administrator Anely Williams.

Employee Organizations: Arcadia Public Works Employees Association, Arcadia City Employees Association, Arcadia Police Civilian Employees Association, Arcadia Police Officers' Association, Arcadia Firefighters' Association, and unrepresented employees: Department Heads, Division Managers, Supervisors, and part-time employees.

- d. Pursuant to Government Code Section 54956.9(d)(1) to confer with legal counsel regarding Workers' Compensation matter (WCAB Case No. ADJ8802199).

Closed Session ended at 6:02 p.m. and the City Council reconvened to Study Session at 6:04 p.m.

CITY MANAGER

- a. Resolution No. 7523 amending the Fiscal Year 2023-24 Operating Budget and authorizing a supplemental budget appropriation for the 2024 Multi-Agency Homelessness Symposium in an amount not to exceed \$2,500, offset by a reduction in the General Fund Reserve.

CEQA: Not a Project

Recommended Action: Adopt

A motion was made by Mayor Pro Tem Verlato, and seconded by Council Member Kwan, and carried on a roll call vote to adopt Resolution No. 7523 amending the Fiscal Year 2023-24 Operating Budget and authorizing a supplemental budget appropriation for the 2024 Multi-Agency Homelessness Symposium in an amount not to exceed \$2,500, offset by a reduction in the General Fund Reserve.

AYES: Verlato, Kwan, Wang, and Cheng
NOES: Cao
ABSENT: None

The Study Session ended at 6:43 p.m.



Rachelle Arellano
Assistant City Clerk

**ARCADIA CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, SEPTEMBER 5, 2023**

1. **CALL TO ORDER** – Mayor Cheng called the Regular Meeting to order at 7:01 p.m.
2. **INVOCATION** – Reverend Darwin Ng, Arcadia Police Department Chaplain
3. **PLEDGE OF ALLEGIANCE** – City Clerk Gene Glasco
4. **ROLL CALL OF CITY COUNCIL MEMBERS**

PRESENT: Cao, Kwan, Wang, Verlato, and Cheng

ABSENT: None

5. **REPORT FROM CITY ATTORNEY REGARDING CLOSED/STUDY SESSION ITEMS**

City Attorney Maurer reported that prior to the Regular Meeting the City Council met in a Special Closed Session Meeting to discuss the five items listed on the posted agenda; he announced that the City Council voted 5-0 to initiate litigation for one of the items listed under Closed Session Item a.; he indicated that there was no reportable action for the other four items; he noted that the City Council heard City Manager Item a. and with a 4-1 vote the City Council approved Resolution No.7523; and he further noted that this item was also on the Regular Meeting Agenda and would be removed from the agenda as action had already been taken.

6. **SUPPLEMENTAL INFORMATION FROM CITY MANAGER REGARDING AGENDA ITEMS**

City Manager Lazzaretto had nothing to report.

7. **PUBLIC COMMENTS**

Christine Lee, Chief Financial Officer for the Arcadia Performing Arts Foundation (APAF), appeared and provided information regarding the Arcadia Performing Arts Center and invited everyone to attend an upcoming event; and she indicated she is seeking City Council support, and provided information regarding APAF sponsorships.

Angela Hui, a member of the Arcadia Performing Arts Foundation, appeared and indicated she was also seeking APAF sponsorship and support from the City Council.

8. **REPORTS FROM MAYOR, CITY COUNCIL AND CITY CLERK (*including reports from the City Council related to meetings attended at City expense [AB 1234]*).**

City Clerk Glasco announced that former Mayor and current President of the Arcadia Performing Arts Foundation, Gary Kovacic, reached out to him to discuss the Foundation, and his goal to have his former Arcadia classmate, Stevie Nicks, perform for the Foundation.

Council Member Cao announced that he attended the City Council Health Committee Meeting; Arcadia Chinese Association Installation Dinner; Planning Commission Meeting; the Arcadia Police Foundation Dim Sum with a Detective event; the League of California Cities Board of Directors Meeting; and the City of Arcadia Senior Health Fair.

Council Member Kwan announced that she attended the Arcadia Chinese Association Installation Dinner; the USC Hospital Foundation Chairman's Club Dinner; Arcadia Police Foundation Dim Sum with a Detective event; she reminded everyone that the State of the City will be held on September 6, at the Le Meridien; she acknowledged the incredible work by Mayor Cheng; she congratulated incoming Mayor Verlato; and she further announced that, on September 19, there will be a City Council Reorganization reception at 6 p.m. in front of the Arcadia City Council Chambers, prior to the Regular City Council Meeting.

Council Member Wang announced that she attended the City Council Health Committee Meeting; lunch with the Arcadia Police Department hosted by the American Chinese Southwest Chamber of Commerce; the Annual 2023 City News New Baby photo competition; she announced that she went to China on vacation and attended a New Generation immigration conference; she announced that she promoted the City of Arcadia to many towns in China; she thanked the Arcadia Police Department for their response to the smash-and-grab theft at Macy's at the Shops at Santa Anita; she further announced that the State of the City will be held on September 6; and she thanked Mayor Cheng for his work to unite everyone.

Mayor Pro Tem Verlato announced that she attended the Arcadia Chinese Association Installation Dinner; Arcadia Police Foundation Dim Sum with a Detective event; Pasadena POPS at the Arboretum with the music of Queen; she announced that the Moon Festival is on September 30, beginning at 5 p.m.; she further attended coffee with the principal at First Ave Middle School with Dr. Issa; she presented a certificate to Dora Fowler who celebrated her 102nd birthday at Arcadia Living; the San Gabriel Valley Council of Governments Executive Committee Meeting; she shared photos from the events she attended; and she thanked the Arcadia Police Department for their response to the smash-and-grab theft at Macy's at the Shops at Santa Anita, and asked Chief Nakamura to discuss the incident.

Chief Nakamura appeared and indicated that it is an active investigation and no arrests have been made. He indicated that a task force has been created with the Los Angeles Police Department to combat retail theft and security has been increased at the Mall; he advised residents not to intervene but rather to be a good witness, observe, and immediately report to the Police.

Mayor Cheng thanked the City Council for their kind words; he indicated that Arcadia is one of the safest Cities and thanked the Arcadia Police Department; he welcomed Council Member Wang back from vacation; and asked for the support of two Council Members to request City Staff to prepare a report that indicates how seniors with cognitive issues are monitored and what kind of assistance they are provided. Council Member Cao and Council Member Kwan agreed.

9. CONSENT CALENDAR

- a. Special Meeting Minutes of August 14, 2023, and Regular Meeting Minutes of August 15, 2023.
CEQA: Not a Project
Recommended Action: Approve
- b. Resolution No. 7524 authorizing a submittal of application for grants and related authorizations to the Department of Resources Recycling and Recovery ("CalRecycle").
CEQA: Not a Project
Recommended Action: Adopt

- c. Resolution No. 7525 authorizing a supplemental budget appropriation for the replacement of the HVAC Compressor in the Council Chambers in the amount of \$23,778, offset by a reduction in the General Fund Reserve; and ratify the Purchase Order with Carrier Corporation for the replacement of the HVAC Compressor in the Council Chambers in the amount of \$30,000.
CEQA: Exempt
Recommended Action: Adopt and Ratify
- d. Modify Resolution No. 7520 to correct amount of revenue necessary to pay for the authorized debt service for the 2021 General Obligation Refunding Bonds.
CEQA: Not a Project
Recommended Action: Approve
- e. Allocate American Rescue Plan Act (“ARPA”) funds for the 2023 Merry & Bright Holiday Shopping Program in the amount of \$200,000.
CEQA: Not a Project
Recommended Action: Approve

Mayor Cheng pulled Consent Item e. for further discussion.

It was moved by Council Member Cao, seconded by Council Member Wang, and carried on a roll call vote to approve Consent Calendar Items 9.a through 9.d.

AYES: Cao, Wang, Kwan, Verlato, and Cheng
NOES: None
ABSENT: None

Mayor Cheng announced that the Merry & Bright program requires at least one of the three purchases to be made at the Shops at Santa Anita and asked that it be amended to three purchases at any Arcadia brick-and-mortar business.

City Manager Lazzaretto clarified the purchase requirements for the Merry & Bright program.

After City Council discussion, a motion was made by Mayor Pro Tem Verlato, and seconded by Mayor Cheng, to table this item to the next City Council Meeting on September 19.

AYES: Verlato, Cheng, Cao, Kwan, and Wang
NOES: None
ABSENT: None

10. CITY MANAGER

- a. Resolution No. 7523 amending the Fiscal Year 2023-24 Operating Budget and authorizing a supplemental budget appropriation for the 2024 Multi-Agency Homelessness Symposium in an amount not to exceed \$2,500, offset by a reduction in the General Fund Reserve.
CEQA: Not a Project
Recommended Action: Adopt

This Item was not discussed as action was already taken by the City Council during the September 5, Special Meeting.

b. Report, discussion, and direction regarding City events and sponsorships.

CEQA: Not a Project

Recommended Action: Provide Direction

City Manager Lazzaretto explained that there are several areas of discussion and indicated that each item would be discussed separately.

Deputy City Manager Bruno presented the Staff Report.

Downtown Arcadia Patriotic Festival

At the request of Mayor Cheng, Donna Choi, Executive Director of Downtown Arcadia Improvement Association (DAIA), appeared and thanked the City Council for supporting their organization; she read a letter from former Mayor and current Board Member, Peter Amundson, recommending that the DAIA continue hosting and coordinating the Patriotic Festival.

After discussion, it was the consensus of the City Council to add this item to a future City Council Agenda, to include more options to support a firework show at different time increments when the cost proposals are received from the vendor.

Law Day

After discussion, it was the consensus of the City Council to table this item pending response from the Arcadia Chinese Association regarding their level of support for this event.

Mid-Autumn Moon Festival

Upon recommendation from the City Manager, it was the consensus of the City Council to table this item until after the 2023 City of Arcadia Moon Festival.

Lunar New Year Celebration

After discussion, it was the consensus of the City Council to continue with a Lunar New Year Senior luncheon that is co-hosted with the Arcadia Chinese Association and forego a separate Lunar New Year Celebration in 2024.

Veterans Recognition Banner Program

After discussion, a motion was made by Mayor Cheng, seconded by Council Member Wang, and carried on a roll call vote to approve a Veteran's Day Banner Program in 2024.

AYES: Cheng, Wang, and Cao

NOES: Kwan, and Verlato

ABSENT: None

Other Considerations

After discussion, it was the consensus of the City Council that staff develop a process/policy for community event sponsorship and support.

Arcadia Performing Arts Association

After discussion, a motion was made by Council Member Kwan, seconded by Mayor Pro Tem Verlato, and carried on a roll call vote to allocate American Relief Plan Act ("ARPA") funds for a one-time purchase of ad-space to support the Arcadia Performing Arts Foundation, in the amount of \$3,500.

AYES: Kwan, Verlato, Cao, Wang, and Cheng
NOES: None
ABSENT: None

11. ADJOURNMENT

The City Council adjourned at 10:31 p.m. to Tuesday, September 19, 2023, at 5:00 p.m. in the City Council Conference Room.



Rachelle Arellano
Assistant City Clerk



STAFF REPORT

Fire Department

DATE: September 19, 2023

TO: Honorable Mayor and City Council

FROM: Chen Suen, Fire Chief
By: Mark Krikorian, Fire Marshal

SUBJECT: RESOLUTION NO. 7522 ACKNOWLEDGING RECEIPT OF A REPORT MADE BY THE FIRE CHIEF OF THE ARCADIA FIRE DEPARTMENT REGARDING INSPECTIONS OF CERTAIN OCCUPANCIES REQUIRED BY SECTIONS 13146.2 AND 13146.3 OF THE CALIFORNIA HEALTH AND SAFETY CODE
CEQA: Not a Project
Recommendation: Adopt

SUMMARY

State regulations require annual building inspections for fire safety purposes of certain sensitive building occupancies. The subject occupancies are public and private schools, hotels, motels, lodging houses, and apartment houses, including residential care facilities. In addition, the City Council must formally acknowledge receipt of a compliance report from the Fire Chief each year.

To comply with this mandate for the 2022 calendar year, it is recommended that the City Council adopt Resolution No. 7522 acknowledging receipt of a report made by the Fire Chief of the Arcadia Fire Department, regarding the inspection of certain occupancies as required pursuant to Sections 13146.2 and 13146.3 of the California Health and Safety Code. In total, 731 out of 731 required buildings were inspected during the 2022 calendar year in these reporting categories, with a 100% compliance rate.

BACKGROUND

The California State Fire Marshal, through the California's Health and Safety Code, mandates that certain occupancies be inspected annually. In December 2016, a deadly fire at an Oakland warehouse (known as the "Ghost Ship") killed 36 people, the highest death toll for a structural fire in the United States in over 10 years. From this tragic event, officials learned that State-required inspections on various occupancies were not enough, and that the addition of regular reporting to local governing bodies may help establish accountability and enforcement of building safety standards. Consequently, on September 27, 2018, SB 1205 was signed into law. This legislation mandates the

reporting of annual inspections to its administering authority (such as a City Council) in a resolution or a similar formal document.

DISCUSSION

The adoption of Resolution No. 7522 will fulfill the annual fire inspection reporting requirements of Sections 13146.2 and 13146.3 of the California Health and Safety Code. According to this law, annual building inspections and reporting must be conducted on two groups of occupancies: Educational Group E and Residential Group R.

Educational Group E occupancies consist of children’s daycare facilities and public and private schools. In this category, the schools must be used by more than six persons at one time for educational purposes, through the 12th grade. Residential Group R occupancies are those containing sleeping units such as hotels, motels, lodging homes, and apartments (three units or more), including residential care facilities.

Over the years, Arcadia has been one of the few cities to have consistently conducted its annual fire inspections to meet and exceed the State’s annual inspections requirement, pursuant to the California Health and Safety Code. For the 2022 calendar year reporting period, 75 Group E (Educational Occupancies) buildings, structures, and/or facilities were inspected, which resulted in a 100% inspection rate. In Group R (Residential Occupancies), 656 occupancies were inspected for a 100% inspection rate. In total, 731 required occupancies or buildings were inspected with a 100% compliance rate for all. Copies of the individual inspection reports are available to the public upon request.

ENVIRONMENTAL IMPACT

The proposed action of adopting a status report does not constitute a project under the California Environmental Quality Act (“CEQA”) under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

FISCAL IMPACT

There is no fiscal impact to the City by adopting Resolution No. 7522.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act (“CEQA”); and adopt Resolution No. 7522 acknowledging receipt of a report made by the Fire Chief of the Arcadia Fire Department regarding inspections of certain occupancies required by Sections 13146.2 and 13146.3 of the California Health and Safety Code.

Resolution No. 7522 Annual Fire Inspections
State Reporting of Certain Occupancies
September 19, 2023
Page 3 of 3

Approved:



Dominic Lazzaretto
City Manager

Attachment: Resolution No. 7522

RESOLUTION NO. 7522

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA ACKNOWLEDGING RECEIPT OF A REPORT MADE BY THE FIRE CHIEF OF THE ARCADIA FIRE DEPARTMENT REGARDING INSPECTIONS OF CERTAIN OCCUPANCIES REQUIRED BY SECTIONS 13146.2 AND 13146.3 OF THE CALIFORNIA HEALTH AND SAFETY CODE

WHEREAS, California Health & Safety Code Section 13146.4 was adopted in 2018, and became effective on September 27, 2018; and

WHEREAS, California Health & Safety Code Sections 13146.2 and 13146.3 require all fire departments, including the Arcadia Fire Department, that provide fire protection services to perform annual inspections in every building used as a public or private school, hotel, motel, lodging house, apartment house, and certain residential care facilities for compliance with building standards; and

WHEREAS, California Health & Safety Code Section 13146.2 requires all fire departments, including the Arcadia Fire Department, that provide fire protection services to report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3; and

WHEREAS, the Council of the City of Arcadia intends this Resolution to fulfill the requirements of the California Health & Safety Code regarding acknowledgment of the Arcadia Fire Department's compliance with California Health and Sections 13146.2 and 13146.3.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The City Council of the City of Arcadia expressly acknowledges compliance by the Arcadia Fire Department with California Health and Safety Code Sections 13146.2 and 13146.3 within the jurisdiction of the City, as follows:

A. EDUCATIONAL GROUP E OCCUPANCIES:

Educational Group E occupancies are generally childcare facilities, and public and private schools used by more than six persons at any one time for educational purposes through the 12th grade. Within the City of Arcadia, there are 75 Group E occupancies, buildings, structures and/or facilities.

During calendar year 2022, the Arcadia Fire Department completed the annual inspection of 75 Group E occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

B. RESIDENTIAL GROUP R OCCUPANCIES:

Residential Group R occupancies, for purposes of this Resolution, are generally those occupancies containing sleeping units, and include hotels, motels, apartments (three units or more), etc. as well as other residential occupancies (including a number of residential care facilities). These residential care facilities have a number of different sub-classifications, and they may contain residents or clients that have a range of needs, including those related to custodial care, mobility impairments, cognitive disabilities, etc. The residents may also be non-ambulatory or bedridden. Within the City of Arcadia, there are 656 Group R (and their associated sub-categories) occupancies of this nature.

During calendar year 2022, the Arcadia Fire Department completed the annual inspection of 656 Group R occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

SECTION 2. The City Clerk shall certify to the adoption of this Resolution.


Passed, approved and adopted this the 19th day of September, 2023.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney



STAFF REPORT

Development Services Department

DATE: September 19, 2023

TO: Honorable Mayor and City Council

FROM: Jason Kruckeberg, Assistant City Manager/Development Services Director
Paul Cranmer, Public Works Services Director
By: Alana Bautista, Transportation Services Manager

SUBJECT: DESIGN-BUILD CONTRACT WITH CLEAN ENERGY FOR DESIGN AND CONSTRUCTION SERVICES FOR A NEW COMPRESSED NATURAL GAS FACILITY AT THE PUBLIC WORKS SERVICES YARD IN THE AMOUNT OF \$2,843,487, PLUS A 10% CONTINGENCY
CEQA: Exempt
Recommendation: Approve

SUMMARY

The City is proposing to build a compressed natural gas (“CNG”) fueling station at the Public Works Services yard, located at 11800 Goldring Road. Currently, the City’s CNG vehicles are fueled at nearby public CNG fueling stations. A City-owned fueling station would benefit the City’s entire CNG vehicle fleet, which consists of Arcadia Transit and Public Works Services Department vehicles. In order to fund this project, in September 2022, a grant from the U.S. Department of Transportation (“DOT”)/Federal Transit Administration (“FTA”) was awarded to the City. The grant requires a local match, which can be accommodated through local Proposition A and Measure M funding.

In May 2023, a Request for Proposals (“RFP”) was issued soliciting bids for the design and construction of the City’s CNG fueling facility. Proposals were received by two (2) companies. It is recommended that the City Council determine that this project is categorically exempt per Section 15301 (Class 1 Existing Facilities) and Section 15303 (Class 3 New Construction or Conversion of Small Structures) of the California Environmental Quality Act (“CEQA”); and approve, and authorize the City Manager to execute a Design-Build contract with Clean Energy for a CNG fueling facility at the Public Works Services yard in the amount of \$2,843,487, plus a 10% contingency.

BACKGROUND

Whenever possible and economically advantageous, the City seeks to utilize alternative-fuel vehicles for its fleet. One of the more available and affordable alternative-fuel options is compressed natural gas (“CNG”). The City’s fleet currently includes 15 CNG-powered Public Works vehicles, and over time, there are plans to transition more of the existing

gasoline/diesel powered vehicles to CNG. Additionally, Arcadia Transit provides local transit service through fixed-route and demand response services, with a transit fleet of 18 vehicles, 10 of which are CNG-powered cutaway buses. Currently, the CNG vehicles are fueled at nearby public fueling stations. On average, the CNG transit vehicles and most Public Works vehicles require daily refueling. Due to available grant funding and needs from both the Development Services Department's Transportation Division and the Public Works Services Department, it was determined that establishing the City's own fueling station would be in the best interest of Arcadia.

Most of the funding for this project will be sourced from the City's Federal Urbanized Area Formula Funding Program, known as Section 5307. The City is a designated recipient of this fund, which makes federal resources available to urbanized areas specifically for transit capital, operating assistance, and transportation-related planning. The City is allocated a specific amount annually, which is accumulated over time and used towards larger transportation-related projects and resources. These funds have been primarily used to purchase the City's transit vehicles when replacement is needed. Since the proposed CNG fueling station project would directly benefit Arcadia Transit, it is considered an approved activity under Section 5307 fund requirements. Another grant requirement is a 20% match of local return transportation-related funds. The City plans to use two transportation-related local return fund sources, Measure M and Proposition A, as the local match funding source for the project.

On December 5, 2021, a feasibility study for the CNG fueling facility at the Public Works Services yard was prepared for the City by Stantec Consulting Services, Inc. (formerly Fuel Solutions, Inc.). The study included considerations such as fueling modes, performance and sizing, site considerations, cost of materials, and development costs. Stantec Consulting Services, Inc. provided an estimated conceptual cost of \$1.89 million for the project. Based on the specifics in the feasibility study, a DOT/FTA grant application was prepared that detailed elements from the study such as equipment items and quantities, and designated station locations on the site. Based on the estimated conceptual cost, a total amount of \$2 million was requested in the DOT/FTA grant application. On September 24, 2022, the City received a grant award from DOT/FTA for the CNG fueling facility in the amount of \$2 million.

DISCUSSION

A Request for Proposals ("RFP") was published in the City's adjudicated newspaper on May 15, May 22, and May 29, 2023. Additionally, the RFP package was sent to seven (7) companies known to provide these specific services. On June 7, 2023, two addenda were issued addressing questions and comments by potential bidders. It was requested by multiple potential bidders to extend the RFP submission deadline. This request was accommodated, and the deadline was extended from June 15, 2023, to June 26, 2023.

On June 26, 2023, the City Clerk's Office received two proposals, one by Clean Energy and one by Opal Fuels. An evaluation panel reviewed the proposals and conducted

interviews with each firm on July 6, 2023. The proposals and interviews were evaluated according to the established and stated criteria, including project technical requirements, qualifications of the company’s personnel, quality of the company’s proposed project management approach, and proposal cost. Both cost proposals were more than \$1 million over the awarded amount of the grant (\$2 million) as seen in the table below.

Company	Cost Proposal	Grant Award Amount	Amount Over Grant Award Amount
Clean Energy	\$3,050,190	\$2,000,000	\$1,050,190
Opal Fuels	\$3,683,395 (initial); Approximately \$3.1 million (revised)		\$1,683,395 (initial); Approximately \$1.1 million (revised)

Clean Energy determined that the needs of the City’s CNG fleet could still be met by eliminating one of the compressors from the project scope of work, so, unlike Opal Fuels, their proposal did not contain all the three compressors that were specified in the RFP. Opal Fuels was also given the opportunity to revise their proposal to eliminate one of the compressors, and they provided an estimated quote in the amount of \$3.1 million. Clearly, both quotes significantly exceeded the estimated cost from the feasibility study. This is largely due to the significant increase in cost of materials (i.e., supply chain issues and discontinued products) that occurred in the 18 months between the feasibility study and the bid submittals as well as incremental increases in prevailing wage rates.

After careful consideration, the evaluation panel unanimously determined that Clean Energy was the better option and more qualified of the two firms. Clean Energy presented a strong, experienced team for designing and constructing CNG fueling facilities. Additionally, the company also follows Build America, Buy America (“BABA”) Act regulations, which specifies the purchase of American-made goods for most project components. Following the BABA Act is requirement of the FTA, so in the event the grant were to be amended, the City is better positioned to potentially receive additional funding.

Due to the high cost of the project, the City worked with Clean Energy to determine if changes to the original project scope were feasible. During this process, it was determined that lowering the number of time-fill stations from 16 to four (4) while retaining the dual hose fast-fill dispensing station would further reduce project costs, while still meeting the needs of the City’s CNG fleet. As a result, the City requested an updated cost proposal reflecting the revised project scope. Clean Energy’s revised proposal was \$2,843,487, which is a difference of \$206,703 from their original cost proposal. It is important to note that Clean Energy’s original cost proposal had already reflected significant savings with the elimination of the third compressor.

Considering the modified scope and the inclusion a 10% contingency, the project cost is now \$3,127,835.70. The City’s Federal Section 5307 fund would be the main funding source for the CNG project. As mentioned prior, the Section 5307 fund program is specific to transportation-related activities and has been primarily used to purchase the City’s

transit vehicles when replacement is needed. The City is a designated recipient of this fund, receiving an average annual allocation of \$379,000. The City typically accumulates annual Section 5307 allocations over time to fully fund bus replacement purchases, which typically occurs every five years, or once a vehicle reaches 150,000 miles, whichever comes first. The City's current Section 5307 fund balance is \$3,730,529. The Development Services Department has analyzed the expected costs of future purchases using this fund and there will be adequate funding available over time (See Attachment No. 3).

In addition to using Section 5307 funds for the project, a 20% match of local funds is required. The City plans to use a combination of two transportation-related local return fund sources, Measure M and Proposition A, as the local match for the project. Like Section 5307 funds, these local fund sources are allocated to the City on an annual basis and are to be used for transit related activities. Measure M funds are used to fund a variety of transportation-related projects such as traffic, parking, bicycle, and pedestrian improvements, all of which are programmed through the City's Capital Improvement Program ("CIP"). A majority of Proposition A annual allocations is used to fund Arcadia Transit's operations each year. The CNG project is considered an eligible activity under both these funding sources. For Fiscal Year 2023-24, the City has been allocated Measure M local return funds in the amount of \$1,139,755 and \$1,616,553 in Proposition A funds. The City plans to use \$400,000 in Measure M funds and \$226,000 in Proposition A funds as the 20% local match required for the funding of the project. These amounts have been budgeted and are programmed in the mentioned local return fund sources.

With the changes in the project scope and the additional funding needed for the project, the City must amend the original DOT/FTA grant award. The City has submitted an amendment to the original grant award to the FTA, which has been approved and sent to the Department of Labor ("DOL") for final authorization. Should any changes occur in this process, City staff will return to the City Council with an updated plan for the funding of the project.

An anticipated cost separate from the DOT/FTA grant award is the inspection component of the project. The City will need to hire an inspector with CNG expertise as that expertise does not exist internally. This task was not detailed in the original DOT/FTA grant award because the funding need for this work was unknown. If included in the amendment, adding the task into the project scope would require additional FTA project requirements. For auditing purposes, the City will be managing this scope separately and plans to use additional Proposition A local funds towards CNG specialized inspection costs.

The design and construction components of the project will be managed by the Public Works Services Department, and the Development Services Department's Transportation Division will be responsible for the project's grant funding and reporting, in accordance with the FTA's requirements.

ENVIRONMENTAL ANALYSIS

This project is categorically exempt per Section 15301 (Class 1 Existing Facilities) and Section 15303 (Class 3 New Construction or Conversion of Small Structures) of the California Environmental Quality Act (“CEQA”), as a minor alteration of an existing public facility involving no expansion of use, and the construction and location of a limited number of new, small facilities, including the CNG equipment compound, gas meterset assembly (“MSA”), electrical equipment, and fast-fill and time-fill dispensers.

FISCAL IMPACT

The cost for the design and construction of the CNG facility is \$2,843,487, plus a 10% contingency, which would bring the total maximum cost to \$3,127,835.70. Due to the complexities and long lead times to amend the grant request, and to meet the granting agency’s funding parameters, the City has rounded up the total project cost to \$3,130,000 in the requested grant amendment. As discussed above, this project will be primarily funded using Section 5307 funds with a required 20% match in local funds. The local fund sources that will be used towards the project are Measure M and Proposition A. The table below shows the total combined amount of funds reflected in the grant amendment request and how they will be allocated to the identified funds.

Fund Source	Amount
Federal Section 5307 Grant	\$2,504,000 <ul style="list-style-type: none"> • \$1,600,000 from original award • \$904,000 additional requested in grant amendment
Local Match (Combination of Measure M and Proposition A local funds)	\$626,000 <ul style="list-style-type: none"> • \$400,000 (Measure M) from original award • \$226,000 (Proposition A) additional to be used as indicated in grant amendment

RECOMMENDATION

It is recommended that the City Council determine that this project is categorically exempt per Section 15301 (Class 1 Existing Facilities) and Section 15303 (Class 3 New Construction or Conversion of Small Structures) of the California Environmental Quality Act (“CEQA”); and approve, and authorize the City Manager to execute a Design-Build Contract with Clean Energy for Design and Construction Services for a new compressed natural gas facility at the Public Works Services Yard in the amount of \$2,843,487, plus a 10% contingency.

Award Contact – CNG Fueling Facility
September 19, 2023
Page 6 of 6

Approved:



Dominic Lazzaretto
City Manager

- Attachment No. 1: Proposed Design-Build Contract
- Attachment No. 2: Conceptual Design for CNG Fueling Station Project
- Attachment No. 3: Estimated Use of Section 5307 Funds

**DESIGN BUILD CONTRACT
BETWEEN
CITY OF ARCADIA
AND
CLEAN ENERGY FUELS**

This Design-Build Contract (“Contract”) is made and entered into this ____ day of _____, 2023, by and between the by and between the CITY OF ARCADIA (“City”) and Clean Energy Fuels (the “Design-Build Entity”), for the purpose of designing and constructing the **CNG Fueling Station Project** (the “Project”). The City and the Design-Build Entity are herein collectively referred to as the “Parties.”

RECITALS

- A. The City desires to contract with a single entity for design and construction of the Project, as set forth in this Contract.
- B. The Design-Build Entity was invited to respond to the City’s Request for Proposal (“RFP”) for the Project.
- C. The Design-Build Entity submitted a Proposal for the Project, which was selected as providing the best-value for the Project, and is prepared to enter into this Contract.

AGREEMENT

In consideration of the above recitals and the mutual covenants and conditions set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby set forth their mutual covenants and understandings as follows:

1. **Incorporation of Recitals.** The above referenced recitals are true and correct and are incorporated into this Contract by this reference.
2. **Design-Build Entity.** The Design-Build Entity consists of Clean Energy Fuels functioning as the designer/design team for the Project and providing architectural services, and Fueling and Service Technologies, Inc., dba FASTECH, as the general contractor for the project and providing all construction services for the Project. Clean Energy Fuels is the prime design-build entity, while FASTECH is a subcontractor for Clean Energy. For purposes of this Contract, a properly authorized representative of Design-Build Entity shall execute the Contract on its behalf, and shall have the full authority to make all decisions necessary on behalf of the Design-Build Entity. Notwithstanding the foregoing, the City may accept bonds provided from the member of the Design-Build Entity designated for construction services, and/or professional liability insurance from the member of the Design-Build Entity designated for design/architectural services.

3. Incorporation of Documents.

3.1 This Contract includes and hereby incorporates in full by reference the following Contract Documents, including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto:

- Request for Proposal (“RFP”) and all addenda, attachments, and appendices
- Design-Build Entity Proposal in response to RFP dated May 2023
- Contract
- General Conditions
- Attachment 1 to this Contract - Performance Bond
- Attachment 2 to this Contract - Payment Bond
- Attachment 3 to this Contract - Workers Compensation Certification
- Attachment 4 to this Contract - Public Works Contractor Registration Certification

3.2 Acknowledgement of Contract Documents. The above documents constitute and may hereinafter be referred to as the “Contract Documents.” In addition to signing this Contract, the Design-Build Entity shall review and execute where appropriate all the Attachments to this Contract described above. Also, the Design-Build Entity shall initial this paragraph immediately below acknowledging that he or she has read, understood and agrees with all of the terms of the Contract Documents, including, but not limited to, provisions of the General Conditions relating to indemnification, insurance, standards of performance, termination, compensation and time of the essence performance. the Design-Build Entity shall not disclaim knowledge of the meaning and effect of any term or provision of the Contract Documents, and agrees to strictly abide by their meaning and intent. In the event that the Design-Build Entity fails to initial below, the City shall have the right to declare the Contract unexecuted and to award the Contract to another the Design-Build Entity in accordance with California law.

Design-Build Entity’s Initials

4. The Design-Build Entity’s Obligations.

4.1 Guaranteed Maximum Price. The Design-Build Entity promises and agrees, at its own cost and expense, to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete the Project as described in the Contract Documents (hereinafter the “Scope of Work”), for a **Guaranteed Maximum Price (“GMP”) of \$2,843,487.00 (Two million eight hundred forty three thousand four hundred eighty seven dollars and no cents)** as stated in the Design-Build Entity’s Proposal submitted in response to the RFP. Unless otherwise stated in the Contract Documents, the GMP shall pay for all costs and expenses required to design and construct the Project.

4.2 Standard of Performance. The Design-Build Entity's performance of the work set forth in the Contract Documents shall at all times be performed in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline(s) in the State of California, and Design-Build Entity shall be fully responsible to City for any damages or delays to the Project caused by the Design-Build Entity as specified in the indemnification provision of this Contract. The Design-Build Entity's performance shall at all times be in conformance with the standards set forth in the Contract and the General Conditions.

5. Period of Performance, Liquidated Damages, and Performance Incentive.

5.1 The Design-Build Entity guarantees that it shall perform and complete all work necessary for Completion of the Project, as defined in the General Conditions, by the **Guaranteed Completion Date of November 29, 2024.**

5.2 The Design-Build Entity agrees that liquidated damages will apply in the amount of **\$1,700 for each and every calendar day** beyond the GCD that Final Completion of the Project has not been achieved.

6. The City's Basic Obligation. The City agrees to engage and do hereby engage the Design-Build Entity as an independent contractor to furnish all materials and to perform all work described in the Scope of Work for the Project according to the terms and conditions herein contained for the GMP set forth above. Except as otherwise provided in the Contract, the City shall pay to the Design-Build Entity, as full consideration for the satisfactory performance by the Design-Build Entity of the services and obligations required by this Contract, the above referenced compensation in accordance with compensation provisions set forth in the Contract.

7. Representatives.

7.1 City's Representative. The City hereby designates Paul Cranmer, Public Works Services Director, as the person to act as its representative for the performance of this Contract ("City's Representative"). The City's Representative shall be authorized to act as liaison between City and the Design-Build Entity in the administration of this Contract and all work on the Project. The City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. City may designate new and/or different individuals to act as City's Representative from time to time upon written notice to the Design-Build Entity.

7.2 Design-Build Entity's Representative. The Design-Build Entity hereby designates Omar Alrawi, PE, Senior Project Manager, or his or her designee, to act as its representative for the performance of this Contract ("Design-Build Entity's Representative"). Design-Build Entity's Representative shall have full authority to represent and act on behalf of the Design-Build Entity for all purposes under this Contract. The Design-Build Entity's Representative shall supervise and direct all work on the Project, using his best skill and attention, and shall be responsible for all means,

methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the work pursuant to this Contract.

8. Design-Build Entity's Licensing. The Design-Build Entity shall have only appropriately licensed contractors performing work on the Project as required by the Business and Professions Code. The Design-Build Entity hereby designates **Clean Energy Fuels, CA License No. 848450 (A classification)** to act as the licensed general contractor for the Project. Design-Build Entity's general contractor shall perform all services required under the Contract Documents in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals qualified to perform such services in the same discipline in the State of California, and the Design Build entity shall be fully responsible to the City for any damages and/or delays to the Project as specified in the indemnification provisions of the Contract. Any change in the general contractor shall be subject to the City's prior written approval, which approval shall not be unreasonably withheld. The new general contractor shall be of at least equal competence as the prior general contractor. In the event that City and Design-Build Entity cannot agree as to the substitution of a new general contractor, the City shall be entitled to terminate this Contract as described in the General Conditions.

9. Design-Build Entity's Design Professional of Record. The Design-Build Entity shall name a specific person to act as the Design Professional of Record as described in the General Conditions, subject to the approval of the City. The Design-Build Entity hereby designates **Edward Shen, PE (License No. C90186), Clean Energy Fuels** to act as the Design Professional of Record for the Project. Design-Build Entity's Design Professional of Record shall perform all services required under the Contract Documents in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals qualified to perform such services in the same discipline in the State of California, and the Design Build entity shall be fully responsible to the City for any damages and/or delays to the Project as specified in the indemnification provisions of the Contract. Any change in the Design Professional of Record shall be subject to the City's prior written approval, which approval shall not be unreasonably withheld. The new Design Professional of Record shall be of at least equal competence as the prior Design Professional of Record. In the event that City and Design-Build Entity cannot agree as to the substitution of a new Design Professional of Record, the City shall be entitled to terminate this Contract as described in the General Conditions.

10. Indemnification. To the fullest extent allowed by law, Design-Build Entity agrees to protect, save, defend and hold harmless, to the greatest extent provided by law, the City, its governing council and each member thereof, their officers, agents and employees from any and all claims, liabilities, reasonable expenses or damages of any nature, including reasonable attorney's fees, for injury or death of any person, or damage to property, or interference with the use of property arising out of the negligent acts, errors or omission, or willful misconduct by the Design-Build Entity, the Design-Build Entity's agents, officers, employees, sub-consultants, or independent consultants hired by the Design-Build Entity to provide services pursuant to this Contract. The only

exception to the Design-Build Entity's responsibility to protect, save, defend and hold harmless the City, is where a claim, liability, expense or damage occurs due to the sole negligence, willful misconduct or active negligence of the City. This hold harmless provision shall apply to all liability, as provided for above, regardless of whether any insurance policies are applicable. Insurance policy limits do not act as a limitation upon the amount of the indemnification to be provided by the Design-Build Entity. Notwithstanding the foregoing, to the extent Design-Build Entity's Scope of Work is subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Design-Build Entity. Notwithstanding the foregoing, to the extent required by Civil Code section 2782, Design-Build Entity's indemnity obligation shall not apply to liability for damages for death or bodily injury to persons, injury to property, or any other loss, damage or expense arising from the sole or active negligence or willful misconduct of the City.

In claims against any person or entity indemnified under this provision, that are made by an employee of the Design-Build Entity or any Subcontractor, a person indirectly employed by the Design-Build Entity or any Subcontractor, or anyone for whose acts the Design-Build Entity or any Subcontractor may be liable, the indemnification obligation under this provision shall not be limited by any limitation on amount or type of damages, compensation, or benefits payable by or for Design-Build Entity or any Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts or any other insurance limitations. The indemnification obligations under this provision shall not be limited by any assertion or finding that the person or entity indemnified is liable by reason of a non-delegable duty.

Joint and Several Liability shall apply to the Design-Build Entity. In the event the Design-Build Entity and one or more than one other party is connected with an accident or occurrence covered by this indemnification, then all such parties shall be jointly and severally responsible to each of the Indemnitees for indemnification, and the ultimate responsibility among such indemnifying parties for the loss and expense of any such indemnification shall be resolved without jeopardy to any indemnitee listed herein.

11. The Design-Build Entity's Labor Certification. The Design-Build Entity maintains that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of all work described in the Scope of Work for the Project. A certification form for this purpose is Attachment 3 to this Contract and incorporated herein by reference, and shall be executed simultaneously with this Contract.

12. Contractor and Subcontractor Registration. Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted nor any contract entered

into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. Design-Build Entity is directed to review, fill out and execute the Public Works Contractor Registration Certification attached hereto as Attachment 4 prior to contract execution.

13. Successors. The parties do for themselves, their heirs, executors, administrators, successors, and assigns agree to the full performance of all of the provisions contained in this Contract. The Design-Build Entity may not either voluntarily or by action of law, assign any obligation assumed by the Design-Build Entity hereunder without the prior written consent of the City.

14. Notices. All notices hereunder and communications regarding interpretation of the terms of the Contract or changes thereto shall be provided by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

To City:

City of Arcadia
11800 Goldring Road
P.O. Box 60021
Arcadia, CA 91066-6021
Attn: Michael Kwok, Associate Civil
Engineer

To Design-Build Entity:

Clean Energy Fuels
4675 MacArthur Court, Suite 800
Newport Beach, CA 92660
Attn: Mark Barton, Vice President

With a copy to:

Clean Energy
4675 MacArthur Court, Suite 800
Newport Beach, CA 92660
Attn: Alphonse Anderson, Senior Account
Manager

Any notice so given shall be considered received by the other party three (3) days after deposit in the U.S. Mail, first class postage prepaid, addressed to the party at the above address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

15. Attachments. All Attachments referenced in this Contract are incorporated into the Contract by this reference.

16. Amendments, Changes and Modifications. This Contract may not be amended, changed, modified, altered or terminated without the written agreement of both Parties hereto.

17. Execution in Counterparts. This Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

18. **Applicable Law.** This Contract shall be governed by and construed in accordance with the laws of the State of California, and venue in the County of Los Angeles.

19. **Captions.** The captions or headings in this Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Contract.

20. **Prior Agreements.** This Contract contains all of the agreements of the Parties hereto with respect to any matter covered or mentioned in this Contract and no prior agreements or understanding pertaining to any such matter shall be effective for any purpose.

21. **Further Assurances.** Parties shall promptly execute and deliver all documents and instruments reasonably requested to give effect to the provisions of this Contract.

22. **Recitals Incorporated.** The Recitals set forth at the beginning of this Contract are hereby incorporated into its terms and provisions by this reference.

23. **Time of the Essence.** Time is of the essence with respect to each of the terms, covenants, and conditions of this Contract.

24. **Authority of Signatories.** The persons executing this Contract on behalf of their respective Parties represent and warrant that they have the authority to do so under law and from their respective Parties.

IN WITNESS WHEREOF, the Parties have caused this Contract to be executed by their respective officers who are duly authorized, as of the Effective Date set forth above.

CITY OF ARCADIA

CLEAN ENERGY FUELS

Dominic Lazzaretto
City Manager

Signature

Attest:

Print Name and Title

City Clerk

Signature

APPROVED AS TO FORM:

Print Name and Title

Michael J. Maurer
City Attorney

ATTACHMENT 1
PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the City of Arcadia, (hereinafter referred to as "City") has awarded to **Clean Energy Fuels**, (hereinafter referred to as the "Contractor") an agreement for **CNG Fueling Station Project** (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, _____, the undersigned Contractor and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the City in the sum of **TWO MILLION EIGHT HUNDRED FORTY THREE THOUSAND FOUR HUNDRED EIGHTY SEVEN DOLLARS AND NO CENTS, (\$2,843,487.00)**, said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one (1) year guarantee of all materials and workmanship; and shall indemnify and save harmless the City, its officials, officers, employees, and authorized volunteers, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees including reasonable attorney's fees, incurred by City in enforcing such obligation.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by City, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the City from loss or damage resulting from or caused by defective materials or faulty workmanship. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the City's rights or the Contractor or Surety's obligations

under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure Section 337.15.

Whenever Contractor shall be, and is declared by the City to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the City's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the City, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the City to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the City under the Contract and any modification thereto, less any amount previously paid by the City to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the City may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the City, when declaring the Contractor in default, notifies Surety of the City's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project.

By their signatures hereunder, Surety and Contractor hereby confirm under penalty of perjury that surety is an admitted surety insurer authorized to do business in the State of California.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 2023.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____

Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title _____

The rate of premium on this bond is _____ per thousand. The total amount of premium charges is \$_____.

(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety)

(Name and Address of Agent or Representative for service of process in California, if different from above)

(Telephone number of Surety and Agent or Representative for service of process in California)

ATTACHMENT 2

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the City of Arcadia (hereinafter designated as the "City"), by action taken or a resolution passed _____, 2023, has awarded to **Clean Energy Fuels** hereinafter designated as the "Principal," a contract for the work described as follows: **CNG Fueling Station Project** (the "Project"); and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the City in the penal sum of **TWO MILLION EIGHT HUNDRED FORTY THREE THOUSAND FOUR HUNDRED EIGHTY SEVEN DOLLARS AND NO CENTS, (\$2,843,487.00)**, lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Civil Code Section 9100, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Revenue and Taxation Code Section 18663, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by the City in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Civil Code Section 9100 so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any

rescission or attempted rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or City and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Civil Code Section 9100, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

By their signatures hereunder, Surety and Principal hereby confirm under penalty of perjury that surety is an admitted surety insurer authorized to do business in the State of California.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 2023.

(Corporate Seal)

Contractor/ Principal

By _____

Title _____

(Corporate Seal)

Surety

By _____
Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title _____

ATTACHMENT 3

WORKERS COMPENSATION CERTIFICATION

Labor Code section 3700 in relevant part provides:

Every employer except the State shall secure the payment of compensation in one or more of the following ways:

(a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.

(b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees.

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

CLEAN ENERGY FUELS

BY: _____
TITLE: _____
DATE: _____

In accordance with Article 5 (commencing at section 1860), chapter 1, part 7, division 2 of the Labor Code, the above certificate must be signed and filed with the awarding body prior to performing any work under this contract.

ATTACHMENT 4

PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor’s and subcontractors’ current registration with the Department of Industrial Relations to perform public work.

Design-Build Entity hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.¹

Name of Design-Build Entity: _____

DIR Registration Number: _____

DIR Registration Expiration: _____

Small Project Exemption: _____ Yes or _____ No

Unless Design-Build Entity is exempt pursuant to the small project exemption, Design-Build Entity further acknowledges:

- Design-Build Entity shall maintain a current DIR registration for the duration of the project.
- Design-Build Entity shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
- Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Name of Design-Build Entity _____

Signature _____

Name and Title _____

Dated _____

¹ If the Project is exempt from the contractor registration requirements pursuant to the small project exemption under Labor Code Sections 1725.5 and 1771.1, please mark “Yes” in response to “Small Project Exemption.”

GENERAL CONDITIONS

DESIGN BUILD CONTRACT
BETWEEN
CITY OF ARCADIA
AND
CLEAN ENERGY FUELS

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ARTICLE 1: GENERAL PROVISIONS

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1.1.1 ACT OF GOD. The term “Act of God” shall include earthquakes in excess of a magnitude of 3.5 on the Richter Scale, tidal waves, floods, unusually severe weather, epidemic, or other severe natural disaster.

1.1.2 CEQA. The term “CEQA” means the California Environmental Quality Act, Public Resources Code Section 21000 et seq. All CEQA compliance documentation prepared for the Project shall be provided to the Design-Build Entity.

1.1.3 CITY. The term “City” shall mean the City of Arcadia.

1.1.4 CITY’S REPRESENTATIVE. The term “The City’s Representative” means the person or firm identified as the City’s primary contact person as designated in the Contract.

1.1.5 CONSTRUCTION DOCUMENTS. The term “Construction Documents” shall mean the plans and specifications prepared by the Design-Build Entity for the Project, approved by the City. The Construction Documents shall set forth in detail all items necessary to complete the construction (other than such details customarily provided by others during construction) of the Project in accordance with the Contract Documents (subject to their completion following commencement of the Construction Phase). All amendments and modifications to the Plans and Specifications must be approved by the City in writing.

1.1.6 CONSTRUCTION DOCUMENTS PHASE. The term “Construction Documents Phase” shall mean the second of three phases of the Scope of Work and will commence with the issuance of the City’s written approval of the Schematic Design Phase services.

1.1.7 CONSTRUCTION PHASE. The term “Construction Phase” shall mean the third phase of the Scope of Work and will commence upon final written approval of the plans and specifications by the City.

1.1.8 CONSTRUCTION WORK. The term “Construction Work” shall mean that portion of the work on the Project consisting of the provision of labor, materials, furnishings, equipment and services in connection with the construction of the Project as set forth in the Contract Documents.

1.1.9 CONTRACT. The term “Contract” means the written agreement between the Design-Build Entity and the City set forth in the Contract Documents.

1.1.10 CONTRACT DOCUMENTS. The “Contract Documents” consist of the documents as stated in the Contract.

1.1.11 CRITERIA DOCUMENTS. The term “Criteria Documents” means, but is not limited to, the portions of the Contract Documents the City’s written outline of design requirements, Scope of Work, Project Program, Performance Specifications and schematic drawings.

1.1.12 CONTRACT PRICE. The Term “Contract Price” shall mean the lump sum price the City will pay for the completion of all work on the Project as set forth in the Contract.

1.1.13 CONTRACT TIME. The term “Contract Time” shall mean the date(s) by which the Design-Build Entity agrees that all work on the Project, or specified portions of the work, shall be completed as set forth in the Contract.

1.1.14 DAY. The term “day,” shall mean calendar day, unless otherwise specifically provided.

1.1.15 DESIGN BUILD ENTITY. The term “the Design-Build Entity” means the person or firm identified as such in the Contract and is referred to throughout the Contract Documents as if singular in number.

1.1.16 DESIGN BUILD ENTITY REPRESENTATIVE. The Design-Build Entity Representative shall mean the person identified as the primary contact person and representative of the Design-Build Entity as designated in the Contract.

1.1.17 DESIGN MATERIALS. The term “Design Materials” shall mean any and all documents, shop drawings, electronic information, including computer programs and computer generated materials, data, plans, drawings, sketches, illustrations, specifications, descriptions, models and other information developed, prepared, furnished, delivered or required to be delivered by, or for, the Design-Build Entity: (1) to the City under the Contract Documents or; (2) developed or prepared by or for the Design-Build Entity specifically to discharge its duties under the Contract Documents.

1.1.18 DESIGN PROFESSIONAL OF RECORD. The term “Design Professional of Record” means the architectural and/or engineering professional identified in the Design-Build Entity’s Proposal that is properly qualified and licensed in the State of California and is part of the Design-Build Entity..

1.1.19 DESIGN WORK. The term “Design Work” shall mean the portion of the work on the Project consisting of the Design services and design deliverables required to be provided in connection with the Design of the Project as set forth in the Contract Documents.

1.1.20 DRAWINGS. The term “Drawings” means the graphic and pictorial portions of the Contract Documents showing the design, location, and dimensions of the work to be done on the Project, generally including plans, elevations, sections, details, schedules, and diagrams prepared as part of the Design Materials. The Drawings are listed in the List of Drawings.

1.1.21 EXCUSABLE DELAY. The term “Excusable Delay” means a delay that meets the requirements of Articles 7 and 8 of these General Conditions, and may entitle the Design-Build Entity to an adjustment of the Contract Time and/or an adjustment to the Contract Price, as specified in Articles 7 and 8 herein.

1.1.22 FINAL COMPLETION. The term “Final Completion” means the point at which the work on the Project has been fully completed in accordance with the Contract Documents as determined by the City’s Representative pursuant to Paragraph 9.8, Final Completion and Final Payment, of the General Conditions.

1.1.23 GOVERNMENTAL APPROVALS. Term “Governmental Approvals” means those governmental (including agency) actions required to be obtained by the City and necessary for the completion of the Project.

1.1.24 MASTER PROJECT SCHEDULE. The term “Master Project Schedule” shall mean the overall schedule for completion of Project as prepared by the City and included in the RFP.

1.1.25 NOTICE(S) TO PROCEED. The term “Notice to Proceed” shall mean the written notice(s) given by the City to the Design-Build Entity advising that the Site is available to the Design-Build Entity and directing the Design-Build Entity to commence work on the Project. The City shall issue two separate Notices to Proceed to the Design-Build Entity. The first Notice to Proceed will be issued for the Design-Build Entity to proceed with the design of the Project. The City shall issue a second Notice to Proceed for the construction work on the Project upon the City’s review and approval of the Construction Documents prepared by the Design-Build Entity.

1.1.26 OWNER. The term “Owner” shall mean the City.

1.1.27 PROJECT. The term “Project” means the total design and construction of which the work performed under the Contract Documents may be the whole, or a part, and which may include separate design or construction work performed by the City or by Separate Contractors.

1.1.28 PROPOSAL. The term “Proposal” means the proposal submitted by the Design-Build Entity in response to the Request for Proposal for this Project.

1.1.29 REQUEST FOR PROPOSAL. The term “Request for Proposal” also referred to as the “RFP” herein, means the request for proposal issued by the City for PROJECT and includes all documents, exhibits, attachments, and addenda thereto.

1.1.30 SCHEMATIC DESIGN PHASE. The term “Schematic Design Phase” shall mean the first of three phases of the Scope of Work. The scope of the Schematic Design Phase is further defined in the RFP.

1.1.31 SCOPE OF WORK. The term “Scope of Work” shall mean all the all labor, materials, and services required to be performed or provided by the Design-Build

Entity pursuant to the Contract Documents necessary to design, construct, and complete the Project.

1.1.32 SPECIFICATIONS. The term "Specifications" means that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards and workmanship for the work on the Project, and performance of related services.

1.1.33 SUBCONTRACTOR. The term "Subcontractor" means any person or firm that has a contract with the Design-Build Entity or with a Subcontractor of the Design-Build Entity to perform a portion of the Project. Unless otherwise specifically provided, the term Subcontractor includes Subcontractors of all tiers.

1.1.34 SUPERINTENDENT. The term "Superintendent" means the person designated by the Design-Build Entity to represent the Design-Build Entity at the Project site, in accordance with Article 3.

1.1.35 UNEXCUSABLE DELAY. The term "Unexcusable Delay" means any delay other than an Excusable Delay, as described in Articles 7 and 8 of these General Conditions, that does not entitle the Design-Build Entity to an adjustment of the Contract Price and does not entitle the Design-Build Entity to an adjustment of the Contract Time..

1.2 OWNERSHIP AND USE OF CONSTRUCTION DOCUMENTS

The Construction Documents, and all copies thereof, furnished to, or provided by, the Design-Build Entity are the property of the City. The City and the Design-Build Entity explicitly agree that all materials and documents developed in the performance of this Contract are the property of the City. The City shall have unlimited rights, for the benefit of the City, in all drawings, designs, specifications, notes and any other documentation and other work developed in the performance of this Contract for the Project, including the right to reuse details of the Design on any other City work at no additional cost to the City. The Design-Build Entity agrees to, and hereby does, grant to the City a royalty free license to all such data that the Design-Build Entity may cover by copyright and to all designs as to which the Design-Build Entity may assert any right or establish any claim to under the patent or copyright laws. The Design-Build Entity, for a period up to five (5) years from the Date of Substantial Completion of the Project, agrees to furnish and to provide access to the originals or copies of all such materials immediately upon the written request of the City. Any use or reuse by City of the Construction Documents on any project other than this Project without employing the services of the Design-Build Entity shall be at City's own risk with respect to third parties. If the City uses or reuses the Construction Documents on any project other than this Project, they shall remove the Design-Build Entity's Design Professional of Record's seal from the Construction Documents and hold harmless Design-Build Entity and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Construction Documents on such other project. Design-Build Entity shall not be responsible or liable for any revisions to the Construction Documents made by any party other than the

Design-Build Entity, a party for which the Design-Build Entity is legally responsible or liable, or anyone approved by the Design-Build Entity.

1.3 INTERPRETATION OF DOCUMENTS AND ORDER OF PRECEDENCE

1.3.1 The intent of the Contract Documents is to include all necessary criteria to establish the scope and quality for completion of the Project by the Design-Build Entity. The Contract Documents are complementary and what is required by one shall be as binding as if required by all. Performance by the Design-Build Entity shall be required to the extent consistent with, and reasonably inferable from, the Contract Documents.

1.3.2 In the case of conflict or inconsistency, the following order of precedence shall apply:

- a. Change Orders/Modifications
- b. Addenda
- c. Contract
- d. Special Conditions
- e. General Conditions
- f. Construction Documents prepared by Design-Build Entity and approved in writing by Owner.
- g. Revised and/or Additional Plans/Specifications Portions of Design-Build Entity Proposal in response to RFP as reviewed and approved in writing by Owner.
- h. Request for Proposal ("RFP") and all addenda
- i. All Attachments and Appendices to RFP

1.3.3 The City and the Design-Build Entity acknowledge that the Contract Documents may differ in some respect(s) from the other documents included in the Design Build Request for Proposal package upon which the Design-Build Entity based its response(s) to Request for Proposal. Prior to the commencement of construction on the Project, the Parties shall confirm, in writing, the final form of the Contract Documents that are to be utilized.

1.3.4 Organization of the Specifications into various subdivisions and the arrangement of the Drawings shall not control the Design-Build Entity in dividing portions of the work necessary for the Project among Subcontractors or in establishing the extent of work to be performed by any trade.

1.3.5 Unless otherwise stated in the Contract Documents, technical words and abbreviations contained in the Contract Documents are used in accordance with commonly understood design professional and construction industry meanings;

non-technical words and abbreviations are used in accordance with their commonly understood meanings.

1.3.6 The Contract Documents may omit modifying words such as “all” and “any,” and articles such as “the” and “an,” but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement. The use of the word “including,” when following any general statement, shall not be construed to limit such statement to specific items or matters set forth immediately following such word or to similar items or matters, whether or not non limiting language (such as “without limitation,” “but not limited to,” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement.

1.3.7 Whenever the context so requires, the use of the singular number shall be deemed to include the plural and vice versa. Each gender shall be deemed to include any other gender, and each shall include corporation, partnership, trust, or other legal entity, whenever the context so requires. The captions and headings of the various subdivisions of the Contract Documents are intended only for reference and convenience and in no way define, limit, or prescribe the scope or intent of the Contract Documents or any subdivision thereof.

1.3.8 Each and every provision of law required by law to be inserted in the Contract Documents shall be deemed to be inserted herein, and the Contract Documents shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party the Contract shall be amended in writing to make such insertion or correction.

1.3.9 Before commencing any work on the Project, the Design-Build Entity shall check and review the plans and specifications and Contract Documents for conformance and compliance with all laws, ordinances, codes, rules and regulations of all Governmental Authorities and public utilities affecting the Project, all quasi-governmental and other regulations affecting the Project, and other special requirements, if any, designated in the Contract. In the event the Design-Build Entity observes any violation of any law, ordinance, code, rule or regulation, or inconsistency with any such restrictions or special requirements of the Contract, the Design-Build Entity shall immediately notify the City’s Representative in writing of same and shall cause to be corrected any such violation or inconsistency in the manner provided hereunder. The Design-Build Entity shall be solely liable for any such violation, inconsistency or special requirement, if Design-Build Entity fails to conduct such review or notification to the City.

1.3.10 Before commencing any work on the Project, the Design-Build Entity shall carefully examine all specifications, Contract Documents and other information provided to the Design-Build Entity as to Project requirements. The Design-Build Entity shall immediately notify the City’s Representative of any perceived or

alleged error, inconsistency, ambiguity, or lack of detail or explanation in such documents in writing. If the Design-Build Entity or its Subcontractors, material or equipment suppliers, or any of their officers, agents, and employees performs, permits, or causes the performance of any work under the Contract, which it knows or should have known to be in error, inconsistent, or ambiguous, or not sufficiently detailed or explained, the Design-Build Entity shall bear any and all costs arising therefrom including, without limitation, the cost of correction thereof without increase or adjustment to the Contract Price or the Contract Time. In no case shall any Subcontractor proceed with work if uncertain without the Design-Build Entity's written direction and/or approval.

ARTICLE 2: CITY'S RIGHTS AND RESPONSIBILITIES

2.1 FEE AND PERMIT REQUIREMENTS.

Except as otherwise provided in the Contract Documents, the Design-Build Entity will identify, prepare and submit on behalf of the City the applications for any necessary permits, easements, fees and/or other government approvals for the use or occupancy of the Project. The City will pay for such permits and fees which the Design-Build Entity shall be responsible for obtaining on the City's behalf, as applicable.

2.2 ACCESS TO PROJECT SITE

The City will provide, as reasonably required, but in no event later than the date designated in the Notice to Proceed with Construction, access to the lands and facilities upon which the Construction Work is to be performed, including such access to other lands and facilities designated in the Contract Documents for use by the Design-Build Entity.

2.3 THE CITY'S RIGHT TO STOP WORK ON THE PROJECT

If the Design-Build Entity fails to correct Defective Work as required by Paragraph 12.2 or fails to perform the Work in accordance with the Contract Documents, the City or the City's Representative may direct the Design-Build Entity to stop work on the Project, or any portion thereof, until the cause for such order has been eliminated by the Design-Build Entity. The Design-Build Entity shall not be entitled to any adjustment of Contract Time or the Contract Price as a result of any such order. The City and the City's Representative have no duty or responsibility to the Design-Build Entity or any other party to exercise the right to stop work on the Project.

2.4 THE CITY'S RIGHT TO CARRY OUT WORK ON THE PROJECT

If the Design-Build Entity fails to carry out the Project in accordance with the Contract Documents, fails to provide sufficient labor, materials, equipment, tools, and services, , or otherwise fails to comply with any material term of the Contract Documents, and fails within two (2) days after receipt of notice from the City to promptly commence and thereafter diligently continue to completion the correction of such failure, the City may, without prejudice to other remedies the City may have, correct such failure at the Design-Build Entity's expense. In such case, the City will be entitled to deduct

from payments then or thereafter due the Design-Build Entity the cost of correcting such failure, including compensation for the additional services and expenses of the City's Representative and the City's consultants made necessary thereby. If payments then or thereafter due the Design-Build Entity are not sufficient to cover such amounts, the Design-Build Entity shall pay the additional amount to the City within ten (10) days of the City's written demand.

2.5 THE CITY'S RIGHT TO REPLACE THE CITY'S REPRESENTATIVE

The City may at any time and from time to time, without prior notice to or approval of the Design-Build Entity, replace the City's Representative with a new individual. Upon receipt of notice from the City informing the Design-Build Entity of such replacement and identifying the new City's Representative, the Design-Build Entity shall recognize such person or firm as the City's Representative for all purposes under the Contract Documents.

2.6 PARTIAL OCCUPANCY OR USE

2.6.1 The City may occupy or use any completed or partially completed portion of the Project at any time. The City and the Design-Build Entity shall agree in writing to the condition and status of the Project (or designated portion), the responsibilities assigned to each of them for payments, security, maintenance, heat, utilities, damage to the work (or designated portion), insurance, the period for correction of the work (or designated portion), and the commencement of warranties for the work (or designated portion) required by the Contract. When requested by the City, the Design-Build Entity shall complete all Punch List items for the occupied portion of the Project.

2.6.2 Immediately prior to such partial occupancy or use, the City and the Design-Build Entity shall jointly inspect the portions of the Project (or designated portion) to be occupied or used, in order to determine and document the condition and status of the work on the Project.

2.6.3 Unless otherwise agreed by the Parties in writing, partial occupancy or use of a portion or portions of the Project shall not constitute final acceptance of the Project, shall not be deemed an approval of any portion or portions of the Project not in compliance with the requirements of the Contract, and shall not relieve the Design-Build Entity of any responsibility or obligation under the Contract.

2.7 INFORMATION PROVIDED BY CITY

2.7.1 The City provided the Design-Build Entity with information regarding the Site in the RFP and its respective components, including, but not limited to previous plans and other data.

2.7.2 This information is for the Design-Build Entity's use in performing the Project work. Design-Build Entity is responsible for verifying field conditions and

other data in the information provided by Owner and requesting written clarification of any errors or ambiguities discovered by the Design-Build Entity.

ARTICLE 3: DESIGN BUILD ENTITY'S RIGHTS AND RESPONSIBILITIES

3.1 DESIGN BUILD ENTITY'S RESPONSIBILITY; INDEPENDENT CONTRACTOR

The Design-Build Entity shall be responsible to the City for acts and omissions of the Design-Build Entity's employees, Subcontractors, material and equipment suppliers, and their agents, employees, invitees, and other persons performing portions of work on the Project under direct or indirect contract with the Design-Build Entity or any of its Subcontractors. The City retains the Design-Build Entity as an independent contractor. The Design-Build Entity is not an employee, agent or representative of the City. The Design-Build Entity represents that it is fully experienced and properly qualified as well as properly licensed, equipped, organized, and financed to perform the Project. The Design-Build Entity shall maintain complete control over its employees and its subcontractors and shall pay all wages, salaries and other amounts due such personnel in connection with their performance as required by law. The Design-Build Entity shall be responsible for all reports and obligations respecting such personnel, including but not limited to, social security taxes, income tax withholdings, unemployment insurance, and workers' compensation insurance.

3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS; SINGLE POINT RESPONSIBILITY OF THE DESIGN BUILD ENTITY

3.2.1 In addition to the examination and reviews performed, and obligations assumed, incident to making the representations set forth in Article 10 of the Contract, the Design-Build Entity shall carefully study and compare each of the Contract Documents provided by the City with the others and with information furnished by the City, and shall promptly report in writing to the City's Representative any errors, inconsistencies, or omissions in the Contract Documents provided by the City or inconsistencies with Applicable Code Requirements observed by the Design-Build Entity. The Design-Build Entity shall be solely responsible for any errors, inconsistencies or omissions in the Contract Documents if the Design-Build Entity fails to perform such review and examination or fails to report such errors, inconsistencies or omissions to the City in writing.

3.2.2 The Design-Build Entity is responsible for the design and construction of the Project and shall use the highest design and engineering standards of care applicable to public projects, buildings or work of similar size, complexity, quality and scope in performing work on the Project. The Design-Build Entity shall be solely responsible for any and all design errors including, but without limitation, errors, inconsistencies or omissions in the Construction Documents. The Design-Build Entity shall take field measurements, verify field conditions, and carefully compare with the Contract Documents such field measurements, conditions, and other information known to the Design-Build Entity before commencing work on the Project. Errors,

inconsistencies, or omissions discovered at any time shall be promptly reported in writing to the City's Representative.

3.2.3 If the Design-Build Entity performs any design and/or construction activity which it knows, or should know, involves an error, inconsistency, or omission referred to in Subparagraphs 3.2.1 and 3.2.2, without notifying and obtaining the written consent of the City's Representative, the Design-Build Entity shall be responsible for the resultant Losses, including, without limitation, the costs of correcting Defective Work.

3.2.4 The City does not assume any obligation to employ the Design-Build Entity's services or pay the Design-Build Entity royalties of any type as to future projects that may result from work performed under this Contract.

3.2.5 The Design-Build Entity shall be responsible for all plotting, printing, copying and distribution costs of any and all documents required in connection with work on the Project.

3.2.6 The Design-Build Entity agrees that it has single point responsibility for the Design and construction of this Project, and agrees to utilize the highest standard of excellent design, engineering and construction practices. The Design-Build Entity agrees that, in light of the high degree of confidence and trust that the City has reposed in the Design-Build Entity, the Design-Build Entity is a fiduciary of the City and, as such, has the duty to act in the City's best interests at all times throughout the course and performance of this Contract.

3.3 DESIGN, SUPERVISION AND CONSTRUCTION PROCEDURES

3.3.1 The Design-Build Entity shall supervise, coordinate, and direct all work on the Project using the Design-Build Entity's best skill and attention. The Design-Build Entity shall be solely responsible for, and have control over, the entire design effort, construction means, methods, techniques, sequences, procedures, and the coordination of all portions of work on the Project, including, but without limitation, landscape and site work, utilities, and building systems.

3.3.2 The Design-Build Entity shall be responsible to the City for acts and omissions of the Design-Build Entity, its agents, employees, and Subcontractors, and their respective agents and employees.

3.3.3 The Design-Build Entity shall not be relieved of its obligation to perform all work on the Project in accordance with the Contract Documents either by acts or omissions of the City or the City's Representative in the administration of the Contract, or by tests, inspections, or approvals required, or performed, by persons or firms other than the Design-Build Entity.

3.3.4 The Design-Build Entity shall be responsible for inspection of all portions of work on the Project, including those portions already performed under this Contract, to determine that such portions conform to the requirements of the Contract Documents and are ready to receive subsequent work.

3.3.5 To facilitate communications and the management of the Design process, the Design-Build Entity shall establish a local office, within the City limits, for the duration of the Design process.

3.3.6 [RESERVED.]

3.3.7 The Design-Build Entity is required to deliver to the City, if requested, any and all design materials including, but not limited to, calculations, preliminary drawings, construction drawings, shop drawings, electronic media data, tenant improvement documents, sketches, illustrations, specifications, descriptions, models, mock ups, and other information developed, prepared, furnished, or delivered in the prosecution of the Design Work.

3.3.8 The Design-Build Entity shall at all times participate in, implement, and comply with the CEQA documentation prepared for the Project and provided to the Design-Build Entity in order to ensure conformance with the requirements of CEQA as required in the Contract Documents.

3.3.9 The Design-Build Entity is responsible for preparation of the Construction Documents for the entire Project.

3.3.10 The Design-Build Entity is responsible for construction of the entire Project as required by the Contract Documents.

3.3.11 The Design-Build Entity shall at all times maintain good discipline and order among its employees and subcontractors. The Design-Build Entity shall provide competent, fully qualified personnel to perform all work on the Project.

3.4 LABOR AND MATERIALS

Unless otherwise provided in the Contract Documents, the Design-Build Entity shall provide and pay for all professional services, services, labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Scope of Work on the Project, whether temporary or permanent and whether or not incorporated or to be incorporated in work on the Project.

3.5 DESIGN BUILD ENTITY'S WARRANTY

The Design-Build Entity warrants to the City that all Design Work will be performed in accordance with the highest professional standards and degree of care applicable to those design professionals who specialize in designing and providing services for public projects of the type, scope, quality and complexity of the Project utilizing the Design Build contracting mode. The Design-Build Entity warrants to the City that all labor, materials, equipment and furnishings used in, or incorporated into, the Construction Work will be of good quality, new (unless otherwise required or permitted by the Contract Documents), and all work will be free of liens, claims and security interests of third parties; that the work will be of the highest quality and free from defects

and that all work will conform with the requirements of the Contract Documents. If required by the City's Representative, the Design-Build Entity shall furnish satisfactory evidence of compliance with this warranty. Further, the type, quality and quantum of such evidence shall be within the sole discretion of the City's Representative.

3.6 TAXES

The Design-Build Entity shall pay all sales, consumer, use, income, payroll and similar taxes in connection with the Project.

3.7 PERMITS, FEES, AND NOTICES

Except for the permits and approvals which are to be obtained on behalf of the City or the requirements with respect to which the City is not subject, as provided in Subparagraph 2.1.1, the Design-Build Entity shall secure, and pay for, all other permits, approvals, government fees, licenses, and inspections necessary for the proper execution and performance of work on the Project. The Design-Build Entity shall deliver to the City all original licenses, permits, and approvals obtained by the Design-Build Entity in connection with work on the Project prior to the final payment or upon termination of the Contract, whichever is earlier.

3.8 APPLICABLE CODE REQUIREMENTS

3.8.1 The Design-Build Entity shall perform all work on the Project in accordance with the following Applicable Code Requirements and all code requirements listed in the Scope of Work:

(a) All laws, statutes, the most recent building codes, ordinances, rules, regulations, and lawful orders of all public authorities having jurisdiction over the City, the Design-Build Entity, any Subcontractor, the Project, the Project site, the work on the Project, or the prosecution of the work on the Project.

(b) All requirements of any insurance company issuing insurance required hereunder.

(c) Applicable sections in the State of California Labor Code.

(d) All Applicable Code Requirements relating to nondiscrimination, payment of prevailing wages, payroll records, apprentices, and work day.

3.8.2 The Design-Build Entity shall comply with and give notices required by all Applicable Code Requirements, including all environmental laws and all notice requirements under the State of California Safe Drinking Water and Enforcement Act of 1986 (State of California Health and Safety Code Section 25249.5, and applicable sections that follow). The Design-Build Entity shall promptly notify the City's Representative in writing if the Design-Build Entity becomes aware during the performance of work on the Project that the Contract Documents are at variance with Applicable Code Requirements.

3.8.3 If the Design-Build Entity performs work which it knows or should know is contrary to Applicable Code Requirements, without prior notice to the City and the City's Representative, the Design-Build Entity shall be responsible for such work and any resulting damages including, without limitation, the costs of correcting Defective Work.

3.9 SUPERINTENDENT

3.9.1 The Design-Build Entity shall employ a competent Superintendent satisfactory to the City who shall be in attendance at the Project site at all times during the performance of the Construction Work. Superintendent shall represent the Design-Build Entity and communications given to, and received from, Superintendent shall be binding on the Design-Build Entity. Failure to maintain a Superintendent on the Project site at all times work on the Project is in progress shall be considered a material breach of this Contract, entitling the City to terminate the Contract or, alternatively, issue a stop work order until the Superintendent is on the Project site. If, by virtue of issuance of said stop work order, the Design-Build Entity fails to complete the Contract on time, the Design-Build Entity will be assessed Liquidated Damages in accordance with the Contract.

3.9.2 Any changes to the assignment of the Superintendent shall receive prior written approval from the City. The Superintendent may not perform the work of any trade, pick up materials, or perform any work not directly related to the supervision and coordination of the Construction Work at the Project site when work is in progress. In addition, the Design-Build Entity will provide all key personnel identified in the Contract for the time periods stipulated.

3.10 PROJECT STAFFING

3.10.1 The Design-Build Entity and each Subcontractor shall furnish a competent and adequate staff as necessary for the proper administration, coordination, supervision, and superintendence of its portion of the work on the Project; organize the procurement of all materials and equipment so that the materials and equipment will be available at the time they are needed for the work; and keep an adequate force of skilled and fit workers on the job to complete all work on the Project in accordance with all requirements of the Contract.

3.10.2 The City shall have the right, but not the obligation, to require the removal from the Project of the Design-Build Entity's Representative, or any superintendent, staff member, agent, or employee of any contractor, Subcontractor, material or equipment supplier, or any other entity working on the Project. Removal may be required for any reason designated by the City, including but not limited to, failure or refusal to perform work on the Project in a manner acceptable to the City, uncooperative or incompetent performance on the Project, threatening the adequate or timely completion of the Project, or threatening the safety of persons or property.

3.11 TOXIC MATERIALS

The Design-Build Entity is responsible for unforeseen site conditions and toxic materials to the extent described in the Contract Documents and/or that could be reasonably inferred by the Design-Build Entity based on its experience and expertise on similar projects.

3.12 HAZARDOUS MATERIALS

3.12.1 The Design-Build Entity is solely responsible for investigating and performing remedial actions on all hazardous materials and other related environmental requirements located on the Project site. For the purposes of this Contract, hazardous materials shall also include, but are not limited to, underground storage tanks. Any hazardous materials that are encountered beyond those described in the Contract Documents or Proposal Requirements, or which reasonably could not have been discovered within the time permitted, may properly be the subject of a Change Order Request. The City agrees that the Design-Build Entity cannot be considered a hazardous materials generator of any such materials in existence on the Site at the time it is given possession of the Site.

3.12.2 "Hazardous materials" means any substance: the presence of which requires investigation or remediation under any federal, state or local law, statute, regulation, ordinance, order, action, policy or common law; which is or becomes defined as a "hazardous waste," "hazardous substance," pollutant or contaminant under any federal, state or local law, statute, regulation, rule or ordinance or amendments thereto, including, without limitations, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. ("CERCLA"), as amended, or the Resource, Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq. ("RCRA"); which is petroleum, including crude oil or any fraction thereof not otherwise designated as a "hazardous substance" under CERCLA, including without limitation gasoline, diesel fuel or other petroleum hydrocarbons; which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any regulatory agency or instrumentality or the United States; the presence of which on the Site causes or threatens to cause a nuisance upon the Site or to the adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Site; the presence of which on adjacent properties could constitute a trespass by the Design-Build Entity or the City; or as defined in the California Health and Safety Code.

3.12.3 "Underground Storage Tank" shall have the Definition assigned to that term by Section 9001 of RCRA, 42 U.S.C. Section 6991, and also shall include: any tank of one thousand one hundred (1, 100) gallons or less capacity used for storing motor fuel; any tank used for storing heating oil for consumption on the premises where stored; any septic tank; and any pipes connected to the above items.

3.12.4 "Environmental Requirements" means all applicable laws, statutes, regulations, rules, ordinances, codes, licenses, permits, orders and similar items of all

governmental agencies or other instrumentality's of the City, State of California, and United States and all applicable judicial, administrative and regulatory decrees, judgments and orders relating to the protection of human health or the environment, including, without limitation: all requirements, including, but not limited to, those pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of hazardous materials into the air, surface water, ground water or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of hazardous materials; and all requirements pertaining to the protection of the health and safety of employees or the public.

3.13 COMPLIANCE WITH STATE STORM WATER PERMIT FOR CONSTRUCTION

The Design-Build Entity shall be required to comply with all conditions of the State Water Resources Control Board National Pollutant Discharge Elimination System General Permit for Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction Activity ("Permit") for all construction activity which results in the disturbance of in excess of one acre of total land area or which is part of a larger common area of development or sale as described in Article 14.10 below. Failure to comply with the Permit is in violation of federal and state law. The Design-Build Entity hereby agrees to provide indemnification pursuant to Section 1.10 of the Contract of the Design Build Contract..

3.14 CONSTRUCTION DOCUMENTS

3.14.1 Construction Documents

(a) Upon receipt of the Notice to Proceed, the Design-Build Entity shall instruct the Design Professional of Record to commence the design of the Project and the preparation of the Schematic Design and Construction Documents. Upon review and written approval of the Schematic Design by the City, the Design-Build Entity shall complete the Construction Documents. The Design-Build Entity shall address all of the City's comments on the Schematic Design documents in the Construction Documents, either by incorporating the comments or providing a written explanation of why the comment is not incorporated. The Construction Documents shall provide information customarily necessary in documents for projects of similar size, complexity, and quality. The Construction Documents shall include all information required by the building trades to complete the construction of the Project, other than such details customarily developed by others during construction. The City's review of the Construction Documents shall be conducted in accordance with the approved Contract Schedule with procedures set forth in Article 3 relating to Schedule. Such review shall not relieve the Design-Build Entity from its responsibilities under the Contract. Such review shall not be deemed an approval or waiver by the City of any deviation from, or of the Design-Build Entity's failure to comply with, any provision or requirement of the Contract Documents, unless such deviation or failure has been

identified as such in writing in the Document submitted by the Design-Build Entity and approved by the City.

(b) However, it is acknowledged by the parties hereto that inherent in a Design Build concept, bridging or otherwise, the production and review of Construction Documents may be a continuing process with portions thereof completed at different times. The Design-Build Entity will limit the Construction Document packages submitted to the City for review and approval for construction to five (5), unless approved in writing by the City. Contract Schedule shall indicate the times for the City to review the completion of each such portion of the Construction Documents and a reasonable time for review of same.

(c) The Design-Build Entity shall submit completed packages of the Construction Documents for review by the City, and all other required governmental agencies, at the times indicated on the Contract Schedule and as defined in the Scheduling Specification. Meetings between the Design-Build Entity and the City to review the Construction Document packages, shall be scheduled and held so as not to delay work on the Project.

(d) The Construction Documents for hazardous and/or toxic abatement efforts and demolition activity shall be of sufficient clarity and shall be fully detailed and approved by a licensed engineer if required by law when submitted to the City for review.

3.14.2 Shop Drawings, Product Data, Samples, Materials, and Equipment

(a) Shop drawings are drawings, submitted to the Design-Build Entity by subcontractors, manufacturers, supplier or distributors, showing in detail the proposed fabrication and assembly of building elements and the installation (e.g., form, fit, and attachment details) of materials or equipment.

(b) The Design-Build Entity shall coordinate all submittals and review them for accuracy, completeness, and compliance with the requirements of the Contract Documents and the Design-Build Entity's Construction Documents and shall indicate its approval thereon as evidence of such coordination and review.

(c) Materials and equipment incorporated in the work on the Project shall match the approved samples within tolerances appropriate to the items, and as may be described in the Contract Documents.

(d) The Design-Build Entity shall submit shop drawings approved by the Design Professional of Record and samples of submittals that relate to finish materials and products.

(e) Wherever the name or brand of manufacturer or an article is listed in the Contract Documents, it is to be used in work on the Project as the standard. Any variation in quality must be approved by the City.

3.14.3 Field Engineering

(a) If requested by the City, the Design-Build Entity shall retain and pay expenses of a civil engineer or land surveyor to establish on the Site the required reference points and benchmarks, establish building lines and elevations, check for building framing, plumbness, and establish on building frame the required basic grid lines. The engineer or land surveyor shall be licensed in the State of California.

(b) The Design-Build Entity shall locate and protect control points prior to starting work on the Project site and preserve permanent reference points during construction, and shall require the engineer or surveyor to replace control points which become lost or destroyed.

3.14.4 Geotechnical and Survey

(a) The City may provide the Design-Build Entity with a geotechnical report which includes supporting data, findings and recommendations; and also with a legal description and a project survey that are included in the Contract Documents. The Design Work shall be consistent with both the findings and recommendations of the geotechnical report and legal description and project survey.

(b) The Design-Build Entity shall verify the location and depth (elevation) of all existing utilities and services before performing any excavation work.

(c) Any additional tests, borings, etc. necessary to support the Construction Documents shall be the responsibility of the Design-Build Entity.

3.15 MONTHLY REPORT

Upon request by the City, the Design-Build Entity shall prepare and submit, during both the Construction Documents Phase and the Construction Phase, monthly reports on the work accomplished during the prior monthly period. Such reports shall be prepared in a manner and in a format approved by the City. Reports shall be furnished at the time of submission of each monthly application for payment. The monthly report shall also set forth the Design-Build Entity's projected progress for the forthcoming month.

3.16 OTHER REPORTS

The Design-Build Entity will cooperate with the City in preparing, or causing to be prepared, all or part of, periodic project reports required by state or federal agencies.

3.17 NOTICES OF LABOR DISPUTE

3.17.1 If the Design-Build Entity has knowledge that any actual or potential labor dispute is delaying, or threatens to delay, the timely performance of work on the

Project, the Design-Build Entity shall immediately give written notice including all relevant information to the City.

3.17.2 The Design-Build Entity agrees to insert the substance of this Article in any subcontract to which a labor dispute may delay the timely performance of work on the Project, except that each subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify the next higher tier subcontractor or the Design-Build Entity, as the case may be, of all relevant information concerning the Dispute.

3.18 GUARANTEE

3.18.1 The Design-Build Entity unconditionally guarantees all work on the Project will be completed in accordance with the Contract Documents, and will remain free of defects in workmanship and materials for a period of one (1) year from the date of Final Completion, unless a longer guarantee period is specifically called for in the Contract Documents. However, a shorter guarantee period shall apply to landscape plants, trees, turf, and other living landscape materials. Trees or shrubs greater than one gallon in size at the time of planting shall be guaranteed for one (1) year, and all other plant material shall be guaranteed for six (6) months. The Design-Build Entity shall repair or replace any and all work, together with any adjacent work that may have been damaged or displaced, which was not in accordance with the requirements of the Contract Documents, or that may be defective in its workmanship or material within the guarantee period specified in the Contract Documents, without any expense whatsoever to the City; ordinary wear and tear and abuse excepted. The Design-Build Entity shall bear all costs of such correction, replacement, repair, or restoration, and all Losses resulting from such Defective Work, including additional testing, inspection, and compensation for the City's Representative's services and expenses. The Design-Build Entity shall perform corrective work on the Project at such times that are acceptable to the City and in such a manner as to avoid, to the extent practicable, disruption to the City's activities.

3.18.2 The Design-Build Entity further agrees, within fourteen (14) days, or as such shorter period as may be designated for emergency repairs, after being notified in writing by the City, of any work not in accordance with the requirements of the Contract Documents or any defects in the work on the Project, that the Design-Build Entity shall commence and execute, with due diligence, all work necessary to fulfill the terms of the guarantee. If the City finds that the Design-Build Entity fails to perform any of the work under the guarantee, the City may elect to have the work completed at the Design-Build Entity's expense and the Design-Build Entity will pay costs of the work upon demand. The City will be entitled to all costs, including reasonable attorneys' fees and consultants' expenses necessarily incurred upon the Design-Build Entity's refusal to pay the above costs.

3.18.3 Notwithstanding the foregoing subparagraph, in the event of an emergency constituting an immediate hazard to health or safety of the City employees,

property, or licensees, the City may undertake, at the Design-Build Entity's expense and without prior notice, all work necessary to correct such condition(s) when it is caused by work of the Design-Build Entity not being in accordance with the requirements of the Contract Documents

3.18.4 The Design-Build Entity's obligations under this Article 3.18 are in addition to and not in limitation to any other obligation of the Design-Build Entity under the Contract Documents or at law. Enforcement of the Design-Build Entity's express warranties and guarantees to repair contained in the Contract Documents shall be in addition to and not in limitation of any other rights or remedies the City may have under the Contract Documents or at law or in equity for Defective Work.

3.19 WARRANTY

The Design-Build Entity warrants to the City that any and all materials, equipment and furnishings incorporated in the Project will be of good quality and new unless otherwise required or permitted by the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. The foregoing warranty excludes damage caused by improper operation, or normal wear and tear under normal usage under the control of the City. Such warranty shall exclude warranties relating to design, warranty of fitness, and any other express or implied warranties other than as set forth herein or in the Contract Documents; provided, however, that the foregoing shall not impair the rights of the City to maintain an action for breach of contract against the Design-Build Entity.

3.20 SCHEDULES REQUIRED OF THE DESIGN BUILD ENTITY

3.20.1 The Design-Build Entity shall plan, develop, supervise, control, and coordinate the performance of the work on the Project so that its progress and the sequence and timing of Work activities complete the Project within the Contract Time(s). Design-Build Entity shall use the Critical Path Method (CPM) in planning, coordinating, performing and reporting on the Work, including all activities of Design-Build Entity, Subcontractors, equipment vendors, and suppliers, and in assisting the City in monitoring the progress of the Work.

3.20.2 The Schedule shall depict events and activities, their durations and their interrelationships, and shall recognize the progress that must be made in one task before subsequent tasks can begin. The CPM network shall be comprehensive and shall include all activities, interdependencies and interactions required to perform the Work. Design-Build Entity shall submit the construction schedule to the City for review.

3.20.3 All Schedules, including the initial schedule, the baseline schedule, and the monthly updates, shall be submitted to the City in both hard copy and electronic form. The electronic files shall be the actual scheduling program files, not a pdf version of the schedule. Design-Build Entity shall submit three hard copies of all Schedules printed in a bar chart format on a timeline, showing the entire construction period.

3.20.4 Within thirty (30) days of execution of the Design Build Contract, the Design-Build Entity shall provide the City, for its review and written approval, a detailed Schedule which fully sets forth the Design-Build Entity's proposed schedule for completion of all design and construction services on the Project within the Contract Times. The Schedule shall be created in the current version of one of the following scheduling programs: Primavera Project Planner (version P3 or P6), Suretrak Project Manager, or Microsoft Project.

3.20.5 The Schedule shall be updated and submitted to the City on a monthly basis for the purpose of recording and monitoring the actual progress of the Work. Each monthly update shall include actual dates of activities started and/or completed during the previous month, and the percentage of work completed to date on each activity started but not completed. The monthly update shall incorporate all changes mutually agreed upon by the Design-Build Entity and the City during preceding periodic reviews and all changes resulting from approved Change Orders and Field Directives. The monthly update shall also include a forecast of the remaining duration for each activity, if the remaining duration is expected to be greater than that calculated by the scheduling program based on the percentage complete.

3.20.6 [RESERVED.]

3.20.7 The Design-Build Entity shall continuously obtain from Subcontractors information and data about the planning for, and progress of, the work on the Project and the delivery of equipment. During its work on the Project, the Design-Build Entity shall coordinate and integrate such information and data into updated Contract Schedules, and shall monitor the progress of the work on the Project and the delivery of equipment. The Design-Build Entity shall act as the expeditor of potential and actual delays, interruptions, hindrances, or disruptions for its own forces and those forces of Subcontractors, regardless of tier.

3.20.8 Failure of the City's Representative to discover errors or omissions in schedules that it has reviewed, or to inform the Design-Build Entity that the Design-Build Entity, Subcontractors, or others are behind schedule, or to direct or enforce procedures for complying with the Contract Schedule shall not relieve the Design-Build Entity from its sole responsibility to perform and complete the Project within the Contract Time and shall not be a cause for an adjustment of the Contract Time or the Contract Price.

3.21 AS BUILT DOCUMENTS

The Design-Build Entity shall maintain one (1) set of As-Built drawings and specifications, which shall be kept up to date during the work of the Contract. All changes from the Documents as drawn and written and approved which are incorporated into the work on the Project shall be noted on the As-Built set. Notations shall reflect the actual materials, equipment and installation methods used for the work on the Project, as well as the actual location of the work, and each revision shall be initialed and dated by Superintendent. Prior to filing of the Notice of Completion, each

drawing and the specification cover shall be signed by the Design-Build Entity and dated, attesting to the completeness of the information noted therein. As-Built Documents shall be turned over to the City's Representative and shall become part of the Record Documents as required by the Scope of Work.

3.22 DOCUMENTS AND SAMPLES AT PROJECT SITE

The Design-Build Entity shall maintain the following at the Project site:

1. One current copy of the Contract Documents (including Construction Documents), in good order and marked to record current changes and selections made during construction.
2. One copy of the prevailing wage rates applicable to the Project.
3. The current accepted Contract Schedule.
4. Shop Drawings, Product Data, and Samples.
5. One current copy of all As built documents.
6. All other required submittals.

These shall be available to the City's Representative and shall be delivered to the City's Representative for submittal to the City upon the earlier of Final Completion or termination of the Contract, or at any time upon the City's written demand.

3.23 SHOP DRAWINGS, PRODUCT DATA, AND SAMPLES

3.23.1 Definitions:

(a) Shop Drawings [above] are drawings, diagrams, schedules, and other data specially prepared for the Project by the Design-Build Entity or a Subcontractor to illustrate some portion of the work on the Project.

(b) Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Design-Build Entity to illustrate or describe materials or equipment for some portion of work on the Project.

(c) Samples are physical examples that illustrate materials, equipment, or workmanship and establish standards by which the work on the Project will be judged.

3.23.2 Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. Their purpose is to demonstrate, for those portions of work on the Project for which submittals are required, how the Design-Build Entity proposes to

conform to the information given and the Design concept expressed in the Contract Documents.

3.23.3 The Design-Build Entity shall review, approve, and submit to the City's Representative Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents with reasonable promptness and in such sequence as to cause no delay in the work on the Project or in the activities of the City or of Separate Contractors. Submittals made by the Design-Build Entity that are not required by the Contract Documents may be returned without action by the City's Representative.

3.23.4 The Design-Build Entity shall perform no portion of the work requiring submittal and review of Shop Drawings, Product Data, Samples, or similar submittals until the respective submittal has been reviewed by the City's Representative and no exceptions have been taken by the City's Representative. Such work shall be in accordance with approved submittals and the Contract Documents. The City shall provide review and response to all such submittals within ten (10) working days.

3.23.5 By approving and submitting Shop Drawings, Product Data, Samples, and similar submittals, the Design-Build Entity represents that it has determined or verified materials and field measurements and conditions related thereto, and that it has checked and coordinated the information contained within such submittals with the requirements of the Contract Documents and Shop Drawings for related work.

3.23.6 If the Design-Build Entity discovers any conflicts, omissions, or errors in Shop Drawings or other submittals, the Design-Build Entity shall notify the City's Representative and receive instruction before proceeding with the affected work. The Design-Build Entity shall be responsible to correct to the satisfaction of the City, any conflicts, omissions, or errors in Shop Drawings or other submittals.

3.23.7 The Design-Build Entity shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the City's Representative's review of Shop Drawings, Product Data, Samples, or similar submittals, unless the Design-Build Entity has specifically informed the City's Representative in writing of such deviation at the time of submittal and the City's Representative has given written approval of the specific deviation. The Design-Build Entity shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals by the City's Representative's review, acceptance, comment, or approval thereof.

3.23.8 The Design-Build Entity shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the City's Representative on previous submittals.

3.23.9 The City will review first resubmittal of Shop Drawing at its cost. The City reserves the right to reduce the Contract Price by Change Order for its cost for any subsequent reviews of Shop Drawing resubmittals.

3.24 USE OF SITE AND CLEAN UP

3.24.1 The Design-Build Entity shall confine operations at the Project site to areas permitted by law, ordinances, permits, and the Contract Documents. The Design-Build Entity shall not unreasonably encumber the Project site with materials or equipment.

3.24.2 The Design-Build Entity shall, during performance of work on the Project, keep the Project site and surrounding area free from the accumulation of excess dirt, waste materials, and rubbish caused by the Design-Build Entity. The Design-Build Entity shall remove all excess dirt, waste material, and rubbish caused by the Design-Build Entity; tools; equipment; machinery; and surplus materials from the Project site and surrounding area at the completion of the Project.

3.24.3 Personnel of the Design-Build Entity and Subcontractors shall not occupy, live upon, or otherwise make use of the Project site during any time that work is not being performed at the Project site, except as otherwise provided in the Contract Documents.

3.25 CUTTING, FITTING, AND PATCHING

3.25.1 The Design-Build Entity shall do all cutting, fitting, or patching work required to make all parts of the Project come together properly and to allow the Project to receive or be received by the work of Separate Contractors shown upon, or reasonably implied by, the Contract Documents.

3.25.2 The Design-Build Entity shall not endanger the Project, or adjacent property by cutting, digging, or otherwise. The Design-Build Entity shall not cut or alter the work of any Separate Contractor without the prior consent of The City's Representative.

3.26 ACCESS TO WORK

The City, the City's Representative, their consultants, and other persons authorized by the City will at all times have access to the work on the Project wherever it is in preparation or progress. The Design-Build Entity shall provide safe and proper facilities for such access and for inspection.

3.27 ROYALTIES AND PATENTS

The Design-Build Entity shall pay all royalties and license fees required for the performance of work on the Project. The Design-Build Entity shall defend suits or claims resulting from the Design-Build Entity's or any Subcontractor's infringement of patent

rights and shall Indemnify the City and the City's Representative from Losses on account thereof.

3.28 CONCEALED OR UNKNOWN CONDITIONS

3.28.1 Except and only to the extent provided otherwise in Article 7 and 8 of the General Conditions, by signing the Contract, the Design-Build Entity agrees:

(a) To bear the risk of concealed or unknown conditions, if any, which may be encountered in performing the Contract, as described in these Contract Documents, and/or that can reasonably be inferred by the Design-Build Entity based on its experience and expertise; and

(b) That the Design-Build Entity's Contract Price for the Contract was made with full knowledge of this risk.

3.28.2 In agreeing to bear the risk of concealed or unknown conditions, The Design-Build Entity understands that, except and only to the extent provided otherwise in Articles 7 and 8, concealed and/or unknown conditions shall not excuse The Design-Build Entity from its obligation to achieve full completion of the Project within the Contract Time, and shall not entitle the Design-Build Entity to an adjustment of the Contract Price.

3.28.3 If concealed or unknown conditions are encountered which require, in the opinion of the City's Representative, design details which differ from those details shown in the Criteria Documents and the City's Representative finds that such revised design details will cause an increase or decrease in the cost of, or the time required for performance of the Contract, and if the City agrees with the City's Representative's determinations, the City will issue a Change Order modifying the Contract Terms to provide for the change in design details and to provide for an adjustment in the Contract Price and/or Contract Time pursuant to Articles 7 and 8.

3.28.4 If the Design-Build Entity encounters concealed or unknown conditions that differ materially from those anticipated or expected, the Design-Build Entity shall notify the City's Representative in writing within 24 hours in writing of such conditions so that the City's Representative can determine if such conditions require design details which differ from those design details shown in the Criteria Documents. The Design-Build Entity shall be liable to the City for any extra costs incurred as the result of the Design-Build Entity's failure to give such notice.

3.29 LIABILITY FOR AND REPAIR OF DAMAGED WORK

Except as otherwise provided in the Contract Documents, the Design-Build Entity shall be liable for any and all damages and losses to the Project (whether by fire, theft, vandalism, earthquake, flood or otherwise) prior to the City's acceptance of the Project as fully completed.

3.30 INDEMNIFICATION

The Design-Build Entity's indemnification obligations are fully set forth in Section 10 of the Design Build Contract.

ARTICLE 4: ADMINISTRATION OF THE CONTRACT

4.1 ADMINISTRATION OF THE CONTRACT BY THE CITY'S REPRESENTATIVE

4.1.1 The City's Representative will have authority to act on behalf of the City only to the extent provided in the Contract Documents.

4.1.2 The City shall designate in the Contract one or more representatives authorized to act on the City's behalf with respect to the Project, together with the scope of his/her respective authority. If the City's Representative(s) changes, the City shall notify the Design-Build Entity in writing as provided in the Contract. Functions for which this Contract Documents provide will be performed by the City may be delegated by the City only by written notice to the Design-Build Entity from the City. The Design-Build Entity shall not be entitled to rely on directions (nor shall it be required to follow the Directions) from anyone outside the scope of that person's authority as set forth in written authorization pursuant to this Design Build Contract. Only directions and decisions made by the City's Representative shall be binding on the City.

4.1.3 During the term of this Design Build Contract, the City's Representative shall have the right to review the Design Professional of Record's work at such intervals as deemed appropriate by the City's Representative. However, no actions taken during such review or site visit by the City's Representative, shall relieve the Design-Build Entity of any of its obligations of single point responsibility for the Design and construction of this Project nor form the basis for a Claim if such actions extend beyond the Contract Time.

4.1.4 The City's Representative will not have control over, will not be in charge of, and will not be responsible for design or construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the work on the Project, since these are solely the Design-Build Entity's responsibility.

4.1.5 Except as otherwise provided in the Contract Documents or when direct communications have been specifically authorized, the City and the Design-Build Entity shall communicate through the City's Representative. Communications by the Design-Build Entity with the City's consultants and the City's Representative's consultants shall be through the City's Representative. Communications by the City and the City's Representative with Subcontractors will be through the Design-Build Entity. Communications by the Design-Build Entity and Subcontractors with Separate Contractors shall be through the City's Representative. The Design-Build Entity shall not rely on oral or other non-written communications.

4.1.6 Based on the City's Representative's Project site visits, review of Design Work, and evaluations of the Design-Build Entity's Applications For Payment, the City's Representative will recommend amounts, if any, due the Design-Build Entity and will issue Certificates For Payment in such amounts.

4.1.7 The City's Representative will have the authority to reject work on the Project, or any portion thereof, which does not conform to the Contract Documents. The City's Representative will have the authority to stop work on the Project, or any portion thereof. Whenever the City's Representative considers it necessary, or advisable, for implementation of the intent of the Contract Documents, the City's Representative will have the authority to require additional inspection or testing of the work on the Project in accordance with the Contract Documents, whether or not such work is fabricated, installed, or completed. However, no authority of the City's Representative conferred by the Contract Documents nor any decision made in good faith either to exercise, or to not exercise such authority, will give rise to a duty or responsibility of the City or the City's Representative to the Design-Build Entity, or any person or entity claiming under, or through, the Design-Build Entity.

4.1.8 The City's Representative will have the authority to conduct inspections and to determine Final Completion; will receive for review and approval any records, written warranties, and related documents required by the Contract Documents and assembled by the Design-Build Entity; and will issue a final Certificate For Payment upon the Design-Build Entity's compliance with the requirements of the Contract Documents.

4.1.9 The City's Representative will be, in the first instance, the interpreter of the requirements of the Contract Documents and the judge of performance thereunder by the Design-Build Entity. Should the Design-Build Entity discover any conflicts, omissions, or errors in the Construction Documents or the Contract Documents; have any questions about the interpretation or clarification of the Contract Documents; question whether work is within the scope of the Contract Documents; then, before proceeding with the work affected, the Design-Build Entity shall notify the City's Representative in writing and request interpretation or clarification. The City's Representative's response to questions and requests for interpretations, clarifications, instructions, or decisions will be made with reasonable promptness. Should the Design-Build Entity proceed with the work affected before receipt of a response from the City's Representative, any portion of the work on the Project which is not done in accordance with the City's Representative's interpretations, clarifications, instructions, or decisions shall be removed or replaced and the Design-Build Entity shall be responsible for all resultant losses.

4.2 THE DESIGN BUILD ENTITY CHANGE ORDER REQUESTS

4.2.1 The Design-Build Entity may request changes to the Contract Price and/or Contract Time for Extra Work or Excusable Delays to completion of the Project caused by the acts, errors, or omissions of the City, the City's Representative, their agents or employees, or caused by unforeseen conditions if, and only if, the Design-

Build Entity follows the procedures specified in this Paragraph 4.2. As used in this Paragraph 4.2, such acts, errors, or omissions shall include, but not be limited to, the provision of instructions, or interpretations that involve an increase or decrease in Project Scope, Extra Work or delay completion of the Project.

4.2.2 If the Design-Build Entity asserts that the Design-Build Entity is entitled to an adjustment of the Contract Price and/or Contract Time as the result of an act, error, or omission of the City, the City's Representative, their agents or employees, or as the result of unforeseen conditions, then the Design-Build Entity may submit a Change Order Request in a form acceptable to the City, to the City's Representative.

4.2.3 A Change Order Request must state that it is a Change Order Request, state and justify the reason for the request, and specify the amount of any requested adjustment to the Contract Price and/or Contract Time. Upon request of the City's Representative, the Design-Build Entity shall submit such additional information as may be requested by the City's Representative for the purpose of evaluating the Change Order Request. Such additional information may include a Cost Proposal meeting the requirements of Article 7 and written documentation demonstrating the Design-Build Entity's entitlement to a time extension under Paragraph 8.4. If the Change Order Request seeks an adjustment of the Contract Price for an Excusable delay, upon request of the City's Representative, the Design-Build Entity shall submit written documentation demonstrating the Design-Build Entity's entitlement to such an adjustment under Subparagraph 7.3.9.

4.2.4 A condition precedent to obtaining an adjustment of the Contract Price and/or Contract Time as the result of an act, error, or omission of the City, the City's Representative, their agents or employees, or as the result of an unforeseen condition, is timely submission of a Change Order Request that meets the requirements set forth in Subparagraphs 4.2.2 and 4.2.3. A Change Order Request based upon such acts, errors or omissions will be deemed timely submitted if, and only if, it is submitted within ten (10) days of the date the Design-Build Entity discovers, or reasonably should discover, that an act, error, or omission of the City, the City's Representative, their agents or employees, has occurred that may entitle the Design-Build Entity to an adjustment of the Contract Price and/or Contract Time (even if the Design-Build Entity has not been damaged, delayed, or incurred extra cost when the Design-Build Entity discovers, or reasonably should discover, the act, error or omission giving rise to the Change Order Request). A Change Order Request based upon an unforeseen condition will be deemed timely submitted if, and only if, it is submitted within ten (10) days of the Date the Design-Build Entity discovers, or reasonably should discover, the existence of an unforeseen condition that may entitle the Design-Build Entity to an adjustment of the Contract Price and/or Contract Time (even if the Design-Build Entity has not been damaged, delayed, or incurred extra cost when the Design-Build Entity discovers, or reasonably should discover, the unforeseen condition giving rise to the Change Order Request).

4.2.5 If the City's Representative issues a final decision on all or part of a Change Order Request, the Design-Build Entity may contest the decision by filing a

timely Claim under the procedures specified in Paragraph 4.3. A final decision is any decision on a Change Order Request which states that it is final.

4.3 CLAIMS

4.3.1 The term "Claim" means a written demand or assertion by the Design-Build Entity seeking an adjustment or interpretation of the terms of the Contract Documents, payment of money, extension of time, or other relief with respect to the Contract Documents, including a determination of disputes or matters in question between the City and the Design-Build Entity arising out of or related to the Contract Documents or the performance of work on the Project, and claims alleging an unforeseen condition or an act, error or omission by the City, the City's Representative, their agents or employees. However, the term "Claim" shall not include, and the Claims procedures provided under this Article 4 shall not apply to the following:

(a) Claims respecting penalties for forfeitures prescribed by statute or regulation that a government agency is specifically authorized to administer, settle, or determine.

(b) Claims respecting personal injury, death, reimbursement, or other compensation arising out of or resulting from liability for personal injury or death.

(c) Claims respecting a latent defect, breach of warranty, or guarantee to repair.

(d) Claims respecting stop notices.

4.3.2 If a Claim is subject to the procedures specified in Paragraph 4.2, the Claim arises upon the issuance of a written final decision denying in whole or in part the Design-Build Entity's Change Order Request. If a Claim is not subject to the procedures specified in Paragraph 4.2, the Claim arises when the Design-Build Entity discovers, or reasonably should discover, the condition or event giving rise to the Claim (even if the Design-Build Entity has not been damaged, delayed, or incurred extra cost when the Design-Build Entity discovers, or reasonably should discover, the condition or event giving rise to the Claim).

4.3.3 A Claim not subject to the procedures specified in Paragraph 4.2 may be asserted if, and only if, the Design-Build Entity gives a valid written notice of intent to file the Claim within ten (10) calendar days of the date the Claim arises under Subparagraph 4.3.2. A written notice of intent to file a Claim will be deemed valid, if and only, if it identifies the event or condition giving rise to the Claim and states its probable effect, if any, with respect to the Design-Build Entity's entitlement to an adjustment of the Contract Price and/or the Contract Time.

4.4 ASSERTION OF CLAIMS

4.4.1 Claims by the Design-Build Entity shall be first submitted to the City's Representative for decision.

4.4.2 Notwithstanding the making of any Claim or the existence of any dispute regarding any Claim, unless otherwise directed by the City's Representative, the Design-Build Entity shall not delay, cease, or terminate performance of work on the Project, but shall diligently proceed with performance of the work in accordance with the Contract Documents. The City will continue to make payments in accordance with the Contract Documents.

4.4.3 The Design-Build Entity shall submit a Claim in writing, together with the supporting data specified herein, to the City's Representative as soon as possible but not later than thirty (30) days after the Date the Claim arises under Subparagraph 4.3.2.

4.4.4 The Design-Build Entity agrees that strict compliance with the requirements of Article 4 is an express condition precedent to the Design-Build Entity's right to arbitrate or litigate a Claim.

4.5 DECISION OF THE CITY'S REPRESENTATIVE ON CLAIMS

The City's Representative will timely review Claims submitted by the Design-Build Entity and render a decision in accordance with the timelines specified in Paragraph 4.6. The decision of the City's Representative regarding the disposition of a Claim shall be final and conclusive and shall not be appealable administratively.

4.6 RESOLUTION OF CLAIMS

4.6.1 In addition to any other requirements set forth in the Contract, all Claims shall be filed in accordance with the statutory claim resolution procedures set forth in Public Contract Code sections 9204 and 20104 *et seq.*, the implementation of which is set forth in this Section. The failure to timely submit a notice of delay or notice of change, or to timely request a change in price or time, or to timely provide any other notice or request required herein shall constitute a waiver of the right to further pursue the Claim under the Contract or at law.

4.6.2 Effective January 1, 1991, Section 20104 *et seq.*, of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Section is to implement Sections 20104 *et seq.* and Section 9204 of the California Public Contract Code. This Section shall be construed to be consistent with said statutes.

4.6.3 The Design-Build Entity shall submit all Claims in accordance with the following format:

(a) A statement that it is a Claim and a request for a decision pursuant to Paragraph 4.5

(b) Summary of Claim merit and price, reference Contract provisions pursuant to which the Claim is made (ensure Claim includes a detailed description of the act, error, omission, unforeseen condition, event or other condition giving rise to the Claim)

(c) If the Claim is subject to the procedures specified in Paragraph 4.2, a statement demonstrating that a Change Order Request was timely submitted as required by Subparagraph 4.2.4. If the Claim is not subject to the procedures specified in Paragraph 4.2, a statement demonstrating that a valid notice of intent to file the Claim was timely submitted as required by Subparagraph 4.3.3.

(d) List of documents relating to the Claim:

(i) Specifications

(ii) Drawings

(iii) Clarifications (Requests for Information)

(iv) Schedules

(v) Other

(e) Chronology of events and correspondence

(f) Analysis of Claim merit

(i) If the Claim involves Extra Work, a detailed cost breakdown of the amounts claimed, including the items specified in Subparagraph 7.3.2. The breakdown must be provided even if the costs claimed have not been incurred when the Claim is submitted. To the extent costs have been incurred when the Claim is submitted, the Claim must include actual cost records (including without limitation, payroll records, material and rental invoices and the like) demonstrating that costs claimed have actually been incurred. To the extent costs have not yet been incurred at the time the Claim is submitted, actual cost records must be submitted on a current basis not less than once a week during any periods costs are incurred. A cost record will be considered current if submitted within 7 days of the Date the cost reflected in the record is incurred. At the request of the City's Representative, claimed extra costs may be subject to further verification procedures (such as having an inspector verify the performance of alleged extra work on a daily basis).

(ii) If the Claim involves an extension of the Contract Time, written documentation demonstrating the Design-Build Entity's entitlement to a time extension under Paragraph 8.4.

(iii) If the Claim involves an adjustment of the Contract Price for an Excusable delay, written documentation demonstrating the Design-Build Entity's entitlement to such an adjustment under Subparagraph 7.3.9.

- (g) Analysis of Claim cost
- (h) Time impact analysis in CPM format

4.6.4 Upon receipt of a Claim pursuant to this Article, City shall conduct a reasonable review of the Claim and, within a period not to exceed 45 Days, shall provide the Design-Build Entity a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the Claim will be processed and made within 60 Days after the City issues its written statement.

(a) If the City needs approval from its governing body to provide the Design-Build Entity a written statement identifying the disputed portion and the undisputed portion of the Claim, and the City's governing body does not meet within the 45 Days or within the mutually agreed to extension of time following receipt of a Claim sent by registered mail or certified mail, return receipt requested, the City shall have up to three Days following the next duly publicly noticed meeting of the City's governing body after the 45-Day period, or extension, expires to provide the Design-Build Entity a written statement identifying the disputed portion and the undisputed portion.

(b) Within 30 Days of receipt of a Claim, the City may request in writing additional documentation supporting the Claim or relating to defenses or claims the City may have against the Design-Build Entity. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of City and the Design-Build Entity. The City's written response to the Claim, as further documented, shall be submitted to the Design-Build Entity within 30 Days (if the Claim is less than \$15,000, within 15 Days) after receipt of the further documentation, or within a period of time no greater than that taken by the Design-Build Entity in producing the additional information or requested documentation, whichever is greater.

4.6.5 If the Design-Build Entity disputes the City's written response, or the City fails to respond within the time prescribed, the Design-Build Entity may so notify the City, in writing, either within 15 Days of receipt of the City's response or within 15 Days of the City's failure to respond within the time prescribed, respectively, and demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, the City shall schedule a meet and confer conference within 30 Days for settlement of the dispute.

4.6.6 Within 10 business Days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, the City shall provide the Design-Build Entity a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the Claim shall be processed and made within 60 Days after the City issues its written statement. Any disputed portion of the Claim, as identified by the Design-Build Entity in writing, shall be submitted to nonbinding mediation, with the City and the Design-Build Entity sharing the associated costs equally. The City and

Design-Build Entity shall mutually agree to a mediator within 10 business Days after the disputed portion of the Claim has been identified in writing, unless the parties agree to select a mediator at a later time.

(a) If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the Claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

(b) For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

(c) Unless otherwise agreed to by the City and the Design-Build Entity in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Public Contract Code Section 20104.4 to mediate after litigation has been commenced.

(d) The mediation shall be held no earlier than the date the Design-Build Entity completes the Work or the date that the Design-Build Entity last performs Work, whichever is earlier. All unresolved Claims shall be considered jointly in a single mediation, unless a new unrelated Claim arises after mediation is completed.

4.6.7 If following the mediation, the Claim or any portion remains in dispute, the Design-Build Entity must file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code prior to initiating litigation. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Design-Build Entity submits his or her written Claim pursuant to this Article 4 until the time the Claim is denied, including any period of time utilized by the meet and confer conference.

4.6.8 The following procedures are established for all civil actions filed to resolve claims of \$375,000 or less:

(a) Within 60 Days, but no earlier than 30 Days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code section 9204 and the terms of this Contract. The mediation process shall provide for the selection within 15 Days by both parties of a disinterested third person as mediator, shall be commenced within 30 Days of the submittal, and shall be concluded within 15 Days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

(b) If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration. In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

4.6.9 In addition to any and all Contract requirements pertaining to notices of and requests for compensation or payment for extra Work, disputed Work, construction claims and/or changed conditions, the Design-Build Entity must comply with the claim procedures set forth in Government Code Sections 900, et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra Work, disputed Work, construction claims, and/or changed conditions have been followed by Design-Build Entity. If no such Government Code claim is submitted, or if the prerequisite contractual requirements are not satisfied, no action against the City may be filed. A Government Code claim must be filed no earlier than the date the Work is completed or the date the Design-Build Entity last performs Work on the Project, whichever occurs first. A Government Code claim shall be inclusive of all unresolved Claims unless a new unrelated Claim arises after the Government Code claim is submitted.

4.7 NO WAIVER

4.7.1 A waiver of, or failure by, the City or the City's Representative to enforce any requirement in this Article 4, in connection with any Claim shall not constitute a waiver of, and shall not preclude the City or the City's Representative from enforcing such requirements in connection with any other Claims.

4.7.2 The Design-Build Entity agrees and understands that no oral approval, either express or implied, of any Claim shall be binding upon the City unless and until such approval is ratified by execution of a written Change Order.

ARTICLE 5: SUBCONTRACTORS

5.1 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

5.1.1 All subcontractors shall be retained in compliance with the requirements of the RFP. All subcontractors shall be afforded the applicable protections of the Subletting and Subcontracting Fair Practices Act (Public Contract Code Section 4100 et seq.), the Design-Build Entity shall not, without the written consent of the City:

substitute any person or entity as a Subcontractor in place of a Subcontractor designated in the Design-Build Entity's original proposal or subsequently awarded a first tier subcontract from the Design-Build Entity; permit any such subcontract to be assigned or transferred, or allow it to be performed by any person or entity other than the original Subcontractor listed in the Design-Build Entity's original or subsequently awarded a first tier subcontract from the Design-Build Entity. Any such assignment or substitution made without the prior written consent of the awarding authority or not in compliance with the Subletting and Subcontracting Fair Practices Act shall be void, and the assignees shall acquire no rights in the Contract. Any consent, if given, shall not relieve the Design-Build Entity or its Subcontractors from their obligations under the terms of the Contract. All requests by the Design-Build Entity for substitution will be handled through the City's Representative.

5.1.2 The City have the right to request all documentation that supports the Design-Build Entity's selection of a Subcontractor. The City shall have the right of final approval as to the qualifications of a Subcontractor to perform its designated scope of work. Within the City's sole discretion, any Subcontractor may be deemed not qualified to perform work on the Project if the City or the City's Representative determines that the Subcontractor fails to meet the requirements of the Contract Documents, or for any other reason.

5.1.3 Any increase in the cost of the work on the Project resulting from the replacement or substitution of a Subcontractor or as required by the City or the City's Representative, shall be borne solely by the Design-Build Entity. The Design-Build Entity shall not be entitled to any increase in Contract Price or an extension of Contract Time due to such replacement or substitution.

5.1.4 The Design-Build Entity shall require, in each subcontract for any portion of work on the Project, the Subcontractor to indemnify the City, its Consultants, representatives, directors, officers, agents and employees, pursuant to the provisions set forth in Paragraph 3.30.

5.2 SUBCONTRACTOR RELATIONS

5.2.1 Any part of the work on the Project performed for the Design-Build Entity by a Subcontractor shall be pursuant to a written subcontract. Each such subcontract shall require the Subcontractor, to the extent of the work to be performed by the Subcontractor, to be bound to the Design-Build Entity by the terms of the Contract Documents, to assume toward the Design-Build Entity all the obligations and responsibilities which the Design-Build Entity assumes towards the City by the Contract Documents, and to perform such portion of the work on the Project in accordance with the Contract Documents. Each such subcontract shall preserve and protect the rights of the City under the Contract Documents, with respect to the work to be performed by Subcontractor, so that subcontracting thereof will not prejudice such rights. Where appropriate, the Design-Build Entity shall require each Subcontractor to enter into similar agreements with Sub-Subcontractors. The Design-Build Entity shall make available to each proposed Subcontractor, prior to the execution of the subcontract

agreement, copies of the Contract to which the Subcontractor will be bound. Subcontractors shall similarly make copies of applicable portions of such documents available to their respective proposed Sub-Subcontractors. The Design-Build Entity shall cause each such subcontract to expressly include the following requirements:

(a) Subcontractor waives all rights that Subcontractor may have against the City for damages caused by fire or other perils covered by builder's risk property insurance carried by Design-Build Entity or the City, except for such rights Subcontractor may have to the proceeds of such insurance held by the City under Article 11.

(b) The City and entities and agencies designated by the City will have access to and the right to audit and the right to copy at the City's cost all of Subcontractor's books, records, contracts, correspondence, instructions, drawings, receipts, vouchers, purchase orders, and memoranda relating to work on the Project. Subcontractor shall preserve all such records and other items for a period of at least 3 years after Final Completion.

(c) The Design-Build Entity is responsible for reviewing and coordinating the work of and among his subcontractors and the Design Professional of Record. This review and coordination includes, but is not limited to, resolution of any inconsistencies, errors or omissions.

5.2.2 Upon the request of the City, the Design-Build Entity shall promptly furnish to the City a true, complete, and executed copy of any subcontract.

5.2.3 Nothing contained in the Contract Documents shall create any contractual relationship between any Subcontractor and the City.

ARTICLE 6: CONSTRUCTION BY THE CITY OR BY SEPARATE CONTRACTORS

6.1 THE CITY'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

6.1.1 The City reserve the right to award separate contracts for, or to perform with its own forces, construction or operations related to the work or other construction or operations at or affecting the Project site, including portions of work on the Project which have been deleted by Change Order. The Design-Build Entity shall cooperate with the City's forces and Separate Contractors.

6.1.2 The City will provide coordination of the activities of the City's forces and of each Separate Contractor with the work of the Design-Build Entity. The Design-Build Entity shall participate with the City and Separate Contractors in joint review of construction schedules and Project requirements when directed to do so. The Design-Build Entity shall make necessary revisions to the Contract Schedule after such joint review.

6.2 MUTUAL RESPONSIBILITY

6.2.1 The Design-Build Entity shall afford the City and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities. The Design-Build Entity shall connect, schedule, and coordinate its construction and operations with the construction and operations of the City and Separate Contractors as required by the Contract Documents.

6.2.2 If a portion of the work on the Project is dependent upon the proper execution or results of other construction or operations by the City or Separate Contractors, the Design-Build Entity shall inspect such other design or construction or operations before proceeding with that portion of the work on the Project. The Design-Build Entity shall promptly report to the City's Representative apparent discrepancies or defects which render the other design, construction or operations unsuitable to receive the work on the Project. Unless otherwise directed by the City's Representative, the Design-Build Entity shall not proceed with the portion of the work on the Project affected until apparent discrepancies or defects have been corrected. Failure of the Design-Build Entity to so report within a reasonable time after discovering such discrepancies or defects shall constitute an acknowledgment that the other construction or operations by the City or Separate Contractors is suitable to receive the work on the Project, except as to defects not then reasonably discoverable.

ARTICLE 7: CHANGES IN THE SCOPE OF WORK

7.1 CHANGES

7.1.1 The City may, from time to time, order or authorize additions, deletions, and other changes in the Scope of Work by Change Order or Field Order without invalidating the Contract and without notice to sureties. Absence of such notice shall not relieve such sureties of any of their obligations to the City.

7.1.2 The Design-Build Entity may request a Change Order under the procedures specified in Paragraph 4.2.

7.1.3 A Field Order, as defined below, may be issued by the City, does not require the agreement of the Design-Build Entity, and shall be valid with or without the signature of the Design-Build Entity.

7.1.4 The Design-Build Entity shall proceed promptly with any changes in the Scope of Work, unless otherwise provided in the relevant Change Order, Owner Directed Change Order or Field Order.

7.2 DEFINITIONS

7.2.1 A Change Order becomes a Contract Document when, (i) it is an Owner Directed Change Order as described in Section 7.2.2; or (ii) after it has been

signed by both the City and the Design-Build Entity, and states their agreement upon all of the following:

- (a) A change in the Scope of Work, if any.
- (b) The amount of an adjustment of the Contract Price, billed as Extra Work pursuant to Attachment 1 to the Contract, if any.
- (c) The amount of an adjustment of the Contract Time, if any.

7.2.2 An Owner Directed Change Order is a type of Change Order which may be issued by the City and incorporated into the Contract Documents without the Design-Build Entity's signature, where the City determine that it is in the City's best interest to adjust the Contract Price and/or Contract Time as the City believe necessary, even though no agreement has been reached between the City and the Design-Build Entity.

7.2.3 A Field Order is a preliminary to a Change Order that describes a change in the Scope of the Work, the estimated adjustments of the Contract Price and/or the Contract Time, if any, and orders a change in the Scope of Work before all of the terms of the change are fully agreed upon by the City and the Design-Build Entity. A Field Order must eventually be memorialized as a Change Order or an Owner Directed Change Order and incorporated into the Contract Documents.

7.3 CHANGE ORDER PROCEDURES

7.3.1 When requested by the City's Representative, the Design-Build Entity shall provide promptly, but in no event longer than seven (7) days from the date of the request, a Cost Proposal setting forth the Design-Build Entity's proposed adjustments of the Contract Price and/or the Contract Time, if any, for performing the proposed change in the Scope of Work. Adjustments of the Contract Price resulting from Extra Work and/or deductive work shall be determined using one of the methods described in Article 7. Adjustments of the Contract Time shall be subject to the provisions in Article 8.

7.3.2 The term "Cost of Extra Work" as used in this Article shall mean actual costs incurred by the Design-Build Entity and each Subcontractor regardless of tier involved, and shall be limited to the following (to the extent the Design-Build Entity demonstrates that they were actually incurred):

- (a) Overhead and Profit not to exceed 15% of the Cost of the Extra Work (not more than 10% Overhead and 5% Profit) and straight time wages or salaries for employees employed at the Project site, or at fabrication sites off the Project site, in the direct performance of the Extra Work.

- (b) Fringe Benefits and Payroll Taxes for employees employed at the Project site, or at fabrication sites off the Project site, in the direct performance of the Extra Work.

(c) Overtime wages or salaries, specifically authorized in writing by The City's Representative, for employees employed at the Project site, or at fabrication sites off the Project site, in the direct performance of the Extra Work.

(d) Fringe Benefits and Payroll Taxes for overtime Work specifically authorized in writing by the City's Representative, for employees employed at the Project site, or at fabrication sites off the Project site, in the direct performance of the Extra Work.

5. Costs of materials and consumable items which are furnished and incorporated into the Extra Work, as approved by the City's Representative. Such costs shall be charged at the lowest price available to the Design-Build Entity but in no event shall such costs exceed competitive costs obtainable from other subcontractors, suppliers, manufacturers, and distributors in the area of the Project site. All discounts, rebates, and refunds and all returns from sale of surplus materials and consumable items shall accrue to the City and the Design-Build Entity shall make provisions so that they may be obtained.

(e) Sales taxes on the costs of materials and consumable items which are incorporated into and used in the performance of the Extra Work.

(f) Rental charges for necessary machinery and equipment, whether owned or hired, as authorized in writing by the City's Representative, exclusive of hand tools, used directly in the performance of the Extra Work. Such rental charges shall not exceed the generally accepted rental rates for the area in which the work is performed. The Design-Build Entity shall attach a copy of said schedule to the Cost Proposal. The charges for any machinery and equipment shall cease when the use thereof is no longer necessary for the Extra Work.

(g) Additional costs of royalties and permits due to the performance of the Extra Work.

(h) Cost for revisions in the Schematic Design Documents or Construction Documents, when such revisions are inconsistent with approvals or instructions previously given by the City. Revisions made necessary by adjustments in the City's program or project budget shall be computed at the hourly rates specified in the Exhibits.

(i) The cost for Insurance and Bonds shall not exceed 1% of items (a) – (h) above.

7.3.3 Cost of Extra Work shall not include any of the following: Superintendent(s), Assistant Superintendent(s), Project Engineer(s), Project Manager(s), Scheduler(s), Estimator(s), incidental drafting or detailing, small tools (replacement value does not exceed \$300), office expenses including staff, materials and supplies, on site or off site trailer and storage rental and expenses, site fencing, utilities including gas, electric, sewer, water, telephone, facsimile, copier equipment, data processing personnel and equipment, federal, state, or local business income and

franchise taxes, overhead and profit in excess 15% of the cost of the extra work (and of the 15% not more than 10% shall consist of overhead and 5% of profit), costs and expenses of any kind or item not specifically and expressly included in Section 7.3.2, and costs in excess of the hourly rates included in the Design Professional of Record's Rate Schedule.

7.3.4 Compensation for Extra Work as an adjustment to the Contract Price, authorized by Change Order shall be computed as specified in Attachment 2 of the Contract.

7.3.5 As a condition to the Design-Build Entity's right to an adjustment of the Contract Price, pursuant to Subparagraph 7.3.4, the Design-Build Entity must keep daily detailed and accurate records itemizing each element of cost and shall provide substantiating records and documentation, including time cards and invoices. Such records and documentation shall be submitted to and approved by the City's Representative on a daily basis.

7.3.6 For work to be deleted by Change Order, the reduction of the Contract Price shall be computed on the basis of one or more of the following:

- (a) Unit prices stated in the Contract or an Attachment thereto.
- (b) Unit prices agreed upon by the City and the Design-Build Entity.
- (c) A lump sum agreed upon by the City and the Design-Build Entity, based upon the actual costs which would have been incurred in performing the Deleted portions of the work on the Project as calculated in accordance with Subparagraphs 7.3.2 and 7.3.3.

7.3.7 If any one Change Order involves both Extra Work and deleted work in the same portion of the work on the Project, the Contract Price shall not be increased if the deductive cost exceeds the additive cost. If the additive cost exceeds the deductive cost, an increase in the Contract Price will be allowed only on the difference between the two amounts.

7.3.8 The Contract Price will be adjusted for a delay if, and only if, the Design-Build Entity demonstrates that all of the following four conditions are met:

- (a) Condition Number One: The delay results in an extension of the Contract Time pursuant to Subparagraph 8.4.1.
- (b) Condition Number Two: The delay is caused solely by one, or more of the following:
 - (i) An error or omission in the Contract Documents caused solely by the City and not as a result of the Design-Build Entity's failure to

conform to criteria documents, performance standards, Construction Documents, or Contract Documents; or

(ii) The City's decision to change the Scope of the Work, where such decision is not the result of any default or misconduct of the Design-Build Entity; or

(iii) The City's decision to suspend work on the Project, where such decision is not the result of any default or misconduct of the Design-Build Entity; or

(iv) The failure of the City or the City's Representative to timely perform any contract obligation where the failure to so perform is not the result of any default or misconduct of the Design-Build Entity.

(c) Condition Number Three: The delay is not concurrent with a delay that is:

(i) Critical under Subparagraph 8.4.1.(b); and

(ii) Caused by an event not listed in Subparagraph 7.3.8.(b) above.

(d) Condition Number Four: The delay is not caused, in whole or in part, by an event not listed in Subparagraph 7.3.8.(b) above.

7.3.9 For each day of delay that meets all four conditions prescribed in Subparagraph 7.3.8 the Contract Price will be adjusted by the rates for Extra Work as included in the Contract. Pursuant to Subparagraph 9.7.4, said rate shall not apply to delays occurring after Substantial Completion.

7.3.10 Except as provided in Articles 7 and 8, the Design-Build Entity shall have no claim for damage or compensation for any delay, interruption, hindrance, or disruption.

7.3.11 If for any reason one or more of the conditions prescribed in Subparagraph 7.3.4 is held legally unenforceable, the remaining conditions must be met as a condition to obtaining an adjustment of the Contract Time under Subparagraph 7.3.8.

7.4 FIELD ORDERS

7.4.1 A Field Order as described in Subparagraph 7.2.3 above, may be issued by the City. If requested in writing, the Design-Build Entity shall promptly provide the City's Representative with a Cost Proposal, setting forth the proposed adjustments of the Contract Price and/or the Contract Time, if any, for performing the change in the Scope of Work. The Field Order will be superseded by a Change Order which shall

include the actual adjustments, if any, of the Contract Price and the Contract Time, as well as the change in the Scope of Work.

7.4.2 A Field Order signed by the Design-Build Entity indicates the agreement of the Design-Build Entity therewith, including the Design-Build Entity's agreement to the proposed adjustments to the Contract Price and/or the Contract Time stated therein. Such agreement shall be effective immediately and will be incorporated into a Change Order.

7.4.3 Upon receipt of a Field Order, the Design-Build Entity shall promptly proceed with the change in the Scope of Work.

7.4.4 If the Design-Build Entity does not agree to the adjustment of the Contract Price set forth in a Field Order, the amount shall be determined in accordance with the provisions of Subparagraph 7.3.4 above; and the Design-Build Entity shall comply with the provisions of Subparagraph 7.3.6 regarding records and documentation of actual costs.

7.5 VARIATION IN QUANTITY OF UNIT PRICE WORK

The City have the right to increase or decrease the quantity of any Unit price item for which an estimated quantity is stated in the Bid Form/Design-Build Entity's proposal. The Design-Build Entity shall be required to provide all quantities requested by the City for the prices provided in the proposal as incorporated into the Contract Documents.

7.6 NO WAIVER

7.6.1 A waiver of, or failure by, the City or the City's Representative to enforce any requirement in this Article 7, including, without limitation, the requirements in Subparagraphs 7.3.6, 7.3.8, 7.3.9, 7.3.10, or 7.3.11 in connection with any adjustment of the Contract Price, will not constitute a waiver of, and will not preclude the City, or the City's Representative, from enforcing, such requirements in connection with any other adjustments of the Contract Price.

7.6.2 The Design-Build Entity agrees and understands that no oral approval, either express or implied, of any adjustment of the Contract Price by the City or its agents shall be binding upon the City unless and until such approval is ratified by execution of a written change order.

ARTICLE 8: CONTRACT TIME

8.1 COMMENCEMENT OF WORK ON THE PROJECT

The date of commencement of the Scope of Work shall be set forth in the Notice(s) To Proceed. The date of commencement shall not be postponed by the failure of the Design-Build Entity, Subcontractors, or of persons or firms for whom the Design-Build Entity is responsible, to act.

8.2 PROGRESS AND COMPLETION

8.2.1 By signing the Contract:

(a) The Design-Build Entity represents to the City that the Contract Time is reasonable for performing the Scope of Work and that the Design-Build Entity is able to perform and complete the Scope of Work within the Contract Time.

(b) The Design-Build Entity agrees that the City is purchasing the right to have the Design-Build Entity present on the Project for the full duration of the time period necessary to complete the Scope of Work described in the RFP.

8.2.2 The Design-Build Entity shall not, except by agreement or instruction of the City in writing, commence operations on the Project site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Design-Build Entity. The date of commencement and the Contract Time shall not be changed by the effective date of such insurance.

8.2.3 The Design-Build Entity shall proceed expeditiously with adequate forces and shall achieve full completion of the work by the Contract Time. If the City's Representative determines and notifies the Design-Build Entity that the Design-Build Entity's progress is such that the Design-Build Entity will not achieve full completion of the work by the Contract Time, the Design-Build Entity shall immediately and at no additional cost to the City, take all measures necessary, including working such overtime, additional shifts, Sundays, or holidays as may be required to ensure that the entire Project is completed within the Contract Time. Upon receipt of such notice from the City's representative, the Design-Build Entity shall immediately notify the City's Representative of all measures to be taken to ensure full completion of the work within the Contract Time. The Design-Build Entity shall reimburse the City for any extra costs or expenses (including the reasonable value of any services provided by the City's employees) incurred by the City as the result of such measures.

8.3 DELAY

8.3.1 There are only two kinds of delay, Excusable Delay and Unexcusable Delay. Only Excusable Delay, that meets the requirements specified herein may result in the adjustment of the Contract Time, and/or the Contract Price and may be compensated as Extra Work as described below. All other delay(s) are Unexcusable, and except and only to the extent provided otherwise in Articles 7 and 8, by signing the Contract, the Design-Build Entity agrees:

(a) to bear the risk of Unexcusable Delays to completion of the work on the Project; and

(b) that the Proposal was made with full knowledge of this risk.

8.3.2 In agreeing to bear the risk of Unexcusable Delays to completion of the work on the Project, the Design-Build Entity understands that, except and only to the extent provided otherwise in Articles 7 and 8, the occurrence of events that result in any delay in completion of the Project shall not excuse the Design-Build Entity from its obligation to achieve full completion of the Project within the Contract Time, and shall not entitle the Design-Build Entity to an adjustment of the Contract Price.

8.4 ADJUSTMENT OF THE CONTRACT TIME FOR EXCUSABLE DELAY

8.4.1 The Contract Time will be extended for an Excusable Delay, if and only if, the Design-Build Entity demonstrates that all of the following six conditions are met:

(a) Condition Number One: When the event causing the delay commences, the Design-Build Entity has complied with all Contract requirements for maintaining, submitting, and updating Contract Schedules.

(b) Condition Number Two: The delay is critical. A delay is critical if and only to the extent it delays a work activity that cannot be delayed without delaying completion of the entire Project beyond the contractually specified date for full completion of the work on the Project as stated in the Notice to Proceed, or as amended by Change Order. Under this Subparagraph:

(i) If the Contract Schedule shows completion of the entire Project before the contractually specified date for full completion of the Project, a delay is critical if and only to the extent the delay pushes completion of the entire project to a date that is beyond the contractually specified date for full completion of the Project.

(ii) When two or more delays occur concurrently, and each such concurrent delay by itself without consideration of the other delays would be critical, then all such concurrent delays shall be considered critical. For the purpose of determining whether and to what extent the Contract Time should be adjusted pursuant to Subparagraph 8.4.2, such concurrent critical delays shall be treated as a single delay which commences at the start of the delay that begins first and terminates at the cessation of the delay that ends last.

(c) Condition Number Three: The delay is supported by the Contract Schedule (or, if appropriate, the Preliminary Schedule), current at the commencement of the event giving rise to the delay. A delay is supported only to the extent the Contract Schedule (or, if appropriate, the Preliminary Schedule) corroborates that it causes a delay to completion of the entire Project beyond the contractually specified date for full completion because of its effect on the operation referred to in Subparagraph 8.4.1.(b). The requirement that a delay be supported will be excused if the event causing the delay commences before approval of the Contract Schedule, provided that the absence of an approved Contract Schedule is not due to the Design-Build Entity's failure to timely submit an acceptable Proposed Contract Schedule.

(d) Condition Number Four: Within three (3) days of the date the Design-Build Entity discovers or reasonably should discover an act, error, omission or unforeseen condition causing the delay, (even if the Design-Build Entity has not been delayed when the Design-Build Entity discovers or reasonably should discover the act, error, omission or unforeseen condition giving rise to the delay) the Design-Build Entity submits a timely Change Order Request that meets the requirements of Paragraph 4.2.

(e) Condition Number Five: The delay is not caused by:

(i) A naturally occurring unforeseen site condition not anticipated in the Contract Documents or other written information provided by Owner (e.g., unanticipated naturally occurring rock or sand); or

(ii) The financial inability, misconduct or default of the Design-Build Entity, a Subcontractor or supplier; or

(iii) The unavailability of materials or parts, as long as such materials or parts were timely ordered by Design-Build Entity; or

(iv) An error or omission in the Contract Documents caused by the Design-Build Entity or the Design-Build Entity's Design Consultants.

(f) Condition Number Six: The delay is caused by:

(i) Fire; or

(ii) Strikes, boycotts, or like obstructive actions by employees or labor organizations; or

(iii) Acts of God, including earthquakes in excess of a magnitude of 3.5 on the Richter Scale, tidal waves, floods, unusually severe weather, epidemic, or other severe natural disaster; or

(iv) A man made (not naturally occurring) unforeseen site condition such as buried utility lines, pipes, and the like; or

(v) An error or omission in the Contract Documents caused by the City; or

(vi) The City's decision to change the Scope of Work, where such decision is not the result of any default or misconduct of the Design-Build Entity; or

(vii) The City's decision to suspend the work on the Project, where such decision is not the result of any default or misconduct of the Design-Build Entity; or

(viii) The failure of the City or the City's representative to timely perform any Contract obligation unless such failure is due to the Design-Build Entity's default or misconduct.

8.4.2 If and only if a delay meets all six conditions prescribed in Subparagraph 8.4.1, then the Contract Time will be extended by the number of days completion of the entire Project is delayed beyond the Contract Time for completion of the Project.

8.4.3 If for any reason one or more of the six conditions prescribed in Subparagraph 8.4.1 is held legally unenforceable, then all remaining conditions must be met as a condition to obtaining an extension of the Contract Time under Subparagraph 8.4.2.

8.5 COMPENSATION FOR EXTRA WORK DUE TO EXCUSABLE DELAY

8.5.1 To the maximum extent allowed by law, any adjustment of the Contract Price as the result of Excusable Delays shall be limited to the amounts specified in Article 7.

8.5.2 By signing the Contract, the parties agree that the City has the right to do any or all of the following, which are reasonable and within the contemplation of the parties:

(a) To order changes in the Scope of Work, regardless of the extent and number of changes, including without limitation:

(i) Changes to correct errors or omissions caused by the City, if any, in the Contract Documents.

(ii) Changes resulting from the City's decision to change the Scope of the Work subsequent to execution of the Contract.

(iii) Changes due to unforeseen conditions.

(b) To suspend work on the Project or any part thereof.

(c) To delay work on the Project, including without limitation, delays resulting from the failure of the City or the City's Representative to timely perform any Contract obligation and delays for The City's convenience.

8.6 NO WAIVER

A waiver of, or failure by, the City or the City's Representative to enforce any requirement in this Article 8, including without limitation the requirements in Paragraph 8.4, in connection with any or all past delays shall not constitute a waiver of, and shall not preclude the City or the City's Representative from enforcing, such requirements in connection with any present or future delays.

The Design-Build Entity agrees and understands that no oral approval, either express or implied, of any time extension by the City or its agents shall be binding upon the City unless and until such approval is ratified by execution of a written Change Order.

ARTICLE 9: PAYMENTS AND COMPLETION

9.1 COST BREAKDOWN/SCHEDULE OF VALUES

Within ten (10) days after commencement of each phase of the Scope of Work, the Design-Build Entity shall submit to the City's Representative a detailed Cost Breakdown/Schedule of Values ("Cost Breakdown") of the portion of the Contract Price applicable to that phase of the work in a form reasonably approvable to the City. Each such Cost Breakdown shall itemize as separate line items the cost of each work activity for the applicable phase and all associated costs, including but not limited to warranties, as built documents, overhead expenses, and the total allowance for profit. Insurance and bonds shall each be listed as separate line items. The total of all line items shall at all times be consistent with the Contract Price. The Cost Breakdown, when approved by the City's Representative, shall become part of the Contract Documents and shall be the basis for determining the cost of the work performed for the Design-Build Entity's Applications for Payment.

9.2 PROGRESS PAYMENT

9.2.1 The City agrees to pay monthly to the Design-Build Entity, subject to Subparagraph 9.4.2, an amount equal to 95% of the sum of the following:

(a) Cost of the Construction Work in permanent place as of the end of the preceding month.

(b) Cost of materials not yet incorporated in the Construction Work, subject to Subparagraph 9.3.5.

(c) Less amounts previously paid.

(d) During the Design Work, the City shall pay the Design-Build Entity monthly a uniform amount prorated, based on the Contract Time and Contract Price associated with either Schematic Design or Construction Documents Phase.

9.2.2 At any time after 50% of the work on the Project has been completed, if the City finds that satisfactory progress of the work on the Project is being made, the City may, at its sole discretion, make any of the remaining progress payments in full.

9.3 APPLICATION FOR PAYMENT

9.3.1 On or before the 10th day of the month or such other date as is established by the Contract Documents, the Design-Build Entity shall submit to the

City's Representative an itemized Application For Payment, for the cost of the work in permanent place, as approved by the City's Representative, which has been completed in accordance with the Contract Documents as of the last day of the preceding month, less amounts previously paid. The Application For Payment shall be prepared as follows:

- (a) In a form approved by the City.
- (b) Itemized in accordance with the Cost Breakdown as applicable.
- (c) Include such data substantiating the Design-Build Entity's right to payment as the City's Representative may reasonably require, such as invoices, certified payrolls, daily time and material records, and, if securities are deposited in lieu of retention pursuant to Paragraph 9.5, a certification of the market value of all such securities as of a date not earlier than 5 days prior to the date of the Application For Payment as applicable.
- (d) Itemized retention.

9.3.2 Applications For Payment shall not include requests for payment on account of (1) changes which have not been authorized by Change Orders or (2) amounts the Design-Build Entity does not intend to pay a Subcontractor because of a dispute or other reason.

9.3.3 If required by the City, an Application For Payment shall be accompanied by (1) a summary showing payments that will be made to Subcontractors covered by such application and (2) unconditional waivers and releases of claims and stop notices, in the form contained in the Exhibits, from each Subcontractor listed in the preceding Application For Payment covering sums disbursed pursuant to that preceding Application For Payment.

9.3.4 The Design-Build Entity warrants that, upon submittal of an Application For Payment, all work on the Project, for which Certificates For Payment have been previously issued and payment has been received from the City, shall be free and clear of all claims, stop notices, security interests, and encumbrances in favor of the Design-Build Entity, Subcontractors, or other persons or firms entitled to make claims by reason of having provided labor, materials, or equipment relating to work on the Project.

9.3.5 At the sole discretion of the City, the City's Representative may approve for inclusion in the Application For Payment the cost of materials not yet incorporated in the Construction Work but already delivered and suitably stored either at the Project site or at some other appropriate location acceptable to the City's Representative. In such case, the Design-Build Entity shall furnish evidence satisfactory to the City's Representative (1) of the cost of such materials and (2) that such materials are under the exclusive control of the Design-Build Entity. Only materials to be incorporated in the work on the Project will be considered for payment. The City may

require as a condition of payment for any stored materials that the Design-Build Entity execute a Security Agreement and UCC-1. Any payment shall not be construed as acceptance of such materials nor relieve the Design-Build Entity from sole responsibility for the care and protection of such materials; nor relieve the Design-Build Entity from risk of loss to such materials from any cause whatsoever; nor relieve the Design-Build Entity from its obligation to complete the work on the Project in accordance with the Contract; nor act as a waiver of the right of the City to require fulfillment of all terms of the Contract.

9.4 APPROVAL OF CERTIFICATE FOR PAYMENT BY CITY

9.4.1 If the Design-Build Entity has made Application for Payment in accordance with Paragraph 9.3, the City's Representative shall, not later than 5 days after the Date of receipt of the Application For Payment, review and approve the Application For Payment for such amount as the City's Representative determines to be properly due.

9.4.2 The City may decide to withhold payment in whole, or in part, to the extent reasonably necessary to protect the City if, in the City's opinion, the representations to the City required of the Design-Build Entity pursuant to the Contract Documents cannot be made. Failure by the City to deduct any sums from a progress payment shall not constitute a waiver of the City's right to such sums. The City may keep any moneys which would otherwise be payable at any time hereunder and apply the same, or so much as may be necessary therefore, to the payment of any expenses, losses, or damages as determined by the City, incurred by the City for which the Design-Build Entity is liable under the contract. For instance, the City may withhold payment, in whole or in part, to such extent as may be necessary to protect the City from loss because of:

(a) Failure to provide requested supporting documents, including those noted in Section;

(b) Defective work not timely remedied;

(c) Stop Notices. If any Stop Notice or other lien is filed on the Project for labor, materials, supplies, equipment or any other thing of value claimed to have been furnished to or incorporated into the work on the Project, or for other alleged contribution thereto, the City shall retain from payments otherwise due the Design-Build Entity, in addition to other amounts properly withheld under this Section or under other provisions of the Contract, an amount equal to 125 percent (125%) of the amount claimed under such Stop Notice; provided, however, that the City may release such funds upon receipt of evidence satisfactory to the City to the effect that the Design-Build Entity has resolved such claim, by settlement, Stop Notice Bond or otherwise. All other provisions of state law with respect to stop notices shall also apply;

(d) Liquidated damages assessed against the Design-Build Entity;

(e) Reasonable doubt that the work on the Project can be completed for the unpaid balance of any Contract Price or within the Contract Time;

(f) Damage to the City, another the Design-Build Entity, or subcontractor, including any sums expended by or on behalf of the City in performing any of the Design-Build Entity's obligations under the Contract which the Design-Build Entity has failed to perform or has performed inadequately;

(g) Unsatisfactory prosecution of the work by the Design-Build Entity;

(h) Failure to store and properly secure materials;

(i) Failure of the Design-Build Entity to submit on a timely basis, proper and sufficient documentation required by the Contract, including, without limitation, monthly progress schedules, shop drawings, submittal schedules, schedule of values, product data and samples, proposed product lists, executed change orders, and verified reports;

(j) Failure of the Design-Build Entity to maintain record drawings;

(k) Erroneous estimates by the Design-Build Entity of the value of the work on the Project performed, or other false statements in an Application for Payment;

(l) Unauthorized deviations from the Contract Documents;

(m) Failure of the Design-Build Entity to prosecute the work on the Project in a timely manner in compliance with established progress schedules and completion dates; or

(n) Forfeiture of funds pursuant to California Labor Code Section 1727. The City shall retain and transfer those funds pursuant to California Labor Code Section 1730.

9.4.3 Subject to the withholding provisions of Subparagraph 9.4.2, the City will pay the Design-Build Entity the amount set forth in the Application For Payment no later than 15 days after the approval of the Application For Payment by the City's Representative as described in section 9.4.1 above.

9.4.4 Neither the City nor the City's Representative will have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

9.4.5 Neither an approved Application For Payment nor a progress payment made by the City will constitute acceptance of Defective Work.

9.5 DEPOSIT OF SECURITIES IN LIEU OF RETENTION AND DEPOSIT OF RETENTION INTO ESCROW

9.5.1 At the request and expense of the Design-Build Entity, a substitution of securities may be made for any monies retained by the City under Paragraph 9.2 to ensure performance under the Contract Documents. Securities equivalent in value to the retention amount required by the Contract Documents for each Certificate For Payment shall be deposited by the Design-Build Entity with a state or federally chartered bank in the State of California ("Escrow Agent"), which shall hold such securities pursuant to the escrow Contract referred to in Subparagraph 9.5.3 until final payment is due in accordance with Paragraph 9.8. Securities shall be valued as often as conditions of the securities market warrant, but in no case less than once per month. The Design-Build Entity shall deposit additional securities so that the current market value of the total of all deposited securities shall be at least equal to the total required amount of retention.

9.5.2 Alternatively to Subparagraph 9.5.1, and at the request and expense of the Design-Build Entity, the City will deposit retention directly with Escrow Agent. The Design-Build Entity may direct the investment of such deposited retention into interest bearing accounts or securities, and such deposits or securities shall be held by Escrow Agent upon the same terms provided for securities deposited by the Design-Build Entity.

9.5.3 A prerequisite to the substitution of securities in lieu of retention or the Deposit of retention into escrow shall be the execution by the Design-Build Entity, the City, and Escrow Agent of an Escrow Contract for Deposit of Securities in Lieu of Retention and Deposit of Retention in the form contained in the Exhibits. The terms of such escrow Contract are incorporated into the requirements of this Paragraph 9.5.

9.6 [RESERVED.]

9.7 [RESERVED.]

9.8 FINAL COMPLETION AND FINAL PAYMENT

9.8.1 Upon receipt of notice from the Design-Build Entity that the work on the Project is ready for final inspection, the City's Representative will make such inspection. Final Completion shall be when the City's Representative determines that the work on the Project is fully completed and in accordance with the Contract Documents. The City intends to file a Notice of Completion within 10 days after Final Completion. After receipt of the final Application For Payment, if the City's Representative determines that Final Completion has occurred, the City's Representative will issue the final Certificate For Payment.

9.8.2 Neither final payment nor any retention shall become due until the Design-Build Entity submits the following items to the City's Representative:

(a) The final Application For Payment and all submittals required in accordance with Paragraph 9.3.

(b) All guarantees and warranties procured by the Design-Build Entity from Subcontractors, all operating manuals for equipment installed in the Project, As built documents, and all other submittals required by the Contract Documents.

(c) The final payment shall be made, subject to the satisfaction of all other legal conditions to final payment, no later than sixty (60) days after the filing of the Notice of Completion.

9.8.3 Acceptance of final payment by the Design-Build Entity shall constitute a waiver of all claims, except those previously made in writing and identified by the Design-Build Entity as unsettled at the time of the final Application For Payment, and Design-Build Entity shall submit a waiver of all such claims, in a form reasonably acceptable to the City, at the time of final payment.

ARTICLE 10: PROTECTION OF PERSONS AND PROPERTY

10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Design-Build Entity shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

10.2 SAFETY OF PERSONS AND PROPERTY

10.2.1 The Design-Build Entity shall take adequate precautions for safety of and shall provide adequate protection to prevent damage, injury, or loss to the following:

(a) Employees involved in the Construction Work and other persons who may be affected thereby.

(b) The Construction Work in place and materials and equipment to be incorporated therein, whether in storage on or off the Project site, under care, custody, or control of the Design-Build Entity or Subcontractors.

(c) Other property at the Project site and adjoining property.

10.2.2 The Design-Build Entity shall erect and maintain, as required by existing conditions and performance of the work on the Project, adequate safeguards for safety and protection, including providing adequate lighting and ventilation, posting danger signs and other warnings against hazards, promulgating safety regulations, and notifying City and users of adjacent sites and utilities.

10.2.3 When use or storage of explosives, other hazardous materials, equipment, or unusual methods are necessary for execution of the Construction Work,

the Design-Build Entity shall exercise the utmost care and carry on such activities only under the supervision of properly qualified personnel.

10.2.4 The Design-Build Entity shall designate a responsible member of the Design-Build Entity's organization at the Project site whose duty shall be the prevention of accidents. That person shall be the Superintendent, unless otherwise designated by the Design-Build Entity in writing to the City and the City's Representative.

10.2.5 The Design-Build Entity shall not load or permit any part of the Construction Work or the Project site to be loaded so as to endanger the safety of persons or property.

10.3 EMERGENCIES

In an emergency affecting the safety of persons or property, the Design-Build Entity shall act to prevent or minimize damage, injury, or loss. The Design-Build Entity shall promptly notify the City's Representative, which notice may be oral followed by written confirmation, of the occurrence of such an emergency and the Design-Build Entity's action.

ARTICLE 11: INSURANCE

11.1 THE DESIGN BUILD ENTITY'S INSURANCE

11.1.1 A letter from an insurance company indicating ability to provide insurance for the services described in the RFP shall be submitted to the City's Representative with submission of the Design-Build Entity's response to the RFP. Insurance requirements are as follows:

(a) Minimum Scope of Insurance.

(i) General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

(ii) Automobile Liability: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto).

(iii) Workers' Compensation and Employers' Liability: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(iv) Professional Liability: Professional Liability Insurance insuring the that Design-Build Entity and all other persons for whose acts the Design-Build Entity may be liable, against any and all liabilities arising out of or in connection with the negligent acts, errors or omissions of any of the foregoing in connection with the carrying out of their professional architectural or engineering responsibilities described in this Contract. Professional Liability Insurance shall remain in full force and

effect, and shall be so certified to the City by the insurer, for a period of three (3) years after the termination of this Contract and the completion of all of the Design-Build Entity's services hereunder.

(b) Minimum Limits of Insurance.

(i) General Liability: General Liability will be provided in the following \$4,000,000 per occurrence for bodily injury, personal injury and property damage, as well as an excess Umbrella Liability policy in the amount of \$4,000,000 covering the above named perils. In either case, if Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Project or the general aggregate limit shall be twice the required occurrence limit.

(ii) Automobile Liability: \$2,000,000 per accident for bodily injury and property damage.

(iii) Workers' Compensation and Employers' Liability: Workers' compensation limits as required by the Labor Code of the State of California. Employers Liability limits of \$1,000,000 per accident for bodily injury or disease.

(iv) Professional Liability Insurance: \$2,000,000 per claim and in the aggregate.

(v) All Coverages: Each insurance policy required by this RFP shall be endorsed to state that coverage shall not be canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

(c) Verification of Coverage. The Design-Build Entity shall provide to City certificates of insurance and endorsements effecting coverage required by this Contract. All insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to the City. All insurance required by this Section shall also contain standard separation of insureds provisions and shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, officers, employees, agents and volunteers. All policies shall contain a provision stating that such policies are primary insurance and that the insurance of City or any named insured shall not be called upon to contribute to any loss. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on industry standard forms (such as an ISO CG 2010 (or insurer's equivalent) signed by the insurer's representative, and a certificate of insurance (Acord form 25-S or equivalent) with additional insured endorsements attached, naming the City, its elected officials, officers, employees, and agents as additional insureds, and in a form acceptable to the City. All certificates and endorsements must be received and approved by the City within five (5) calendar days of the date of the Letter of Award. The

City reserves the right to require complete, certified copies of all required insurance policies, at any time.

(d) Subcontractor Insurance Requirements. The Design-Build Entity shall require each all Subcontractors and Subconsultant to meet the requirements of this insurance section before commencing work except that the Design-Build Entity shall determine the appropriate dollar amount of coverage required based on the scope of the work to be performed by the Subcontractor. In addition, the Design-Build Entity shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

(e) Builder's Risk "All-Risk" Insurance. The Design-Build Entity, during the progress of the Project and until Final Acceptance of the Project by the City upon completion of the Project, shall maintain Builder's Risk "All-Risk" Completed Value Insurance Coverage on all insurable work included under the Contract Documents which coverage is to provide extended coverage and insurance against vandalism and malicious mischief, perils of fire, sprinkler leakage, civil authority, sonic boom, collapse and flood upon the Project, and including work completed and work in progress to the full insurable value thereof. The Design-Build Entity's Builders Risk "All-Risk" Insurance shall include coverage and insurance against the perils of earthquakes. Such insurance shall include the City as an additional named insured, and any other person with an insurable interest designated by the City as an additional named insured. The risk of damage to the Project due to the perils covered by the Builder's Risk "All Risk" Insurance, as well as any other hazard which might result in damage to the Project, is that of the Design-Build Entity and the surety, and no claims for such loss or damage shall be recognized by the City, nor will such loss or damage excuse the complete and satisfactory performance of the Project by the Design-Build Entity.

(f) Other Insurance. The Design-Build Entity shall provide all other insurance required to be maintained under applicable laws, ordinances, rules, and regulations.

ARTICLE 12: UNCOVERING AND CORRECTION OF CONSTRUCTION WORK

12.1 UNCOVERING OF WORK ON THE PROJECT

12.1.1 If a portion of the Construction Work is covered contrary to the City's Representative's request or direction, or contrary to the requirements of the Contract Documents, it must, if required in writing by the City's Representative, be uncovered for the City's Representative's observation and be replaced at the Design-Build Entity's expense without adjustment of the Contract Time or the Contract Price.

12.1.2 If a portion of the Construction Work has been covered, which is not required by the Contract Documents to be observed or inspected prior to its being covered and which the City's Representative has not specifically requested to observe prior to its being covered, the City's Representative may request to see such

Construction Work and it shall be uncovered and replaced by the Design-Build Entity. If such Construction Work is in accordance with the Contract Documents, the costs of uncovering and replacing the Construction Work shall be added to the Contract Price by Change Order; and if the uncovering and replacing of the Construction Work extends the Contract Time, an appropriate adjustment of the Contract Time shall be made by Change Order. If such Construction Work is not in accordance with the Contract Documents, the Design-Build Entity shall pay such costs and shall not be entitled to an adjustment of the Contract Time or the Contract Price.

12.2 CORRECTION OF DEFECTIVE WORK AND GUARANTEE TO REPAIR PERIOD

The term "Guarantee To Repair Period" means a period of one (1) year as described in Article 3.18 above, unless a longer period of time is specified elsewhere in the Contract Documents, commencing as follows:

1. For any Construction Work not described as incomplete in the Certificate of Substantial Completion, on the Date of Substantial Completion.
2. For space beneficially occupied or for separate systems fully utilized prior to Substantial Completion pursuant to Paragraph 9.6, from the first date of such Beneficial Occupancy or actual use, as established in a Certificate of Beneficial Occupancy.
3. For all Construction Work other than (1) or (2) above, from the Date of Final Completion.

Nothing contained in this Article 12 shall be construed to establish a period of limitation with respect to other obligations of the Design-Build Entity under the Contract Documents. Establishment of the Guarantee To Repair Period relates only to the specific obligation of the Design-Build Entity to correct the work on the Project and in no way limits either the Design-Build Entity's liability for Defective Work or the time within which proceedings may be commenced to enforce the Design-Build Entity's obligations under the Contract Documents.

ARTICLE 13: TERMINATION OR SUSPENSION OF THE CONTRACT

13.1 TERMINATION BY THE CITY FOR CAUSE

13.1.1 The City will have the right to terminate the Contract for cause at any time after the occurrence of any of the following events:

- (a) The Design-Build Entity becomes insolvent or files for relief under the bankruptcy laws of the United States.
- (b) The Design-Build Entity makes a general assignment for the benefit of its creditors or fails to pay its debts as the same become due.

(c) A receiver is appointed to take charge of the Design-Build Entity's property.

(d) The commencement or completion of any work activity is 14 days or more behind the Date set forth in the Contract Schedule for such work activity, and which results in an Unexcusable Delay.

(e) The Design-Build Entity abandons work on the Project.

13.1.2 Upon the occurrence of any of the following events, the City will have the right to terminate the Contract for cause if the Design-Build Entity fails to promptly commence to cure such default and diligently prosecute such cure within five (5) days after notice from the City, or within such longer period of time as is reasonably necessary to complete such cure:

(a) The Design-Build Entity persistently or repeatedly refuses or fails to supply skilled supervisory personnel, an adequate number of properly skilled workers, proper materials, or necessary equipment to prosecute the work on the Project in accordance with the Contract Documents.

(b) The Design-Build Entity fails to make prompt payment of amounts properly due Subcontractors after receiving payment from the City.

(c) The Design-Build Entity disregards Applicable Code Requirements.

(d) The Design-Build Entity persistently or materially fails to execute the work on the Project in accordance with the Contract Documents.

(e) The Design-Build Entity is in default of any other material obligation under the Contract Documents.

(f) The Design-Build Entity persistently or materially fails to comply with applicable safety requirements.

13.1.3 Upon any of the occurrences referred to in Subparagraphs 13.1.1 and 13.1.2, the City may, at its election and by notice to the Design-Build Entity, terminate the Contract and/or the Design-Build Entity's right to perform work on the Project, and take possession of the Project site and all materials, supplies, equipment, tools, and construction equipment and machinery thereon owned by the Design-Build Entity; accept the assignment of any or all of the subcontracts; and then complete the Project by any method the City may deem expedient. If requested by the City, the Design-Build Entity shall remove any part or all of the Design-Build Entity's materials, supplies, equipment, tools, and construction equipment and machinery from the Project site within seven (7) days of such request; and if the Design-Build Entity fails to do so, the City may remove or store, and after ninety (90) days sell, any of the same at the Design-Build Entity's expense.

13.1.4 If the Contract is terminated by the City as provided in this Paragraph 13.1, the Design-Build Entity shall not be entitled to receive any further payment until the expiration of thirty-five (35) days after Final Completion and acceptance of all work on the Project by the City.

13.1.5 If the unpaid balance of the Contract Price exceeds the cost of completing the Project, including all additional costs and expenses made necessary thereby, including costs for the City staff time, plus all Losses sustained, including any liquidated damages provided under the Contract Documents, such excess shall be paid to the Design-Build Entity. If such costs, expenses, Losses, and liquidated damages exceed the unpaid balance of the Contract Price, the Design-Build Entity shall pay such excess to the City.

13.1.6 No termination or action taken by the City after termination shall prejudice any other rights or remedies of the City provided by law or by the Contract Documents upon such termination; and the City may proceed against the Design-Build Entity to recover all Losses suffered by the City.

13.2 SUSPENSION BY THE CITY FOR CONVENIENCE

13.2.1 The City may, at any time and from time to time, without cause, order the Design-Build Entity, in writing, to suspend, delay, or interrupt the work on the Project in whole or in part for such period of time, up to ninety (90) days, as the City may determine, with such period of suspension to be computed from the Date of delivery of the written order. Such order shall be specifically identified as a "Suspension Order" under this Paragraph 13.2. The work on the Project may be stopped for such further period as the parties may agree. Upon receipt of a Suspension Order, the Design-Build Entity shall, at the City's expense, comply with its terms and take all reasonable steps to minimize costs allocable to the work covered by the Suspension Order during the period of work stoppage. Within ninety (90) days after the issuance of the Suspension Order, or such extension to that period as is agreed upon by the Design-Build Entity and the City, the City shall either cancel the Suspension Order or delete the work covered by such Suspension Order by issuing a Change Order.

13.2.2 If a Suspension Order is canceled or expires, the Design-Build Entity shall continue with the work on the Project. A Change Order will be issued to cover any adjustments of the Contract Price or the Contract Time necessarily caused by such suspension. Any Claim by the Design-Build Entity for an adjustment of the Contract Price or the Contract Time shall be made within twenty-one (21) days after the end of the work suspension. The Design-Build Entity agrees that submission of its claim within said twenty-one (21) days is an express condition precedent to its right to Arbitrate or Litigate such a claim.

13.2.3 The provisions of this Paragraph 13.2 shall not apply if a Suspension Order is not issued by the City. A Suspension Order shall not be required to stop the work on the Project as permitted or required under any other provision of the Contract Documents.

13.3 TERMINATION BY THE CITY FOR CONVENIENCE

13.3.1 The City may, at its option, terminate this Contract, in whole or from time to time in part, at any time by giving notice to the Design-Build Entity. Upon such termination, the Design-Build Entity agrees to waive any claims for damages, including loss of anticipated profits, on account thereof; and, as the sole right and remedy of the Design-Build Entity, the City shall pay the Design-Build Entity in accordance with Subparagraph 13.3.4.

13.3.2 Upon receipt of notice of termination under this Paragraph 13.3, the Design-Build Entity shall, unless the notice directs otherwise, do the following:

(a) Immediately discontinue the work on the Project to the extent specified in the notice.

(b) Place no further orders or subcontracts for materials, equipment, services, or facilities, except as may be necessary for completion of such portion of the work on the Project as is not discontinued.

(c) Promptly cancel, on the most favorable terms reasonably possible, all subcontracts to the extent they relate to the performance of the Discontinued portion of the work on the Project.

(d) Thereafter do only such work as may be necessary to preserve and protect work on the Project already in progress and to protect materials, plants, and equipment on the Project site or in transit thereto.

13.3.3 Upon such termination, the obligations of the Contract shall continue as to portions of the work on the Project already performed and, subject to the Design-Build Entity's obligations under Subparagraph 13.3.2, as to bona fide obligations assumed by the Design-Build Entity prior to the Date of termination.

13.3.4 Upon such termination, the City shall pay to the Design-Build Entity the sum of the following:

(a) The amount of the Contract Price allocable to the portion of the work on the Project properly performed by the Design-Build Entity as of the Date of termination, less sums previously paid to the Design-Build Entity.

(b) Plus previously unpaid costs of any items delivered to the Project site which were fabricated for subsequent incorporation in the work on the Project.

(c) Plus any proven Losses with respect to materials and equipment directly resulting from such termination.

(d) Plus reasonable demobilization costs.

(e) Plus reasonable costs of preparing a statement of the aforesaid costs, expenses, and Losses in connection with such termination.

13.3.5 The above payment shall be the sole and exclusive remedy to which the Design-Build Entity is entitled in the event of termination of the Contract by the City pursuant to Paragraph 13.3; and the Design-Build Entity will be entitled to no other compensation or damages and expressly waives same.

13.3.6 The Design-Build Entity shall provide the City a written payment application for the termination costs within sixty (60) days of the effective date of termination. The application shall itemize the costs as set forth, in Section 13.3.4 above, and shall be supported by such documentation as the City may reasonably request.

ARTICLE 14: STATUTORY REQUIREMENTS

14.1 NONDISCRIMINATION/EQUAL OPPORTUNITY EMPLOYMENT

Design-Build Entity represents that it is an equal opportunity employer and the Design-Build Entity and its Subcontractors shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, or any other classification protected by federal or state law. Such nondiscrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, or termination. Design-Build Entity and its Subcontractors shall also comply with all relevant provisions of the City's minority business enterprise program, affirmative action program, or other related programs or guidelines currently in effect or hereinafter enacted.

14.2 HOURS OF WORK

14.2.1 The Design-Build Entity and Subcontractors shall furnish sufficient forces to ensure the prosecution of the work on the Project in accordance with the Construction Schedule and in such a manner to allow for the full and adequate completion of the Project within the Contract Time.

14.2.2 work on the Project shall be performed during regular working hours, except that in the event of an emergency or when required to complete the work on the Project in accordance with job progress, work may be performed outside of regular working hours with advance written notice to the City. Regular working hours shall be 7:00 a.m. to 3:30 p.m. and shall not be changed except with consent of the City.

14.2.3 As provided in Article 3 (commencing at § 1810), Chapter 1, Part 7, Division 2 of the Labor Code, eight (8) hours of labor shall constitute a legal day's work. The time of service of any worker employed at any time by the Design-Build Entity or by any Subcontractor on any subcontract under this Contract, upon the work or upon any part of the work contemplated by this Contract, is limited and restricted to eight (8) hours during any one calendar day and forty (40) hours during any one calendar week, except as hereinafter provided. Notwithstanding the provision hereinabove set forth,

work performed by employees of Design-Build Entity in excess of eight (8) hours per day and forty (40) hours during any one week shall be permitted upon this public work compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1-1/2) times the basic rate of pay.

(a) The Design-Build Entity shall pay to the City the maximum statutory penalty for each worker employed in the execution of this Contract by the Design-Build Entity, or by any Subcontractor, for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any calendar day and forty (40) hours in any one (1) calendar week, in violation of the provisions of Article 3 (commencing at § 1810), Chapter 1, Part 7, Division 2 of the Labor Code, unless compensation for the workers so employed by Design-Build Entity is not less than one and one-half (1-1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours per day. Design-Build Entity shall forfeit a penalty of \$25.00 per worker for each day that each worker is permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, except when payment for overtime is made at not less than one and one-half (1-1/2) times the basic rate for that worker.

(b) If the work done after hours is required by the Contract to be done outside the Design-Build Entity's or the Inspector's regular working hours, the costs of any inspections, if required to be done outside normal working hours, shall be borne by the City.

(c) If the City allows the Design-Build Entity to do work outside regular working hours for the Design-Build Entity's own convenience, the costs of any inspections required outside regular working hours shall be invoiced to the Design-Build Entity by the City and deducted from the next Progress Payment.

(d) If the Design-Build Entity elects to perform work outside the Inspector's regular working hours, costs of any inspections required outside regular working hours shall be invoiced to the Design-Build Entity by the City and deducted from the next Progress Payment.

(e) No work on the Project or other activities by or on behalf of the Design-Build Entity which presents a hazard or unreasonable disruption to the public safety or health shall be allowed. The determination as to whether work on the Project or some other activity presents a hazard or constitutes such a danger to public health or safety shall be made by and pursuant to the sole discretion of the City. All work on the Project or other activities which could present such a hazard shall be performed at a time when the hazard can be avoided as designated by the City. Neither the Design-Build Entity nor its subcontractors or anyone working on behalf of the Design-Build Entity or subcontractors shall be entitled to additional compensation or Contract Time for having to arrange their work schedule so as not to violate the provisions of this Section. The Design-Build Entity, subcontractors and persons working on behalf of the Design-Build Entity and subcontractors shall be expected to arrange

such work and other activities in advance so as to avoid creating monetary or time impacts.

14.3 PAYROLL RECORDS; WAGE RATES, CONTRACTOR REGISTRATION; LABOR COMPLIANCE AND STOP ORDERS

14.3.1 Design-Build Entity and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of Design-Build Entity in the manner provided in Labor Code section 1776. In the event of noncompliance with the requirements of this section, Design-Build Entity shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects such Design-Build Entity must comply with this section. Should noncompliance still be evident after such 10-day period, Design-Build Entity shall, as a penalty to City, forfeit not more than \$100.00 for each calendar day or portion thereof, for each worker, until strict compliance is effectuated. The amount of the forfeiture is to be determined by the Labor Commissioner. A contractor who is found to have violated the provisions of law regarding wages on Public Works with the intent to defraud shall be ineligible to bid on Public Works contracts for a period of one to three years as determined by the Labor Commissioner. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this section is on Design-Build Entity. The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

14.3.2 Design-Build Entity is aware of the requirements of California Labor Code Section 1720 et seq., and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000 et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Since the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Design-Build Entity agrees to fully comply with such Prevailing Wage Laws. City shall provide Design-Build Entity with a copy of the prevailing rates of per diem wages in effect at the commencement of this Contract upon request. Design-Build Entity shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at Design-Build Entity's principal place of business and at the project site. Design-Build Entity shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. Design-Build Entity and any

subcontractor shall forfeit a penalty of up to \$200 per calendar day or portion thereof for each worker paid less than the prevailing wage rates.

14.3.3 Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

14.3.4 This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be the Design-Build Entity's sole responsibility to evaluate and pay the cost of complying with all labor compliance requirements under this Contract and applicable law. Any stop orders issued by the Department of Industrial Relations against Design-Build Entity or any subcontractor that affect Design-Build Entity's performance of Work, including any delay, shall be Design-Build Entity's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Design-Build Entity caused delay subject to any applicable liquidated damages and shall not be compensable by the City. Design-Build Entity shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Design-Build Entity or any subcontractor.

14.3.5 The Design-Build Entity shall include provisions in this Article in all Subcontracts and require Subcontractors to comply with these provisions at no additional cost to the City.

14.3.6 The Design-Build Entity, or any subcontractor working under the Design-Build Entity may not perform work on a public works project with a subcontractor who is ineligible to perform work on a public project pursuant to Section 1777.1 or Section 1777.7 of the California Labor Code. Any contract on a public works project entered into between the Design-Build Entity and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract. Any public money that is paid, or may have been paid to a debarred subcontractor by the Design-Build Entity on the project shall be returned to the City. The Design-Build Entity shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the project.

14.4 APPRENTICES

The Design-Build Entity's attention is directed to the provisions of Sections 1777.5, 1777.6, and 1777.7 of the Labor Code concerning employment of apprentices by the Design-Build Entity or any subcontractor. The Design-Build Entity shall obtain a

certificate of apprenticeship before employing any apprentice pursuant to Section 1777.5, 1777.6, and 1777.7 of the Labor Code. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, the Administrator of Apprenticeships, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.

14.5 THIRD-PARTY CLAIMS (PUB. CONTRACT CODE § 9201.)

The City will provide the Design-Build Entity with timely notice of any third party claim relating to the Contract for the Project. The City also retain full authority to compromise or otherwise settle any claim related to the Contract for the Project.

14.6 ANTI-TRUST CLAIM ASSIGNMENT (PUB. CONTRACT CODE §7103.5.)

The City must provide the Design-Build Entity with timely notification of the receipt of any third-party claim, relating to the Contract and the City is entitled to recover its reasonable costs incurred in providing such notification.

At final payment, contractor or subcontractor must agree to assign awarding party all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract.

14.7 STORMWATER POLLUTION PREVENTION PLAN

14.7.1 The Design-Build Entity shall be required to comply with all aspects of the State Water Resources Control Board (State Board) Water Quality Order No. 2009-0009-DWQ, National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction Activity (Permit) for all projects that involve construction on or disturbance of one acre or more of land or which are part of a larger common area of development. The Design-Build Entity shall be responsible for filing the Notice of Intent and for obtaining the Permit. The Design-Build Entity shall be solely responsible for preparing and implementing a Storm Water Pollution Prevention Plan (“SWPPP”) prior to initiating work on the Project. In bidding on this Contract, it shall be the Design-Build Entity’s responsibility to evaluate the cost of procuring the Permit and preparing the SWPPP as well as complying with the SWPPP and any necessary revision to the SWPPP. The Design-Build Entity shall comply with all requirements of the State Water Resources Control Board. The Design-Build Entity shall include all costs of compliance with specified requirements in the Contract Price.

14.7.2 The Design-Build Entity shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, monitoring and reporting requirements as required by the Permit. The Design-Build Entity shall provide copies of all reports and monitoring information to the City’s Representative. Before any NOI, SWPPP, or other Permit

related document may be submitted to the State Board or implemented on the Project site, it must first be reviewed and approved by the City.

14.7.3 The City retains the right to procure and maintain coverage under the Permit for the Project site if the Design-Build Entity fails to draft a satisfactory NOI or SWPPP or proceed in a manner that is satisfactory to the City. Any costs incurred by the City in procuring and maintaining coverage under the Permit, or drafting an NOI or SWPPP in the event that Design-Build Entity is unwilling or unable to maintain compliance or draft a satisfactory permit related documents, shall be paid by the Design-Build Entity.

14.7.4 Design-Build Entity shall be responsible for maintaining compliance with all aspects of the Permit during the course of the Project. Design-Build Entity shall provide copies of all reports and monitoring information to the City Representative. If the Design-Build Entity has failed or is unable to maintain compliance with the Permit, the City reserves the right to implement its own SWPPP at the Project site, and hire additional contractors to maintain compliance. Whether Design-Build Entity has adequately maintained compliance with the Permit shall be the City's sole determination. In the event that Design-Build Entity has failed or is unable to maintain compliance with the Permit, any costs incurred by the City in drafting and implementing a SWPPP, or otherwise maintaining compliance with the Construction General Permit shall be paid by the Design-Build Entity.

14.7.5 In entering into this Contract, it shall be Design-Build Entity's responsibility to evaluate and include in the contract amount the cost of procuring coverage under the Permit, preparing a SWPPP that is acceptable to the City, and complying with the SWPPP and any revisions to the SWPPP that become necessary during the course of construction.

14.7.6 In addition to compliance with the Permit, Design-Build Entity shall comply with the lawful requirements of any applicable municipality, drainage district, and other local agencies regarding discharges of storm water to the storm drain system or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

14.7.7 Storm, surface, nuisance, or other waters may be encountered at various times during construction of the Work. The Design-Build Entity, by executing this Contract, hereby acknowledges that it has investigated the risk arising from such waters, and assumes any and all risks and liabilities arising therefrom.

14.7.8 Failure to comply with the Permit is in violation of federal and state law. The Design-Build Entity hereby agrees to indemnify and hold harmless the City, its officials, officers, agents, employees and authorized volunteers from and against any and all claims, demands, losses or liabilities of any kind or nature which City, its officials, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with the Permit arising out of or in connection with the Project, except for liability resulting from the sole negligence, willful misconduct or active negligence of

the City, its officials, officers, agents, employees or authorized volunteers. The City may seek damages from the Design-Build Entity for delay in completing the Contract in accordance with the Contract Documents, caused by the Design-Build Entity's failure to comply with Permit.

ARTICLE 15: MISCELLANEOUS PROVISIONS

15.1 IMMIGRATION REFORM AND CONTROL ACT

The Design-Build Entity acknowledges that the Design-Build Entity, and all subcontractors hired by Design-Build Entity to perform services under this agreement, are aware of and understand the Immigration Reform and Control Act ("IRCA"). Design-Build Entity is and shall remain in compliance with the IRCA and shall ensure that any subcontractors hired by Design-Build Entity to perform services under this agreement are in compliance with the IRCA. In addition, Design-Build Entity agrees to indemnify, defend and hold harmless the City, its agents, officers and employees, from any liability, damages or causes of action arising out of or relating to any claims that Design-Build Entity's employees, or the employees of any subcontractor hired by Design-Build Entity, are not authorized to work in the United States for Design-Build Entity or its subcontractor and/or any other claims based upon alleged IRCA violations committed by Design-Build Entity or Design-Build Entity's subcontractor(s).

15.2 GOVERNING LAW

This Contract shall be governed by the laws of the State of California.

15.3 SUCCESSORS AND ASSIGNS

The City and the Design-Build Entity respectively bind themselves and their successors, permitted assigns, and legal representatives to the other party and to the successors, permitted assigns, and legal representatives of such other party in respect to covenants, Contracts, and obligations contained in the Contract Documents. Neither party to the Contract shall assign the Contract, in whole or in part, without prior written consent of the other party. Notwithstanding any such assignment, each of the original contracting parties shall remain legally responsible for all of its obligations under the Contract.

15.4 RIGHTS AND REMEDIES

15.4.1 All the City's rights and remedies under the Contract Documents will be cumulative and in addition to, and not in limitation of, all other rights and remedies of the City under the Contract Documents or otherwise available at law or in equity.

15.4.2 No action or failure to act by the City or the City's Representative will constitute a waiver of a right afforded them under the Contract, nor will such action or failure to act constitute approval of or acquiescence in a condition or breach thereunder, except as may be specifically agreed in writing. No waiver by the City or the

City's Representative of any condition, breach or default will constitute a waiver of any other condition, breach or default; nor will any such waiver constitute a continuing waiver.

15.4.3 No provision contained in the Contract Documents shall create or give to third parties any claim or right of action against the City, the City's Representative, or the Design-Build Entity.

15.5 SURVIVAL

The provisions of the Contract which by their nature survive termination of the Contract or Final Completion, including all warranties, indemnities, payment obligations, and the City's right to audit the Design-Build Entity's books and records, shall remain in full force and effect after Final Completion or any termination of the Contract.

15.6 COMPLETE CONTRACT

The Contract Documents constitute the full and complete understanding of the parties and supersede any previous agreements or understandings, oral or written, with respect to the subject matter hereof. The Contract may be modified only by a written instrument signed by both parties or as provided herein.

15.7 SEVERABILITY OF PROVISIONS

If any one or more of the provisions contained in the Contract Documents should be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

15.8 THE CITY'S RIGHT TO AUDIT

The City and entities and agencies designated by the City will have access to and the right to audit and the right to copy at the City's cost all of the Design-Build Entity's books, records, contracts, correspondence, instructions, drawings, receipts, vouchers, purchase orders, and memoranda relating to the Design-Build Entity shall preserve all such records and other items for a period of at least three (3) years after Final Completion.

15.9 NOTICES

All notices shall be in writing and either served by personal delivery or mailed to the other party as designated in the Contract unless another address is designated in writing. Notice shall be effective upon receipt or three (3) Days after being sent by first class mail, whichever is earlier. Notice given by facsimile or electronic mail shall not be effective unless acknowledged in writing by the receiving party.

15.10 TIME OF THE ESSENCE

Time limits stated in the Contract Documents are of the essence of the Contract.

15.11 STATUTORY LIMITATION

Commencement of statutory limitation periods and statute of repose shall be as provided by California law.

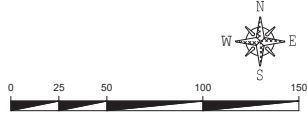
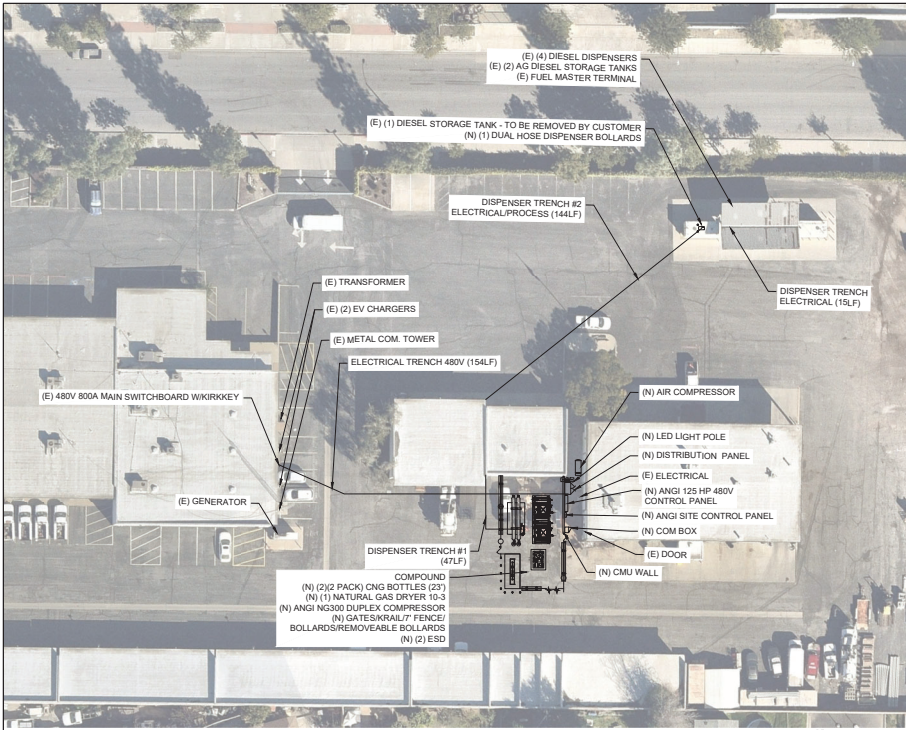
15.12 CORRECTION OF ERRORS AND OMISSIONS

The Design-Build Entity agrees to correct any error or omission in the Construction Documents at no additional cost to the City.

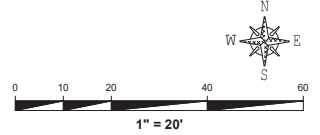
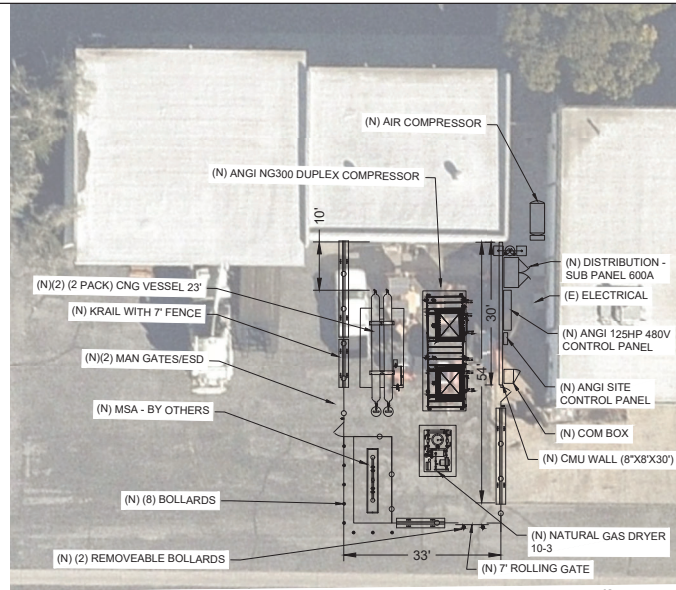
15.13 INTERPRETATION

This Contract shall not be construed in favor of or against any party, but shall be construed as if all parties prepared this Contract.

Attachment No. 2



CONCEPTUAL SITE PLAN



COMPRESSED NATURAL GAS FUELING FACILITY
 CONCEPTUAL LAYOUT FOR CITY OF ARCADIA

CNG FUELING - 11800 GOLDRING RD - ARCADIA CA - OPTION 1 - NO TIMEFILL

SCALE: 1" = 50' & 1" = 20'



4675 MACARTHUR COURT, SUITE 800 | NEWPORT BEACH, CA 92660
 TEL: 949.437.1000 | FAX: 949.724.1887 | www.cleaneenergy.com

CUSTOMER APPROVAL:
 BUSINESS DEVELOPMENT APPROVAL:
 DESIGNER: J.WHITE DATE: 7/14/23

CP-4.2

W:\Sales (S)\City of Arcadia - 11800 Goldring Road - Arcadia CA\CP\City of Arcadia - Arcadia Ca - 11800 Goldring Rd - CP-4.dwg

Attachment No. 3

Estimated Use of Section 5307 Funds	
Current Balance	\$3,730,529
CNG Project (Original Award + Additional Funding Requested in Grant Amendment)	\$2,504,000 (\$1,600,000 + \$904,000)
Balance After CNG Project	\$1,226,529
Projected Balance by Fiscal Year 25/26 (Includes 3 Annual Allocations)	\$2,363,529
Fiscal Year 25/26 Transit Vehicle Purchase for 10 Vehicles	\$1,500,000
Projected Balance after Fiscal Year 25/26 Vehicle Purchase Plus Fiscal Year 26/27 Allocation	\$1,242,529
Fiscal Year 26/27 Transit Vehicle Purchase for 8 Vehicles	\$1,000,000
Projected Balance after Fiscal Year 26/27 Vehicle Purchase	\$242,529



STAFF REPORT

Public Works Services Department

DATE: September 19, 2023

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: John Corona, Utilities Superintendent

SUBJECT: PROFESSIONAL SERVICES AGREEMENT WITH UNIFIRST CORPORATION FOR UNIFORM RENTAL SERVICES FOR THE PUBLIC WORKS SERVICES DEPARTMENT IN AN AMOUNT NOT TO EXCEED \$72,500
CEQA: Not a Project
Recommendation: Approve

SUMMARY

The Public Works Services Department (“PWSD”) is responsible for providing uniforms to all field and facility maintenance employees. Uniform rental services include rental of uniforms and lockers, weekly laundry, garment repairs, replacement of damaged shirts and pants, and delivery. Utilizing Sourcewell, a national cooperative purchasing program, enables the City to streamline the procurement process for uniform rental services and receive the best price possible.

It is recommended that the City Council approve, authorize, and direct the City Manager to execute a five-year Professional Services Agreement with UniFirst Corporation for Uniform Rental Services for the PWSD in an amount not to exceed \$72,500.

DISCUSSION

In addition to providing a boot allowance, t-shirts, hats, rain gear, and a sweatshirt for full-time employees, the PWSD is responsible for providing uniforms and uniform rental services to its Water, Sewer, Streets, Building, and Fleet employees. Uniform rental services include the rental of uniforms (shirts and pants), City logos, name plates, weekly laundry, garment repairs, replacement of damaged shirts and/or pants, locker rental, and delivery.

The PWSD found that Sourcewell issued a Request for Proposals for the procurement of uniform and uniform-related services and products. Sourcewell accepted and awarded a contract to UniFirst Corporation (Sourcewell contract 040920-UFC). The California Government Code authorizes public agencies to participate in cooperative purchasing agreements such as those established by Sourcewell while remaining within

the City's adopted rules and procedures for purchasing. By utilizing a cooperative purchasing program, the City is able to streamline the procurement process for these services while obtaining lower costs.

Through Sourcewell, the City will pay approximately \$14,500 annually for uniform rental services for the PWSD, which includes weekly laundry services and replacement of worn-out pants and/or shirts. UniFirst Corporation is the City's current uniform rental service provider. They have provided quality service and have maintained a good working relationship with City of Arcadia.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), and it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

FISCAL IMPACT

Sufficient funds are included in the Fiscal Year 2023-24 Operating Budget in the Water, Sewer, Streets, Building, and Fleet accounts, for uniform rental services over five years, at \$14,500 per year; the total five-year cost will be \$72,500.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and approve, authorize, and direct the City Manager to execute a five-year Professional Services Agreement with UniFirst Corporation for Uniform Rental Services for the Public Works Services Department in an amount not to exceed \$72,500.

Approved:



Dominic Lazzaretto
City Manager

Attachments: Sourcewell Contract
Proposed Professional Services Agreement

**Solicitation Number: RFP #040920****CONTRACT**

This Contract is between **Sourcewell**, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and **UniFirst Corporation**, 68 Jonspin Road, Wilmington, MA 01860 (Vendor).

Sourcewell is a State of Minnesota local government agency and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada.

Vendor desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires May 22, 2024, unless it is cancelled sooner pursuant to Article 24. This Contract may be extended up to one additional one-year period upon request of Sourcewell and with written agreement by Vendor.
- C. **SURVIVAL OF TERMS.** Articles 11 through 16 survive the expiration or cancellation of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Vendor will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Vendor's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract. Vendor's Equipment, Products, or Services consist exclusively of textile products or services, and will identified as Products or Services in this Contract.

All purchased Products provided under this Contract must be new/current model. All rented Products provided under this Contract will be new at the time each location is initially installed into service. Vendor may offer close-out or refurbished Products if they are clearly indicated in Vendor's product and pricing list.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Vendor warrants that all Products and Services furnished are free from liens and encumbrances. All Products will be processed, mended, and finished in accordance with the generally accepted standards of the textile rental industry. Vendor makes no other representations, warranties or conditions, express or implied by law, statutory or otherwise, including, without limitation, the design or condition of the Products, their merchantability or their fitness, capacity or durability for any particular use or purpose, the quality of the Products or workmanship of the Products.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution, Vendor will make available to Sourcewell a means to validate or authenticate Vendor's authorized dealers, distributors, and/or resellers relative to the Products and Services related to this Contract. This list may be updated from time-to-time and is incorporated into this Contract by reference. It is the Vendor's responsibility to ensure Sourcewell receives the most current version of this list.

3. PRICING

All Products or Services under this Contract will be priced as stated in Vendor's Proposal. The prices stated in Vendor's Proposal are calculated based on a five (5) year contract term commitment. Four (4) year contract term commitments will require a five percent (5%) price increase. Three (3) year contract term commitments will require a ten percent (10%) price increase. All prices submitted are exclusive of any applicable sales taxes. All such sales taxes shall be listed as a separate line item on the underlying invoice and paid directly by UniFirst to the appropriate taxing authority.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Products or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Products must be properly packaged. Damaged Products may be rejected. If the damage is not readily apparent at the time of

delivery, Vendor must permit the Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Products at the time of delivery.

Vendor must arrange for and pay for the return shipment on Products that arrive in a defective or inoperable condition.

Vendor will repair any rental item or reperform any services which do not comport with the Sourcewell's specifications or requirements as set forth in the Contract and issue credits for any Services that do not comport with said specification and/or requirements. The Products are processed and delivered on a weekly basis, each week, continuously throughout the term of the Contract. As such, the applicable warranty period for such rental Products is one (1) week.

Sourcewell may declare the Vendor in breach of this Contract if the Vendor intentionally delivers substandard or inferior Products. In the event of the delivery of nonconforming Products, the Participating Entity will notify the Vendor as soon as possible and the Vendor will replace nonconforming Products with conforming Products that are acceptable to the Participating Entity.

B. SALES TAX. Each Participating Entity is responsible for supplying the Vendor with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Vendor may offer a specific selection of Products or Services at discounts greater than those listed in the Contract. When Vendor determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Products or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Vendor may request Product or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Contract Administrator. This form is available from the assigned Sourcewell Contract Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Products or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Products and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Request Form will become an amendment to this Contract and be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Products or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Vendor understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Products or Services from any other source.

Vendor is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential members to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Vendor's employees may be required to perform work at government-owned facilities, including schools. Vendor's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Products or Services under this Contract, a Participating Entity must clearly indicate to Vendor that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Vendor.

Typically, a Participating Entity will enter into a local service contract directly with Vendor. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration of this Contract; however, Vendor performance, Participating Entity payment, and any applicable warranty periods or other Vendor or Participating Entity obligations may extend beyond the term of this Contract.

Vendor's acceptable forms of payment are included in Attachment A. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. **ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM.** Additional terms and conditions to a purchase order may be negotiated between a Participating Entity and Vendor, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be worked out directly between the Participating Entity and the Vendor. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. **PERFORMANCE BOND.** If requested by a Participating Entity, Vendor will provide a performance bond that meets the requirements set forth in the Participating Entity's order.

D. **SPECIALIZED SERVICE REQUIREMENTS.** In the event that the Participating Entity requires service or specialized performance requirements (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements) not addressed in this Contract, the Participating Entity and the Vendor may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

E. **TERMINATION OF ORDERS.** Participating Entities may terminate their local service contract, in whole or in part, subject to its terms and conditions, upon notice to Vendor in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the goods to be purchased;
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements; or
3. Vendor commits any material breach of this Contract or the additional terms agreed to between the Vendor and a Participating Entity.

F. **GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Participating Entity's local service contract will be determined by the Participating Entity.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Vendor will assign an Account Representative to Sourcwell for this Contract and must provide prompt notice to Sourcwell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcwell and Participating Entity inquiries; and
- Business reviews to Sourcwell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Vendor must perform a minimum of one business review with Sourcwell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Vendor must provide a contract sales activity report (Report) to the Sourcwell Contract Administrator assigned to this Contract. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Vendor must submit a report indicating no sales were made).

The Report must contain the following fields:

- Customer Name (e.g., City of Staples Highway Department);
- Customer Physical Street Address;
- Customer City;
- Customer State/Province;
- Customer Zip Code;
- Customer Contact Name;
- Customer Contact Email Address;
- Customer Contact Telephone Number;
- Sourcwell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcwell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Vendor.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcwell, the Vendor will pay an administrative fee to Sourcwell on all Products and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing.

Vendor may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Vendor will submit a check payable to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Products and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Sourcewell-assigned contract number in the memo and must be mailed to the address above "Attn: Accounts Receivable." Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Vendor agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Vendor is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Vendor in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Vendor's Authorized Representative is the person named in the Vendor's Proposal. If Vendor's Authorized Representative changes at any time during this Contract, Vendor must promptly notify Sourcewell in writing.

10. ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **ASSIGNMENT.** Neither the Vendor nor Sourcewell may assign or transfer any rights or obligations under this Contract without the prior consent of the parties and a fully executed assignment agreement. Such consent will not be unreasonably withheld.

B. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been fully executed by the parties.

C. **WAIVER.** If either party fails to enforce any provision of this Contract, that failure does not waive the provision or the right to enforce it.

D. **CONTRACT COMPLETE.** This Contract contains all negotiations and agreements between Sourcewell and Vendor. No other understanding regarding this Contract, whether written or oral, may be used to bind either party.

E. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. LIABILITY

Vendor will indemnify, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees, arising out of its negligence or willful misconduct in the performance of this Contract by the Vendor or its agents or employees.

12. AUDITS

Sourcewell reserves the right to review the books, records, documents, and accounting procedures and practices of the Vendor relevant to this Contract for a minimum of 6 years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

13. GOVERNMENT DATA PRACTICES

Vendor and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Vendor under this Contract.

If the Vendor receives a request to release the data referred to in this article, the Vendor must immediately notify Sourcewell and Sourcewell will assist with how the Vendor should respond to the request.

14. INDEMNIFICATION

As applicable, Vendor agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Products by Sourcewell or its Participating Entities supplied by Vendor in violation of applicable patent or copyright laws.

15. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:

- a. Sourcewell grants to Vendor a royalty-free, worldwide, non-exclusive right and license to use the Trademark(s) provided to Vendor by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Vendor.
 - b. Vendor grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Vendor's Trademarks in advertising and promotional materials for the purpose of marketing Vendor's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to its and their respective distributors, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.
3. *Use; Quality Control.*
- a. Sourcewell must not alter Vendor's Trademarks from the form provided by Vendor and must comply with Vendor's removal requests as to specific uses of its trademarks or logos.
 - b. Vendor must not alter Sourcewell's Trademarks from the form provided by Sourcewell and must comply with Sourcewell's removal requests as to specific uses of its trademarks or logos.
 - c. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's Trademarks only in good faith and in a dignified manner consistent with such party's use of the Trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.
4. *Termination.* Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of vendors which may be used until the next printing). Vendor must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. **PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Vendor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. **MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Materials should be sent to the Sourcewell Contract Administrator assigned to this Contract.

D. ENDORSEMENT. The Vendor must not claim that Sourcewell endorses its Products or Services.

16. GOVERNING LAW, JURISDICTION, AND VENUE

Minnesota law governs this Contract. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state court in Todd County or federal court in Fergus Falls, Minnesota.

17. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

18. SEVERABILITY

If any provision of this Contract is found to be illegal, unenforceable, or void then both Sourcewell and Vendor will be relieved of all obligations arising under such provisions. If the remainder of this Contract is capable of performance, it will not be affected by such declaration or finding and must be fully performed.

19. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Vendor will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Vendor may escalate the resolution of the issue to a higher level of management. The Vendor will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Vendor must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Vendor fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed will be borne by the Vendor.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity's local service contract under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

Written notice of default and a reasonable opportunity to cure must be issued by the party claiming default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any purchase orders issued against the Contract.

20. INSURANCE

A. REQUIREMENTS. At its own expense, Vendor must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Vendor will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Vendor will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance.* During the term of this Contract, Vendor will maintain umbrella coverage over Workers' Compensation, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Network Security and Privacy Liability Insurance.* During the term of this Contract, Vendor will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Vendor's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Vendor to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Vendor must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Contract Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. All policies must include there will be no cancellation, suspension, non-renewal, or reduction of coverage without 30 days' prior written notice to the Vendor.

Upon request, Vendor must provide to Sourcewell copies of applicable policies and endorsements, within 10 days of a request. Failure to request certificates of insurance by Sourcewell, or failure of Vendor to provide certificates of insurance, in no way limits or relieves Vendor of its duties and responsibilities in this Contract.

C. **ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE.** Vendor agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Vendor's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Vendor, and products and completed operations of Vendor. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. **WAIVER OF SUBROGATION.** Vendor waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Vendor or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Vendor or its subcontractors. Where permitted by law, Vendor must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. **UMBRELLA/EXCESS LIABILITY.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies).

F. **SELF-INSURED RETENTIONS.** Any self-insured retention in excess of \$10,000 is subject to Sourcewell's approval.

21. COMPLIANCE

A. **LAWS AND REGULATIONS.** All Products or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Products or Services are sold.

B. **LICENSES.** Vendor must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Vendor conducts with Sourcewell and Participating Entities.

22. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Vendor certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Vendor declares bankruptcy, Vendor must immediately notify Sourcewell in writing.

Vendor certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs

operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Vendor further warrants that it will provide immediate written notice to Sourcwell if this certification changes at any time.

23. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may also require additional requirements based on specific funding specifications. Within this Article, all references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Vendor’s Products or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work

Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Vendor must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Vendor certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Vendor must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Vendor certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Vendor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Vendors must file any required certifications. Vendors must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Vendors must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Vendors must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Vendor must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Vendor further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Vendor must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Vendor must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Vendor agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Vendor that are directly pertinent to Vendor's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right

also includes timely and reasonable access to Vendor’s personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

24. CANCELLATION

Sourcewell or Vendor may cancel this Contract at any time, with or without cause, upon 60 days’ written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Vendor’s Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell
DocuSigned by:
By: Jeremy Schwartz
C0FD2A139D06489...
Jeremy Schwartz
Title: Director of Operations & Procurement/CPO

UniFirst Corporation
DocuSigned by:
By: David M. Katz
C1504866F1CF420...
David M. Katz
Title: Vice President Sales & Marketing

Date: 6/18/2020 | 12:51 PM CDT

Date: 6/18/2020 | 12:07 PM CDT

Approved:
DocuSigned by:
By: Chad Coauette
7E42B8F817A64CC...
Chad Coauette
Title: Executive Director/CEO

Date: 6/18/2020 | 12:52 PM CDT

RFP 040920 - Uniforms with Related Products and Services

Vendor Details

Company Name: UniFirst Corporation
68 Jonspin Rd
Address: Wilmington, MA 01887
Contact: Jesse Daggett
Email: jesse_daggett@unifirst.com
Phone: 903-279-1442
HST#:

Submission Details

Created On: Thursday February 20, 2020 09:21:55
Submitted On: Thursday April 09, 2020 15:36:34
Submitted By: Robert Crossley
Email: Robert_Crossley@unifirst.com
Transaction #: 2cb92d0d-ebf9-4035-9d00-4471a5f74575
Submitter's IP Address: 207.126.196.16

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Please do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; mark "NA" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *
1	Proposer Legal Name (and applicable d/b/a, if any):	UniFirst Corporation
2	Proposer Address:	68 Jonspin Road Wilmington, MA 01860
3	Proposer website address:	https://unifirst.com/
4	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	David M. Katz Vice President Sales & Marketing 68 Jonspin Road Wilmington, MA 01860 David_Katz@UNIFIRST.COM 800-347-7888
5	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Jesse Daggett Preferred Vendor Business Development Manager 68 Jonspin Road Wilmington, MA 01860 Tel: 800-934-8641 Cell: 903-279-1442 Jesse_Daggett@UniFirst.com
6	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Jeremy Weiss Director, National Account Sales UniFirst Corporation 68 Jonspin Road Wilmington, MA 01887 800-347-7888 jweiss@UniFirst.com

Table 2: Company Information and Financial Strength

Line Item	Question	Response *
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<p>7</p>	<p>Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.</p>	<p>From our modest beginnings in an eight-stall garage in Boston in 1936, UniFirst Corporation has become an industry leader and one of the fastest growing companies in the \$13 billion Uniform Services business.</p> <p>As the only public company within its industry to grow revenues every year since we started in 1936, including each of the recent recessionary years, UniFirst may have just such a "secret formula." UniFirst supplies and services uniforms that are "job-fitted work clothes" tailored to the needs of companies throughout the U.S. and Canada.</p> <p>UniFirst is dedicated to excellence in service and total customer satisfaction. For 83 years we've known the importance of excellent customer service and we've dedicated ourselves to achieving it. Now in our ninth decade of service we continue working toward perfecting the process.</p> <p>UniFirst's overall Customer retention rate for the past 3 years is over 97%. Over the past 10 years our annual percentage of controllable lost accounts has remained under 5% and our contract renewal rate has actually increased year-to-year. With industry averages approaching 90%, we believe we are setting the pace for business retention in the industry. Our "Customers for Life" programs and overall business philosophy is a key differentiation between UniFirst and its competitors.</p> <p>Our corporate mission is to be recognized as the leading provider of quality uniform products and services for business. Our careful focus on serving each customer's special needs and providing total satisfaction enables us to grow, to provide an equitable return on investment, and to create opportunities for our team partners.</p> <p>We are committed to conducting our business in a fair, honest, and responsible manner in accordance with all environmental and government regulations and with the highest standards of business ethics.</p> <p>With a core business dedicated to the rental, lease, and sale of work clothing, uniforms, and career wear to business, we recognize that our continued success depends on the skill, creativity and initiative of all our team partners. That is why we are constantly seeking bright, talented, self-motivated individuals to help us extend our record of success in the 21st century.</p> <p>A difference that UniFirst offers can be looked at as a basic philosophy of doing business. This basic philosophy is summed up with three main thoughts; honesty, mutual trust and respect, and results for today and tomorrow. While these thoughts may seem sentimental and overused they form the foundation for how we approach day-to-day business at UniFirst.</p> <p>You will not hear UniFirst over commit just to win your business. We will honestly tell you what we can and what we cannot do. We feel that this is the only way to earn your business.</p> <p>UniFirst feels that a relationship built on mutual trust and respect will allow both parties to accomplish their necessary objectives. No one wins if one party to an agreement loses. Because all of our business partnerships begin with an honest commitment to what we can and cannot do, trust and respect naturally develop between UniFirst and our customers.</p> <p>While the program that we put in place addresses today's objectives we must constantly be looking to solving tomorrow's challenges. That means finding new technology, new products and services but most of all it means having a relationship that fosters commitment to meet tomorrow's requirements. UniFirst is committed to making this a long-term relationship. We want to be business partners for a long time.</p>
<p>8</p>	<p>Provide a detailed description of the products and services that you are offering in your proposal.</p>	<p>Products</p> <p>Standard Work-wear: From factory coveralls, to lab coats, to foodservice smocks – UniFirst's Industrial Wear line offers apparel for workers in virtually every occupation. Beyond a complete selection of primary garments, cover-ups, and outerwear, UniFirst also provides accessory items like gloves, hats, footwear, and protective gear - making "head-to-toe" outfitting more than just a marketing slogan. Most of the line's apparel items boast our Industrial Laundry Safe seal, meaning they are ideally constructed to hold up to UniFirst's rigorous industrial laundry process.</p> <p>Compared to home laundering, we use stronger detergents, longer agitation cycles, and higher temperatures to get even hard-use clothing their cleanest. UniFirst currently self-manufactures 67% of its overall industrial garment needs.</p> <p>Flame Resistant Apparel: Wherever business is hot (literally), UniFirst is on the job. Our flame-resistant apparel offers important secondary protection from flash fire, electric arcs, and other potentially hazardous flame conditions. Our FR garments look and feel comfortable,</p>

but offer great durability and the added protection of flame-resistance. UniFirst currently self manufactures over half of its overall FR needs. UniFirst also carries Flame Resistant Apparel specific for the foodservice industry - Samples are available.

Hi Visibility Garments:

For those whose jobs place them in potentially hazardous traffic environments, UniFirst offers the latest HIGHVISIBILITY WORKWEAR SOLUTIONS. Our ANSI compliant Hi-Vis garments make workers visible to drivers at much greater distances than simple enhanced visibility wear. And workers who are more easily seen by motorists and oncoming traffic are safer and happier on the job.

Corporate Casual Attire:

All across North America, the casual dress trend has taken hold. But the need for professional polish remains as strong as ever. UniFirst responds with Corporate Casual attire that allows employees to "dress down" while maintaining a decidedly business-like look. Our growing Corporate Casual line includes hundreds of items, all available with our own embroidered or screen-printed personalization. In this and other product categories, UniFirst offers the industry's fastest new installation and replenishment service available, thanks largely to our ISO 9001:2015 registered, 320,000 sq. ft. Owensboro, KY Central Distribution Facility, the only such facility in the industrial rental garment business.

Floorcare and Dust Control Services:

Creating a safe, attractive workplace is a process that begins from the ground up. It's no wonder, then, that UniFirst's floorcare products are underfoot in offices and factories from coast-to-coast. Through our rental programs, we regularly clean and rotate items, saving businesses significant maintenance time and expense. Supplying walk-off and logo mats; scraper and anti-fatigue mats; wet and dry mops; as well as various wiping products, UniFirst keeps workplaces clean and inviting, while protecting employees and your Members alike.

UniFirst self-manufactures over 97% of its total floorcare needs (mats and dust mops) from its Arkansas manufacturing facility so that we provide customers with an even greater level of color selection, and overall value than was previously available.

In business, quality and image are around-the-clock imperatives, often extending beyond work apparel. Restroom Services from UniFirst benefits both a company's employees and its Customers. Products such as hand soaps, sanitizers, air fresheners, disposable towels and tissue, as well as required dispensers, address health and sanitary concerns, while conveying a focus on cleanliness that speaks of a total commitment to quality.

Services

When you participate in a full-service UniFirst uniform program, up-front clothing investments are eliminated. We outfit employees in the clothing of your choice, provide weekly cleaning, garment maintenance, and issue replacements as necessary. We handle all the program administration for your employee uniforms and services, eliminating the worries and headaches. And it's all for one low weekly charge per employee (or per product).

Rent, lease, or buy work uniforms

Sourcewell's Members can assume as little or as much responsibility as they wish for their overall uniform program by electing to rent, lease, or buy. With the proper care and ongoing maintenance, Members can be assured their UniFirst workwear (and facility service) products are always in top shape.

Work Uniform Rental includes program administration, laundering, delivery, repairs, replacements, and more.

UniFirst full service uniform rental programs include:

When you participate in a full-service UniFirst uniform program, up-front clothing investments are eliminated. We outfit employees in the clothing of your Member's choice, provide weekly cleaning, garment maintenance, and issue replacements as necessary. We handle all the program administration for your Member's employee uniforms and services, eliminating the worries and headaches. And it's all for one low weekly charge per employee (or per product).

How our rental programs work

More than 260 UniFirst service centers throughout the U.S. and Canada provide a total uniform and Facility Service package. With a full service rental program, you get:

- Professional on-site needs analysis
- More than 40,000 in-stock product SKUs to choose from
- Measurement/fitting of each wearer conducted at your location(s)
- Specified number of garments for each individual
- Professional laundering and finishing
- Regularly scheduled uniform deliveries and product replenishment

- Inspection of all work clothing for rips, flaws, missing buttons, etc.
- Automatic garment repairs
- Automatic replacement of overly worn or damaged garments
- Inventory control with itemization by employee (or product)
- Quick outfitting of new employees
- Full program management

Triple Pro Service

You will get three dedicated UniFirst professionals working on your account at all times. There's a dependable Route Service Representative who'll keep your program running smoothly day in and day out, a Service Manager whose primary responsibility is to see that you're getting everything you need when you need it, and a helpful local Customer Service Representative who's always ready to provide immediate assistance. Through the efforts of this hard-working team, we guarantee 24-hour response to any problem, question, or request.

Every delivery day your Route Representative will check with you to see if there are any new employees to be added to the program. If there are, these additional people will be documented on the invoice. If you don't want to wait until your next delivery day, call your local UniFirst office and ask to speak with the Customer Service Rep. The Route Representative will size all new employees (or you can give their sizes over the phone) and uniforms will be ordered within 24 hours. You can expect stock garments in standard sizes to arrive on the next delivery day. Non-stock garments or non-standard sizes will take a little longer.

For rental uniforms UniFirst does not measure your employees. Rather, we have your employees actually try-on the garments, as we have found that this process better ensures proper fit. We have also found that lists, prepared in advance, that detail the employees to be sized, at a given sizing session, and the type and number of garments that each employee is entitled to receive, greatly assists the sizing process.

Work Uniform Leasing includes all the facets of a Uniform Rental Program, but employees take care of laundering their own uniform garments.

UniFirst Val-U-Lease uniform programs include:

Depending upon individual needs, your Members may prefer our Val-U-Lease program. They will enjoy the service, convenience, and all the benefits of our Full Service Uniform Rental Program, with the exception of the scheduled laundering services. But if they need occasional laundering, we can arrange that, too. And you'll still receive our uniform repair, replacement, and other maintenance services, as needed.

How our Val-U-Lease programs work

Like with our Uniform Rental programs, a UniFirst Val-U-Lease program eliminates upfront clothing investments in favor of low weekly charges. Your Members are only billed for the number of workers actually "in uniform." Idle clothing costs are avoided, and they get top-quality, stylish uniforms of their choice... complete with custom company emblems and much more. Employees take care of uniform cleaning, but UniFirst takes care of everything else, including:

- Professional on-site needs analysis
- More than 40,000 in-stock SKUs and over 340,000 total product SKUs to choose from
- Measurement/fitting of each wearer conducted at your location(s)
- Specified number of garments for each individual
- Garment repairs
- Garment replacements of overly worn or damaged garments
- Inventory control with itemization by employee (or product)
- Quick outfitting of new employees
- Full program management

Triple Pro Service

Your Members will get three dedicated UniFirst professionals working on their account at all times. There's a dependable Route Service Representative who'll keep their program running smoothly day in and day out, a Service Manager whose primary responsibility is to see that they are getting everything they need when they need it, and a helpful local Customer Service Representative who's always ready to provide immediate assistance. Through the efforts of this hard-working team, we guarantee 24-hour response to any problem, question, or request.

Work Uniform Purchase programs allow your Members to outfit their staff at competitive prices. And if they require occasional laundering or other garment services, we can provide that too.

For those who prefer to own, UniFirst offers competitive pricing and an extensive workwear selection - as all of our items are available for purchase.

		<p>Program Requirements: A service agreement would serve the best interest of both parties in the event that special or otherwise non-standard products, that UniFirst would also be expected to place into inventory, are specified.</p> <p>All our uniform rental items are available for purchase. Your Members may choose from thousands of UniFirst-manufactured products or other popular brands from trusted names like Landau, Fashion Seal, Dickies, Tri-Mountain & Port Authority.</p>
9	<p>What are your company's expectations in the event of an award?</p>	<p>In the 9 years UniFirst has held the contract for uniforms, we've grown Sourcewell (formerly NJPA), to be our largest National Account Preferred Vendor program with annual revenues exceeding \$10M. In the event we're able to re-secure Sourcewell's uniform contract we are confident our program will, at a minimum, double over the course of the contract if not grow 2.5-3X based on ongoing sales efforts, management and rep awareness of the program and all the marketing and educating of Sourcewell members and/or prospective members these past 9 years.</p>
10	<p>Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.</p>	<p>Please see the attached "UniFirst FY 2019 Annual Report," And the "UniFirst Standard Bank and Credit Responses" file. UniFirst's Dunn and Bradstreet Rating 5A2</p> <p>UniFirst is debt free, our balance sheet position allows us to commit to our industry leading product/facility reinvestment. That reinvestment will allow you to enjoy the best in class service from the Premium Supplier in the industry for the life of the facility service partnership.</p> <p>We are also the quality leader in the industry. Our executive focus and capital investment is all directed into improving our Laundry operations and customer experience. 95% of our revenues are from our core competency - rental laundry programs. Compared to our top two competitors, rental laundry represents roughly 77% of Cintas's revenue and only 9% of Aramark's revenue. Our financial position compared to our top two competitors with Aramark carrying \$7.87 billion and Cintas carrying \$2.54 billion in debt, with their efforts to reduce their debt burden, limits their ability to reinvest in their laundry infrastructure and customer's inventories.</p> <p>Ensuring quality, starts with product selection and account set-up. Unlike many of our competitors that have invested resources in other lines of business such as food related services, fire extinguishers, bathroom & carpet cleaning and put in place lucrative commission structures for their drivers to cross sell to their existing customer base, UniFirst's primary business is Laundry. Each Route Service rep is judged and bonused each year on the customer retention numbers within their given route with top performers who keep 100% of their customers each year rewarded with a 5 night trip to a luxury resort to celebrate their accomplishment (The Cove at the Atlantis Bahamas in 2019).</p> <p>That commitment to excellence for our customers was built from the ground up by our founding family (and the majority shareholders in our company) based on our founding Core Values (which remain in place today): Customer Focus, Respect for Others, and Commitment to Quality. UniFirst's primary business objective is to provide its customers with only the best services possible, along with great-looking, image-enhancing uniforms, work clothing, and facility service items. All of our ongoing investments and efforts are focused on accomplishing one thing, which is our number-one long-term goal for UniFirst: to become universally recognized as the best service provider in our industry.</p> <p>To accomplish that goal, we have the largest network of ISO certified laundering plants in our industry. UniFirst maintains 260 facilities throughout North America. By having our plants ISO certified, we help ensure a consistency of quality that supports our commitment to providing best-in-class service and products to all of our customers.</p> <p>Each of our customer-servicing plant operations earned the internationally recognized ISO 9001 certification. The majority of our company-owned manufacturing facilities operate within ISO 9001:2015 certified quality management systems. ISO certification requires operations to document and follow workflow processes in detail in order to maintain ongoing maximized efficiencies in processes and productivity. ISO certifications can only be earned (and maintained) following in-depth quality and conformance audits by a recognized third-party certifying authority.</p> <p>UniFirst also maintains a state-of-the-art distribution center in Owensboro, Kentucky and has one plant in Cave City, Arkansas that specifically manufactures its own line (approximately 97% of the mats we place in service), of high-quality commercial floor mats. ISO 9001:2015 Certification, validates the fact that UniFirst has continuous improvement processes in place "to ensure that we consistently meet or exceed all of our customer's expectations." In-house manufacturing, producing millions of products annually, provides a unique level of vertical integration that not only lowers the cost for our customers, but also permits the creation of custom-designed mats for image-conscious companies.</p>

11	What is your US market share for the solutions that you are proposing?	16%	*
12	What is your Canadian market share for the solutions that you are proposing?	17%	*
13	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No	*
14	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	<p>We manufactured approximately 67% of the garments we placed in service during the fiscal year ended August 31, 2019 ("fiscal 2019"). These were primarily work pants and shirts manufactured at three of our plants located in San Luis Potosi, Mexico, one plant located in Managua, Nicaragua, as well as at subcontract manufacturers that we utilize to supplement our manufacturing capacity in periods of high demand. That means the products are made to withstand the punishing industrial laundry process. We also include products from other fine manufacturers noted for work wear quality and toughness.</p> <p>The Company operates 260 locations, serves over 300,000 customers throughout North America, puts nearly 2 million people in work apparel each business day and employs more than 14,000-plus team partners. Our business is the Rental, Lease and Sale of work clothing, uniforms, protective apparel, career-wear, and facility services products to businesses in virtually all industrial categories.</p>	*
15	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	<p>UniFirst is in good standing in the state of its incorporation, is qualified to do business in each state in which it proposes to provide products and/or services and has all licenses and permits necessary or required to provide such products and/or services.</p> <p>UniFirst operates the largest network of ISO 9001:2015 certified laundry facilities in the world. It has manufacturing facilities, and its primary distribution center is ISO 9001:2015 Certified. This process includes the creation of detailed training and communication programs for all team partners on maintaining appropriate procedures for quality and service controls.</p> <p>UniFirst maintains a state-of-the-art distribution center in Owensboro, Kentucky and three ISO 9001-2015 Certified garment manufacturing facilities in Mexico and also a manufacturing facility in Nicaragua. In-house manufacturing, producing millions of garments annually, provides a unique level of vertical integration that not only lowers the cost of uniforms we offer through our uniform programs, but also permits the creation of custom-designed garments for image-conscious companies. The latter often affords UniFirst a distinct competitive advantage.</p> <p>UniFirst belongs to the following Associations:</p> <p>Food Service Grocery Manufacturers/Food Products Association American Association of Meat Processors International HACCP Alliance.</p> <p>Environmental Uniform and Textile Service Association (UTSA) Textile Rental Services Association (TRSA) Laundry Environment Stewardship Program (LaundryESP®) U.S. Green Building Council (USGBC) Canada Green Building Council (CaGBC). Energy Star and Green Lights® Business Partner Green Seal™ certified Eco-LogoM certified</p> <p>Healthcare AORN (Association of Operating Room Nurses) APIC (Association for Professionals in Infection Control and Epidemiology) ASHES (American Society for Healthcare Environmental Services) NADONA (National Association Directors of Nursing Administration) NFSI (National Floor Safety Institute),</p> <p>We also offer food industries specialized uniform programs that are consistent with the guidelines of Hazard Analysis Critical Control Point (HACCP) and the Global Food Safety Initiative (GFSI).</p>	*

16	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	UniFirst operates 260 locations, serves over 300,000 customers throughout North America, puts nearly 2 million people in work apparel each business day and employs more than 14,000 team partners. As such, to the best of our knowledge and belief, and without any duty of investigation, we have no knowledge, in the last 10 years, of any suspension or debarment proceedings that apply to UniFirst as defined under 48 CFR Chapter 1 - Federal Acquisition Regulation.
17	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	<p>Work Apparel UniFirst Brands Industrial Uniforms Work Shirts Work Pants Outerwear Flame Resistant Clothing High Visibility Workwear Healthcare Uniforms & Apparel Food Service Apparel ESD & Anti-Static Garments</p> <p>Uniform Services Uniform Rental Programs Val-U-Lease Program Direct Purchase Programs National Account Programs</p> <p>Facility Services Floor Mat Services <ul style="list-style-type: none"> • WALK-OFF MATS • SCRAPER MATS • ANTI-FATIGUE MATS • "WET AREA" MATS • MESSAGE & LOGO MATS Floor Mop Services <ul style="list-style-type: none"> • WET & DRY FLOOR MOPS • MICROFIBER FLOOR MOPS Wiper & Towel Services <ul style="list-style-type: none"> • SHOP TOWELS • MICROFIBER TOWELS Restroom Services <ul style="list-style-type: none"> • SOAPS & HAND CARE • HEAVY-DUTY HAND CLEANERS • PAPER TOWELS & SANITARY TISSUE • AIR FRESHENERS • SHAMPOO, SHOWER & BATH Hand Hygiene Services <ul style="list-style-type: none"> • PURELL HAND SANITIZERS • MEDICAL SOAPS & SURGICAL SCRUBS Cleaning Solution Dispensing Services</p> <p>Safety & PPE <ul style="list-style-type: none"> • Safety Masks • Ear Plugs • Eyewash Stations • Flame Resistant Clothing • Industrial Safety Gloves • Hard Hats • High Visibility Clothing • Safety Glasses </p>

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *
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18	Describe any relevant industry awards or recognition that your company has received in the past five years	<p>Our Company continues to be honored by communities throughout North America for our environmental efforts. Utilities in Missouri and Texas, for example, presented UniFirst with “gold” awards for water safety and environmental-friendly treatment processes; other sanitation districts from Virginia to Kansas have also presented UniFirst with “Green” awards for the care we take in protecting local environmental resources.</p> <p>We have even been recognized for our environmental efforts within the specialized field of laundering and decontaminating apparel for the nuclear power industry. Exelon Corporation, one of the nation’s largest nuclear power providers, presented our company with its Environmental Leadership Award, citing our “lengthy record of (processes and) services that are environmentally responsible, safe, and of superior quality.” These are just a few of the many types of awards and recognitions we receive every year.</p> <p>UniFirst has secured the No. 9 spot on Apparel magazine’s “Top 50” apparel companies list. This is the 13th consecutive year that Apparel magazine ranked UniFirst as one of America’s top 50 apparel companies, and the second time the company has appeared in the top 10. To be eligible for the Apparel listing, public companies had to record at least \$100 million in annual sales; rankings were based on overall performance and financial management. UniFirst appears in the top 10 alongside some of America’s most popular clothing companies including Nike, Canadian Goose, and lululemon athletica.</p> <p>In 2019 UniFirst was, once again, named by Selling Power magazine as one of the top companies to sell for in America. That’s 16 years in a row.</p> <p>Top 5, A+ ranking on list of “America’s Most Trustworthy Public Companies” (TGF Analytics).</p> <p>Forbes’ Platinum 400 List “Best Big Companies in America.”</p> <p>Forbes Magazine Names UniFirst Corporation to its 2019 America’s Best Employers List. UniFirst has been selected as one of “America’s Best Large Employers” for 2019. The list ranks the top 500 employers across 25 different industries in the United States...</p> <p>Glassdoor’s “25 Best Companies for Career Opportunities” list.</p> <p>UniFirst Ranked by Newsweek as One of “America’s Best Customer Service” Providers 2020.</p> <p>UniFirst has been included on Barron’s second annual list of the 100 Most Sustainable Companies in the United States...</p> <p>Boston Globe’s “Top 100 Performing Companies” list. All companies on the list are judged by their increased sales, profits, and return on shareholder’s equity. Capital IQ, a Standard & Poor’s business, provided the analytics for this year’s Globe 100 using Securities and Exchange Commission filings and corporate reports.</p> <p>UniFirst was once again recognized for its commitment to diversity from two different organizations—2020 Women on Boards and the TRSA (Textile Rental Services Association).</p> <p>UniFirst has won a 2019 APEX Award of Excellence for the design and implementation of the company’s recent President’s Club promotional mail campaign.</p> <p>This is the second consecutive APEX award that UniFirst has earned for their marketing communications programs—last year having won an award for the cover design of the company’s Uniform Rental Catalog. This year’s winning entry focused on UniFirst’s President’s Club, a prestigious designation that recognizes and rewards top salespeople for achieving challenging year-long sales goals.</p> <p>UniFirst has won a Bronze Stevie® Award for its LEAP (Leadership, Education, and Performance) management development program in a new category for 2019—Sales Recruitment Initiative of the Year...</p>
19	What percentage of your sales are to the governmental sector in the past three years	<p>Government sector sales falls under “Other” (16%), which includes:</p> <ul style="list-style-type: none"> • Oil and Gas Extraction, • Government, Retail, • Other Industries
20	What percentage of your sales are to the education sector in the past three years	<p>The Education sector sales (15%), falls under “General Services,” which includes:</p> <ul style="list-style-type: none"> • Business Services • Health and Educational Services

21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	UniFirst is an approved contracted supplier for these and other Group Purchasing Organizations (GPOs): Amerinet Champs Group Purchasing MedAssets Premier Sales volumes are confidential.	*
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	UniFirst does not have any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that we hold.	*

Table 4: References/Testimonials

Line Item 23. Supply reference information from three customers who are eligible to be Sourcwell participating entities.

Entity Name *	Contact Name *	Phone Number *	
City of Jacksonville	Richard Woodroof- City Manager	910-938-5200	*
City of Wilmington	Ellen McGowan- Sr Finance	910-343-1069	*
City of Germantown	Cathryn Perdue, CPPB, SPSM, Assistant Director of Procurement	P: (901) 751-7601	*

Table 5: Top Five Government or Education Customers

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Not for Publication	Government	Virginia - VA	Uniform/Facility Services Rental	\$1,905 (Average weekly invoice)	\$297,201	*
Not for Publication	Non-Profit	Washington - WA	Uniform/Facility Services Rental	\$1,874 (Average weekly invoice)	\$292,288	*
Not for Publication	Government	Virginia - VA	Uniform/Facility Services Rental	\$1,650 (Average weekly invoice)	\$257,451	*
Not for Publication	Government	North Carolina - NC	Uniform/Facility Services Rental	\$678 (Average weekly invoice)	\$105,710	*
Not for Publication	Education	California - CA	Uniform/Facility Services Rental	\$672 (Average weekly invoice)	\$104,836	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcwell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
25	Sales force.	Direct employees across the US and Canada for Sales = 1230, and for Route Service Team partners that overlap with delivery and Route Sales = 2542	*

26	Dealer network or other distribution methods.	<p>We manufactured approximately 67% of all garments which we placed in service during fiscal 2019. These garments were primarily work pants and shirts manufactured at three of our plants located in San Luis Potosi, Mexico, one plant located in Managua, Nicaragua, as well as at subcontract manufacturers that we utilize to supplement our manufacturing capacity in periods of high demand. The balance of the garments used in our programs are purchased from a variety of industry suppliers. Currently, we also manufacture approximately 97% of the mats we place in service at our plant in Cave City, Arkansas.</p> <p>We note that our three apparel manufacturing plants in Cardenas, Valles and Ebano, Mexico have been awarded ISO 9001:2015 certification by Perry Johnson Registrars, an internationally recognized certifying authority. This ensures that the garments and emblems we design are produced with better quality, greater economy, and shorter response times to our customers.</p> <p>This ISO 9001:2015 certification speaks volumes about our commitment to quality in general and in particular about the quality manufacturing management systems that UniFirst now has in place at these garment manufacturing facilities. The output of these plants is shipped directly to our ISO 9001:2015 certification Distribution Center in Owensboro, KY for subsequent utilization by our customer service centers located throughout North America. This state-of-the-art Owensboro Distribution Center has systems and processes that allow for the incredibly fast delivery of products to our customers.</p> <p>Fast, accurate delivery -- UniFirst has invested over \$35 million in the state-of-the-art distribution center in Owensboro Kentucky, designed from the ground-up to support high-volume National Account service requirements. In-stock product can be picked, routed, inspected, packed and shipped within five (5) business days.</p> <p>UniFirst's centralized distribution center in Owensboro, KY is a state-of-the-art facility which improves shipping and labor costs and increases the service level we can provide Sourcewell. We invite you to view our Owensboro six minute video tour at the following URL:</p> <p>http://www.unifirst.com/company/videos/centralized-distribution-center-owensboro-ky/</p> <p>In-house manufacturing, producing millions of garments annually, provides a unique level of vertical integration that not only lowers the cost of uniforms the Company offers through Rental Programs, but also permits the creation of custom-designed garments for image-conscious companies. The latter often affords UniFirst a distinct competitive advantage.</p> <p>UniFirst has excellent geographic coverage for rental programs. We have extensive rental service operations. Our network of over 260 Locations, serve Customers in 45 US States & the majority of Canada (not in HI, MT, ND, SD, and AK). For locations where we would not have coverage, we would use our best effort to subcontract to a local service provider.</p> <p>All services provided to all customers with operating locations within UniFirst's rental services area are provided exclusively by UniFirst personnel utilizing UniFirst owned or leased facilities and equipment. For locations that we do not currently service, we will use our best effort to subcontract to a local service provider. We serve over 300,000 customers throughout North America, putting nearly 2 million people in work apparel each business day.</p>
27	Service force.	1531 SERVICE

28	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	<p>We believe that effective customer service is the most important element in developing and maintaining our market position. Our commitment to service excellence is reflected throughout our organization. Our route service representatives are the first line of continuing customer contact, who are supported by local customer service representatives, local service management staff and local operations management leaders, all of whom are focused on addressing the ongoing needs of customers, constantly delivering high-value service and pursuing total customer satisfaction. Our proprietary information systems and our support service center enables us to respond to customer inquiries or issues within 24 hours, and our service personnel are specially trained to handle the daily contact work necessary to effectively manage customer relations.</p> <p>We measure the speed and accuracy of our customer service efforts on a weekly basis and, through our "Customers for Life" program, we continuously survey, record and report satisfaction levels as a means of evaluating current performance and highlighting areas for improvement.</p> <p>UniFirst's business hours are 8:00 A.M. to 5:00 P.M. daily local time (holidays and weekends excluded).</p> <p>To ensure Sourcewell and its members will have direct access to National Accounts we will also customize internal communication tools for your Member's employees. An example of those communications would be a customized 800 phone hotline, email (example: (MEMBER)@unifirst.com) and customized posters in all sites so that local people know who to contact for assistance and how to contact them.</p> <p>Your members experience countless customer interactions every day, so it's important that all of their team members look their best. As your uniform and facility services provider it's our job to make that happen. To accomplish this, we take a team approach to servicing your accounts.</p> <p>Your local UniFirst service team consists of the following trained service professionals working on your Member's account all the time....</p> <p>*Route Representative . . . they keep the program running smoothly day in and day out. They are responsible for picking-up dirty uniforms and delivering clean ones. There're also empowered to replace worn garments as needed, provide size exchanges and to handle any service issue on the spot. They are in short, the embodiment of UniFirst.</p> <p>*Service Manager . . . Their primary responsibility is to see to it your members are getting everything they need when they need it.</p> <p>*Customer Service Rep . . . available to provide immediate telephone assistance.</p> <p>In addition, this local team is aided by the National Account Service Team. Led by Sourcewell's dedicated Account Executive, this team is available in the event an issue needs extra attention, or your Member is not satisfied with our local response. Simply use the Service Hotline to communicate the issue. We will work with your Members and our local service team to ensure your Member's issue is resolved to their satisfaction, quickly and efficiently.</p> <p>Local Service Team: Call the local phone number provided on the weekly invoice. Account Executive: Jesse Daggett (contact via Hotline) or jesse_daggett@UniFirst.com Service Hotline: 877-382-4629</p> <p>If the local service team does not resolve the issue in the time specified, please contact the national account department using the dedicated Hot Line phone number or email.</p>
29	Identify your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	<p>UniFirst looks forward to continuing and expanding upon our existing successful relationship with Sourcewell and your participating entities across the United States. We directly provide service in 45 US States (not in HI, MT, ND, SD, and AK). For locations where we would not have coverage, we would use our best effort to subcontract to a local service provider.</p>
30	Identify your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	<p>Rental laundry facilities are located to provide products and services to your participating entities across Canada in Montreal, Quebec City, Drummondville, Toronto, London, Ottawa, Scarborough, Fredericton, Lethbridge, Calgary, Edmonton, Reed Deer, Grand Prairie, Saskatoon, Regina, Taber, Medicine Hat, Vancouver and Kelowna. More than 85% of Canada's population can be served from these facilities.</p> <p>UniFirst looks forward to continuing and expanding upon our existing successful relationship with Sourcewell and across Canada.</p>
31	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	<p>Our network of over 260 locations, serve Customers in 45 US States & the majority of Canada (not in HI, MT, ND, SD, and AK). For locations where we would not have coverage, we would use our best effort to subcontract to a local service provider.</p>

32	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	UniFirst will fully service all Sourcewell participating entity sectors that fall within our service territory. All services provided to all customers with operating locations within UniFirst's rental services area are provided exclusively by UniFirst personnel utilizing UniFirst owned or leased facilities and equipment. For locations that we do not currently service, we will use our best effort to subcontract to a local service provider.	*
33	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	<p>For Hawaii and Alaska locations that we do not directly service, we subcontract to local service providers who currently service some of our existing National Account Customers who have other locations outside of these areas.</p> <p>Further discussions are required for participating entities who are solely located in either Hawaii or Alaska.</p> <p>Please note that due to the cost of doing business in Alaska and Hawaii, Subcontractors in these states may charge a minimum of two times the prices quoted above. We will do our best to find a Subcontractor that will honor the program pricing, however actual prices are a function of the product in the program and the Subcontractors local business practices. Any alternative pricing for Alaska and Hawaii will be submitted for your approval prior to subcontracting any of your sites to a third party.</p>	*

Table 7: Marketing Plan

Line Item	Question	Response *	
34	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	<p>The goal of the UniFirst marketing program is to create a consistent understanding of our partnership both internally and externally. We leverage multiple channels for communication to get this message across in the most effective and relevant way possible. Our local team members are eager to expand on our existing successful national partnerships because they know how it leads to professional success.</p> <p>Our marketing material is simple and effective and speaks to the relevant concerns of your members and our local team's ability to successfully create partnerships. We are very dexterous in our ability communicate with your members and our local teams. It is the design of our marketing that ultimately creates that facilitates habits and behaviors that are conducive to success.</p> <p>We do this today and have been successfully promoting this opportunity. Please see the attached "Sourcewell sample welcome kit."</p>	*
35	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	<p>UniFirst manages and optimizes its comprehensive internet-based Search Engine Optimization (SEO) and Search Engine Marketing (SEM) prospecting program to maximize UniFirst brand exposure via the web, gain increased website traffic to UniFirst.com, collect more qualified sales leads, and increase closed sale dollars directly related to these efforts. Programs include trackable results, reporting, and analyses, as well as direct ROI information. UniFirst Digital Marketing programs are intended to improve quality and numbers of current sales leads and conversions to new rental sales via UniFirst.com contact forms and call-ins to MRD. The goal is to continually increase related revenues annually, primarily through more targeted efforts and campaigns performed by our Digital Marketing Specialists, increased AdWord-type spends to include target markets/keywords, Shopify pages, and social media advertising. But, over time, the biggest boost we expect will come with the integration of our Marketo/Call Tracking platform and Microsoft Dynamics in 2020. This integration, planned for FY20, will provide additional ROI long-term via more accurate program tracking, as well as email marketing and other ongoing prospect "nurturing" opportunities, like ongoing targeted email campaigns to sales prospects, leading to improved results.</p> <p>UniFirst invests in cutting-edge Digital Marketing technologies to better compete in today's digital age and to effectively manage, track, and measure accurate ROI on all DM programs. Programs allow us the ability to more effectively run and more accurately report on DM activities, campaign data, testing, appointments, and sales results, as well as call-in leads and all sales leads from website form submissions. The following are some DM technologies that UniFirst currently invests in for both SEO and SEM: Marketo, CallTrackingMetrics (CTM), SEMrush, Web-CEO, SEOmoz, Premium Store Locator (zip code lookup), Google AdWords, Bing Search Ads, Google Remarketing/Retargeting, Social Media Advertising (Facebook, Instagram, Twitter, LinkedIn, etc.), Shopify (online catalogs), ZMags (interactive, flip-catalogs online), Google Reviews, Google Local Search</p>	*
36	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	It's clear that you're focused on the success of this partnership like we are. Your support and buy-in is vital to long term mutually beneficial success. Our ability to coordinate our communication is one that will open many doors for both our organizations on the local level.	*

37	<p>Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.</p>	<p>Yes. For those who prefer to own, UniFirst offers competitive pricing and an extensive workwear selection - as all of our items are available for purchase.</p> <p>Program Requirements: A service agreement would serve the best interest of both parties in the event that special or otherwise non-standard products, that UniFirst would also be expected to place into inventory, are specified.</p> <p>All our uniform rental items are available for your Customers to purchase. You may choose from thousands of UniFirst-manufactured products or other popular brands from trusted names like Landau, Fashion Seal, Dickies, Tri-Mountain & Port Authority.</p> <p>UniFirst can offer a custom e-procurement storefront web site personalized with for your Customer's graphics and content. Your Customer's logo can be included to give the feel the web site is an extension of their entity. The custom web site would only offer products and prices defined in the Contracted Offer.</p> <p>Orders can be transacted directly from the e-procurement web site. The e-procurement storefront is full-featured and completely functional with item personalization, order history, product specification, product graphics, purchase/spending limits.</p> <p>Once registration is completed each user would have a unique username and password with settings defining their authorized web site. The custom web storefront would be presented to the individual once logged in.</p> <p>A brief list of e-procurement storefront features and capabilities include:</p> <ul style="list-style-type: none"> • On-line Registration for the Program by employees via the Storefront. • On-line Order placement by registered employees via the Storefront • On-line Order placement by a purchasing agent on behalf of a group of users. • On-line Order history review by registered employees or by a purchasing agent on behalf of a group of users. • The Program will manage specific products, attributes, and pricing and personalization options for your contracted offer. • Purchase Limits via our Managed Program module. Your Customer's balances would be loaded here • Tracking and enforcement of pre-defined spending limits at the individual employee level. • Payment methods available are: Accounts receivable (A/R), Credit card, and Individual purchase limit (A/R). • In addition to the products included in the offer, the entire UniFirst product catalog can be accessed, if desired, by a separate registration. • Accessible 24 hours, seven days a week. • On-line display by login showing spend by employee, if applicable. • Estimated Delivery Date
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Table 8: Value-Added Attributes

Line Item	Question	Response *
38	<p>Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcwell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.</p>	<p>UniFirst can provide training or instruction of our goods and services through the local Service Centers. At the time of your Member's transition.</p> <p>The Account Executive can help identify further areas that your Members feel may require further instruction. Additionally, they may contact the Customer Service team at the local Service Centers for further assistance.</p> <p>For Rental Programs during implementation, a dedicated account executive will coordinate the time and efforts of our Site General Manager, District Service Manager, Route Sales Representative, Office Services Personnel, & Customer Services Representatives. The account executive will coordinate with your Member's representative to ensure their site managers are informed of the implementation plan the same time UniFirst managers are.</p> <p>We will require the willing participation of a site representative or representatives (perhaps from each functional area . . . defined to mean any area or group that requires individual billing) to attend site installation planning meetings; and, a meeting room within your Member's facility suitable for sizing and meeting purposes. Employees will have to be made available for sizing purposes, according to an agreed upon plan and schedule; and, ideally Member's should have available pre-prepared forms that detail each employee name (by sizing group), indicating the type and quantity of garments that each individual is entitled to receive.</p> <p>Necessary site permits, if any, will have to be secured and any site orientation sessions, including any safety programs that our employees may be required to attend, will also have to be scheduled and coordinated.</p>

Visits are planned with each functional group (i.e. plant manager, safety manager, buyer, etc. ...) prior to the installation of services. During this visit, our representatives will introduce UniFirst and explain the uniform rental process in detail, being careful to answer any and all questions fully. Orientation pieces entitled "Welcome to UniFirst" will also be left in each functional area.

Following installation, repeat visits will be scheduled to ensure that each functional area and each employee fully understands the Member/UniFirst uniform services program.

We will have a UniFirst service team of suitably qualified personnel in place to support the supplies and services being offered to the Members. In the implementation and day-to-day servicing of a program, questions and issues can and do come up. The UniFirst service team will be there to support the Members and deal with questions and issues effectively and quickly. Your Member's service team will consist of...

- Customer Service Manager . . . His/Her primary responsibility will be to see to it Members are getting everything they need when they need it.
- Customer Service Reps . . . Committed to exceeding your Member's expectations. Customer Service Reps are trained service professionals that are empowered to deliver consistent and reliable service every day. If service issues arise our Customer Service Reps will be ready to resolve any problems your Members may have.
- Account Executive . . . Provides direction and council to our Customer Service Reps. The Account Executive will coordinate any changes to the established Member's program. In addition, he/she will audit performance and work to ensure that we perform up to your Member's expectations.

To assist and guide your Member's team through a Direct Purchase program we can provide them with"

- A classroom style training introducing the features of the program. We can review the basic set-up of an account; step-by-step demonstrated the ordering process and walk the user through the final steps in placing the order. One location, one or two day training session.
- Training is normally done by scheduled conference call with Users accessing their own custom website with practice orders being placed.
- Provide documentation to highlight the one... two ... three's... of the storefront and the ordering process
- Or, if they decide to go it alone their storefront will be designed with an easy to access help feature
- Our professionally trained Customer Service Representative are ready to resolve any problems your Member's may have

UniFirst can help you design a training program to fit your Member's needs. The portal is guaranteed to be as easy to use as many found on the web today, but there may be questions.

We can also provide instruction on how to access the portals for reporting or direct purchase programs.

39	Describe any technological advances that your proposed products or services offer.	<p>UniFirst has long maintained a leadership position in developing and implementing technology for the textile service industry. From our ISO 9001:2015 certified state-of-the-art Distribution Center (325,000 Sq. Ft.), our newly implemented PeopleSoft platforms with deliverable eCommerce solutions via the Internet, to our new CRM system, UniFirst is leading the industry in delivering advanced business solutions. Capital reinvestment in technology for new systems and automated facilities continues to exceed that of our competitors. We welcome the opportunity to host your supplier selection team at any of our operations to further demonstrate the UniFirst difference.</p> <p>The UniFirst fleet of customer delivery and support vehicles follows proper maintenance schedules and all our drivers consistently follow best practices to conserve fuel consumption. We use "Roadnet® Route Optimization," which consolidates routes for increased efficiencies. By driving significantly fewer miles, we're drastically reducing our carbon footprint. This is an ongoing initiative being followed by our delivery vehicles throughout the United States and Canada. The benefit to your Members: We're driving fewer miles each day, keeping costs and emissions down, while delivering the same levels of excellence in service to our customers.</p> <p>UniFirst has developed a National Account Charter with an intensive focus on our most important deliverable...CONSISTANT APPLICATION OF PRODUCTS, SERVICES AND PRICING ACROSS ALL REGIONS OF NORTH AMERICA. To this end, UniFirst has developed a system called NACS . . National Account Customer Setup (NACS). NACS enables us to efficiently communicate your Member's program requirements to each local UniFirst Customer Service Center that will be servicing the Member. We create a customized National Account Customer Profile that details how the Member's account will be serviced. It includes pricing, product as well as all service requirements. NACS allows us to distribute the Customer Profile on a schedule mutually agreed to by the Member and UniFirst. NACS also creates the officially recognized Installation Authorization that tells our local Service Centers to begin the program implementation. It also allows us to track implementation progress to ensure that target dates are met. This carefully orchestrated internal communication is essential to us applying your Member's programs consistently across all of their locations.</p> <p>UniFirst's proprietary bar coding system provides an accurate pick-up and delivery report to the Client, at the time of product delivery, on a weekly basis. These weekly reports, printed on your premises, detail the number of garments that are picked up for cleaning from, and delivered clean to, a given location or sub location, within a given location. This, in turn, will enable the Client to clearly identify who last had possession of the garments, and thus who is responsible for any loss of the subject garments.</p> <p>UniFirst tracks garments throughout all internal and external processes using advanced laser and digital camera bar code technologies. This proprietary system is ideal to help prevent delivery shortages and secure information better than other scanning methods, including radio frequency (RF) chip systems. And unlike RF tracking, that embeds chips into garments to transmit information, our approach does not transmit data and never compromises wearer comfort or privacy.</p> <p>When your Members participate in a full-service UniFirst uniform program, up-front clothing investments are eliminated. We outfit employees in the clothing of their choice, provide weekly cleaning, garment maintenance, and issue replacements as necessary. We handle all the program administration for your Member's employee uniforms and services, eliminating the worries and headaches. And it's all for one low weekly charge per employee (or per product).</p>
40	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	<p>Environmental Stewardship</p> <p>UniFirst was one of the first in the textile services industry to re-engineer all of its operations to become a "greener" and more environmentally friendly Company. We were also one of the first members of the EPA's Green Lights and Energy Star Buildings programs, which combine business strategies with environmental protection and energy conservation at all corporate facilities. And every single UniFirst laundry production facility uses computerized processing equipment to maximize fuel and energy efficiencies, while minimizing waste. In 1997, UniFirst joined the Laundry Environment Stewardship Program (LaundryESP), an industry initiative with a singular focus to protect the environment. As a result of reworking all routine operational practices, UniFirst (and our industry) achieved and continues to maintain considerable reductions in water and energy usage.*</p> <ol style="list-style-type: none"> 1. Water use: 12.5 percent reduction. 2. Energy use: 11.8 percent reduction. 3. Pollutants discharged: 40 percent reduction. 4. Peroxide bleaches: 100 percent increase in usage for wash formulas, resulting in less use of chlorine bleaches (which can combine with other chemicals to create non-biodegradable byproducts). 5. Enzyme-based detergents: 57 percent increase (these cleaners are primarily used in food and healthcare textiles; their use reduces the need for higher temperature wash formulas, thereby reducing energy costs). <p>* All data was subject to a quality check by Collier Shannon Scott, Environomics of Bethesda, Maryland and Georgetown Economics (D.C.).</p> <p>From the moment a piece of clothing or other textile product enters one of our processing facilities, every item is carefully sorted and placed into specially designed slings that are tagged as to garment type and soil level. They are then weighed and sent to designated washers that have been pre-programmed — based on the specifics of the load — to use the exact amounts of cleaning agents, water, and cleansing temperatures to maximize processing efficiencies and prevent unnecessary waste.</p>

Computerized wash formulas determine the correct water levels and temperatures, what detergents and additives are needed, the length of the wash cycle, and any other additional information that the specific clothing or soil type might require. And when the cleaning cycle is completed, sophisticated computer controls automatically tip and empty washers onto moving conveyors which transfer the laundry to preprogrammed computerized driers. Under these advanced systems, there's little likelihood for human error or accidental waste of resources.

We take extraordinary care with all the by-products produced by our laundry operations. Our ongoing investments in water and air treatment technologies help assure that everything we return to the environment is "clean," safe, and nonpolluting.

Environmental Sustainability

Additional services and benefits that are "typical" services are a testament to how UniFirst is an environmentally-friendly company. At UniFirst Corporation, we believe in protecting the environment. That's why we continually focus on sustainability and always strive to become a "greener," more environmentally-friendly Company in all aspects of our operations. Whether it's the precise uniform processing procedures we follow to ensure resource conservation and environmental protection, the thoughtful energy-saving practices we use at our 260 facilities, the careful fleet maintenance and driving procedures we have firmly in place, the manner in which our ancillary services and products are designed and manufactured, or the work uniform and facility services options we provide our customers to help them meet their sustainability goals...all we do consistently takes environmental sustainability into consideration.

Our Values

From modest beginnings in an eight-stall garage in Boston, MA in 1936, UniFirst has grown to become a billion dollar industry leader in the Uniform and Textile Services business. In part, our modern day success story is a result of our following the three Core Business Values established by our founder Aldo Croatti. These values, which continue to act as the foundation for our corporate culture, are:

1. CUSTOMER FOCUS — Customer Satisfaction is the best measure of how well we deliver quality. It's our overriding goal and at the center of our "Customers for Life" business philosophy.
2. RESPECT FOR OTHERS — We consistently treat those in our personal and business lives with the same consideration and understanding we wish for ourselves.
3. COMMITMENT TO QUALITY — Evidenced by our constant focus on "doing it right the first time" and our commitment to ISO certifying each of our service operations to ensure quality is the hallmark of all we do.

In order to fulfill our overriding goal for total Customer Satisfaction, UniFirst Team Partners annually pledge to our "10 Essentials of Service."

1. Every Team Partner contributes directly to the Company's image.
2. It's in each of our jobs to handle any Customer requests quickly and address any user problem immediately.
3. We will always strive to fully understand each Customer's needs and aim to deliver service that exceeds their expectations.
4. Every Team Partner is responsible for identifying any defects in our products, processes and work methods, and for making recommendations for improvements.
5. We are ambassadors of the business, both inside and outside of the workplace.
6. We will take pride and care in our personal appearance.
7. Being part of a team means we can count on those around us.
8. There is no dishonor in not having the right answer, only in not acting quickly to seek it out.
9. Mistakes are inevitable. How quickly we correct them and how well we communicate the remedies makes the difference between customers who remain upset and those who come away more loyal than before.
10. We must ultimately create exceptional job stability and continuously increase shareholder value.

In the Office

In 2008, our Information Services Department initiated a project to reduce the number and size of both servers and personal computers. By adopting latest technologies, the initiative reduced electrical costs and lowered the amount of cooling required from air-conditioning units. The project also extends the life of many computers, keeping unwanted waste materials out of recycling bins and landfills. In addition, paper and bottle recycling bins are located throughout all areas of our corporate offices and remote locations.

Additionally, all 260 UniFirst facilities are networked by more than 3,000 PCs and we consistently add new technologies that allow for more electronic options with our routine business activities – both internally and externally – thereby significantly reducing overall paper usage.

Route planning and optimization software has saved roughly 1.7 million gallons of fuel annually, which produces nearly 34 million less pounds of CO2 each year.

Uniforms, Work Apparel

Compared to purchasing, renting uniforms saves energy and decreases natural resource

consumption (as noted above). Plus, our work garments are built to last longer than store bought apparel, our service programs maintain customer clothing to extend wear life, and our apparel is reused whenever possible. . . thereby resulting in reduced raw textile usage and less waste entering landfills and incinerators.

When appropriate, we also refurbish and transform pre-worn customer apparel into “like new” offerings for garment replacements. And when wear and tear finally takes its toll and the professional image of our customers could become compromised, we look to donate such clothing items to needy organizations in the U.S and abroad — in effect, giving them a “second life.”

Our Company manufactures more than half of the shirts and pants used in our rental service programs, and all aspects of the construction consistently keep clothing “longevity” in mind. For instance, our shirt and pant designs use reinforced triangular tacking at the corners of pockets to prevent ripping and tearing that could be caused by repeated contact. Similarly, our fabrics are carefully selected for weight/hand (feel) to withstand constant abrasion, as well as the industrial laundry process. And, although we use more stitches per fabric inch to produce higher quality construction, this additional thread use is more than offset by the extended garment life we achieve. We’ve also computerized our textile cutting systems to assure minimal waste of fabric and our “modular” assembly construction process maximizes efficiencies and the overall use of resources.

Virtually all of our millions of rental uniforms in service are delivered to customers on recycled wire hangers. Helping to prevent them from simply being tossed into waste bins, UniFirst maintains hanger recycling programs at customer sites. We also recycle such items as wood pallets, paper products, and fluorescent light bulbs wherever possible.

Finally, to ensure that all our processes are operating as efficiently as possible and resources are being conserved, our uniform manufacturing and distribution facilities have earned ISO certification. And, we’re currently on schedule to have all our laundering service facilities ISO certified as well.

Ancillary Products

UniFirst offers a wide variety of environmentally friendly programs in Floorcare and Restroom/Hygiene Services. These products have been designed with environmental sustainability in mind. And when they’re included as part of a fully managed service program, they can help our customers earn LEED* points that qualify them for environmental certification by the U.S. Green Building Council.

(*Leadership in Energy and Environmental Design, a national benchmark for the design construction and operation of high performance green buildings.)

Floor Mats

Our floor mats are 100% PVC free and are specially constructed to capture and hold dirt and moisture from the soles of shoes and to prevent track-off and unnecessary soiling and cleaning of customer facilities. By literally trapping pounds of contaminants, UniFirst mat systems help protect expensive flooring surfaces, ventilation systems, and sensitive electronic equipment — all of which translates into less cleaning and use of chemicals.

We manufacture all our floor mats to last for at least five years, and recycle our scrap by-products. By comparison, mats purchased at most retail outlets will typically last just one year, thereby adding more vinyl and rubber components to the “waste stream.”

Microfiber Mop/Wiper Technology

Our reusable Microfiber mops and wipers are ultra-light and designed to clean hard surfaces without chemicals and water. The U.S. Environmental Protection Agency (EPA) notes that such products can reduce chemical usage by 95 percent. For soiled surfaces requiring water and cleaning agents, we offer wet mops and towels that feature super absorbent natural fibers that have been treated with antimicrobial agents in order to prevent the growth of mold, mildew, and odor-causing bacteria.

The result: one-time, faster, more efficient cleanings. By using these reusable Company products versus disposables, EPA life cycle assessments show that solid waste can be reduced by 210 percent and water usage by as much as 12,590 percent.

Hand Towels and Sanitary Tissue

Our towel and tissue products are Green Seal and Eco-Logo certified, and manufactured from base paper that is 100 percent recycled. And our portion-control (one-at-a-time) paper dispensing systems are available with both mechanical and electronic touch-free options to help reduce unnecessary waste. Studies have shown that these dispensers reduce paper usage by 25-35 percent, resulting in less landfill dumping and incineration.

Soaps and Hand Care

Our soap and hand care products are provided by vendor-partner GOJO, a manufacturer of a wide range of “green” and biodegradable hand cleaning/disinfecting products. GOJO’s Green Seal and Eco-Logo designated products are specially formulated for use in the types of work environments our Company serves and are available in a variety of touch and non-touch, portion controlled, dispensing options so as to minimize waste

Odor Control Systems

We offer three, environmentally-conscious odor control program solutions. Our most popular system, called TCell, contributes to clean and fresh air in a 100% environmentally-friendly way. All air freshener delivery systems are 100 percent EPA compliant and refill components are recyclable.

41	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	UniFirst is a proud member of the U.S. Green Building Council (USGBC) and Laundry Environment Stewardship Program (LaundryESP), is an Energy Star and Green Lights Business Partner, and offers Green Seal and Eco-Logo certified products.	*
42	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	UniFirst does not qualify as Women or Minority Business Entity, Small Business Entity, or veteran owned business.	*
43	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	<p>As a supplier of work apparel programs, UniFirst possesses a wide-range of experience encompassing many industries, types of garments and users. In particular, we believe there are several points which uniquely qualify us to meet Sourcewell's requirements:</p> <p>Wearer sensitivity: We have extensive rental service operations throughout the United States and Canada. Every day nearly 2 million people wear a UniFirst rental uniform at work. And via our route delivery and sales organization we are in direct contact with many of them on a week-to-week basis. That means we're constantly getting real time feedback from people wearing our clothes regarding their likes and dislikes, approvals and disapproval's, satisfactions and dissatisfactions. This constant stream of input allows us to constantly adjust both garments and garment programs to achieve greater wearer satisfaction. And what we learn from our rental wearers, we can directly apply to better serve the interests of our direct purchase program wearers whom we may not see every week.</p> <p>Self-Manufacturer: UniFirst presently makes over 75% of the shirts and pants used in its rental service programs and approximately 55% of the garments that it provides to all of its customers. This significant experience in making clothing gives us greater flexibility in creating custom programs for special customers and our significant size as a garment purchaser gives us leverage with subcontractors and suppliers when we're designing multi-faceted programs.</p> <p>Custom personalization: is a key element in most image apparel programs and UniFirst's extensive experience in both screen printing and embroidery represents an advantage for us as well. We have our own in-house screen printing and operate our own embroidery machinery. Our in-house graphics staff creates and digitizes scores of new customer personalization designs on a daily basis. This gives us greater control over the process of creating and delivering unique customer images through the combination of specially selected clothing and custom-applied design.</p> <p>Pressing of all shirts (US only, not in Canada): Provides a clean, professional appearance for all employees. Important if employees come in regular contact with both customers and prospective customers. Employees who look and feel good have higher morale and productivity. Pressing also allows us additional time to examine the garment for needed repairs. This additional step, that only this Vendor provides, allows us to catch those needed repairs that might otherwise slip through the cracks. Our pressing service is provided at no additional cost to our Clients.</p> <p>Control cost overruns: Our Garment Maintenance Program (if selected) eliminates all damage charges, except those that arise as a consequence of gross negligence. Our detailed reporting capability will allow you to identify the specific individual responsible for the loss or damage of a given garment, which in turn, will provide your management team with the information necessary to allow them to work with their employees to minimize these charges.</p> <p>Proprietary Bar Code Scanning System: UniFirst's proprietary bar coding system provides an accurate pick-up and delivery report to the Client, at the time of product delivery, on a weekly basis. These weekly reports, printed on your premises, detail the number of garments that are picked up for cleaning from, and delivered clean to, a given location or sub location, within a given location. This, in turn, will enable the Client to clearly identify who last had possession of the garments, and thus who is responsible for any loss of the subject garments.</p> <p>Guaranteed rates and charges: Our proprietary Account Management System (AMS) guarantees only the charges authorized and specified in our service agreement can be invoiced. Only the items of merchandise and/or services specifically authorized in the agreement can be provided to the client. Items of merchandise and/service not authorized in the enabling service agreement can only be invoiced with prior client approval.</p> <p>Customer Satisfaction System: No one works harder at making certain customers are</p>	*

		<p>satisfied than UniFirst. We don't wait for problems to come to us, we go out looking for them. Every customer is audited a minimum of twice a year to ask specifically about levels of satisfaction, areas where we can improve, and whether or not there are problems which need correcting. This proactive approach lets us uncover issues that might normally remain hidden and surfaces problems we might otherwise not hear about. It benefits both us and our customers and it's one of the reasons that over 98% of all current customers give us an "completely satisfied" or "satisfied" performance rating.</p> <p>Individual wearer survey cards are distributed approximately 2 times per year to assess wearer satisfaction or concerns.</p> <p>ISO Certified Manufacturing and Distribution: UniFirst manufactures and distributes the majority of its garments through a strict process controlled ISO 9001:2015 certified manufacturing and distribution system. This capability allows us to better manage our supply chain and negotiate favorable rates with fabric mills. The ISO certification ensures that consistently high quality manufactured garments will be delivered to the Client in a timely manner, through a proven documented distribution system.</p> <p>Speed of Service: Perhaps most important of all - particularly for a perspective customer with many geographically distributed operating locations - is a supplier's ability to deliver clothing quickly, completely and accurately. And here is where UniFirst has a leg-up on the competition. Our 320,000 square foot state-of-the-art distribution center in Owensboro, KY is the most modern and advanced in our industry, bringing "next generation" systems to the picking, personalization, packing and shipping of work clothing items. Designed specifically to accommodate the special need of both rental and direct purchase customers, this facility can process orders, including those with custom personalization, faster than any other in our industry. That means quicker delivery to every ordering location and higher levels of satisfaction for both wearers and the companies that employ them.</p>
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Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *
44	Do your warranties cover all products, parts, and labor?	All items of Merchandise delivered by UniFirst will conform to Sourcewell's specifications set forth in our National Service Agreement and meet or exceed customary industry standards of quality, or non-conforming items will be replaced by UniFirst by the following normal delivery at no cost. All of the Services performed shall be executed in a good and workmanlike manner by qualified and careful workers, in accordance with industry standards of care and diligence normally practiced by firms performing services of a similar nature and in accordance with this Agreement. *
45	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	<p>Any garment with, tears, rips, holes, excessive staining, or other non-repairable defect incurred while in service or upon termination of the Agreement at a Facility is considered "Damaged." Damage is in excess of normal wear and tear (which is defined as a gradual thinning of the fabric over time) a garment experiences through normal wash and wear cycles, and inhibits the re-issue of the garment to another employee. Additionally, pursuant to contractual language, a garment has been personalized through Direct Embroidery or other customer dictated modification may be considered "Damaged" if the modification inhibits the ability to re-issue the garment to another customer.</p> <p>This damage beyond repair category is designed to ensure a balance between the need for a cost-effective solution while maintaining a high level of appearance integrity. Under this criteria, a garment will be deemed as "damaged beyond repair" for any of the following: *</p> <ul style="list-style-type: none"> • Any hole or tear regardless of size • Any single pen mark larger than one and one half inch • Any combination of ten or more pen marks • Any garment purposely written on • Any single stain larger than one inch in diameter • Any combination of ten stains or more • Any broken or poorly functioning zipper • Any broken straps or clips or missing snaps • Any bioburden or hazardous material contamination

46	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	<p>This is not applicable to an Industrial Landry Program.</p> <p>At the service level, any garment placed into service that was defective in any way, at the time of its installation, would be immediately replaced at no additional charge to your Members. And, we take care to inspect every rental garment every time we handle it. Upon pick-up and return to our service center, each garment receives a comprehensive ten point inspection. This system is backed-up by our wearer communication system which provides a continuous supply of service request tags at your Member's place of business so that any special repair needs can also be flagged by wearers to ensure that they get our immediate attention.</p> <p>UniFirst' exclusive "mend system" provides for a comprehensive ten point inspection of every garment every time it's processed. This system is backed up by our wearer communication system which provides a continuous supply of service request tags at your place of business so that any special needs can also be flagged by wearers to ensure that they get our immediate attention.</p> <p>For shirts the 10-point inspection examines:</p> <ul style="list-style-type: none"> • Garment Cleanliness • Wearer Identification Tag • Collar • Shoulder Panel • Emblems and Pockets • Buttons and Front Panel • Underarm and Side Seams • Sleeves • Cuffs and Cuff Buttons • Back Panel <p>For pants the 10-point inspection examines:</p> <ul style="list-style-type: none"> • Garment Cleanliness • Wearer Identification Tag • Waistband and Belt Loops • Buttons and Fasteners • Zipper • Pockets • Crotch • Side Seams and Inseams • Seat Seam • Hem <p>In general, we believe that the garment should be repaired whenever it is possible to do so, provided its appearance or function is not materially impacted by the repair. This "judgment call" we leave to the discretion of operating staff. Some Customers require that they and they alone approve the retirement from service of any damaged garment. This process remains acceptable to UniFirst</p> <p>Repairs to individual garments are made so as to ensure the return of the repaired item with the Customer's next weekly delivery. In other words, a damaged garment picked-up on Tuesday, will be repaired and returned the following Tuesday.</p> <p>Our Change-As-Needed system provides for the automatic replacement of garments before they become so worn as to impact appearance or function. And, unlike many (if not all) of our competitors, UniFirst replaces all garments which wear out as a consequence of normal wear and tear with "new" garments.</p>
47	Are there any geographic regions of the United States (and Canada, if applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	<p>This is not applicable to an Industrial Landry Program.</p> <p>UniFirst' exclusive "mend system" provides for a comprehensive ten point inspection of every garment every time it's processed. This system is backed up by our wearer communication system which provides a continuous supply of service request tags at your place of business so that any special needs can also be flagged by wearers to ensure that they get our immediate attention.</p>
48	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Yes.

49	What are your proposed exchange and return programs and policies?	Any garment placed into service that was defective in any way, at the time of its installation, would be immediately replaced at no additional charge to your Members UniFirst recognizes that not every employee stays the same size over time, so at no charge, we provide for clothing size exchanges whenever necessary	*
50	Describe any service contract options for the items included in your proposal.	UniFirst offers as an option, a Garment Maintenance Program (GMP). The Program involves an additional Weekly charge for each garment that is placed in service and replaces the practice of having ruin charges added to the weekly invoice. The practice of inspecting and reviewing garments on-site with Member Management is thus eliminated and the Weekly or Monthly service invoice remains relatively fixed. This allows Member Management and UniFirst Service teams to focus on providing "World Class" service to our Customers. Lost or unreturned garment fees are not currently covered under such a program. Developing a program for lost garments would be subject to further discussion at the appropriate time.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
51	What are your payment terms (e.g., net 10, net 30)?	CUSTOMER agrees to make payments within 30 days of invoice receipt. A late charge of 1½% per month (18% per year) for any amount in arrears may be applied.	*
52	Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?	Depending upon individual needs, some may prefer our Val-U-Lease program. Customers enjoy all of the service, convenience, and benefits of our rental program, with the sole exception of the weekly water-wash service. • Suitability: Best suited for circumstances or situations that involve moderate to high employee turnover rates, coupled with low or light soil environments. • Program Requirements: Same as the Rental Program.	*
53	Briefly describe your proposed order process. Include enough detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell participating entities' purchase orders.	There are multiple ordering approaches which might be of interest to you under the proposed program. They are listed below along with the primary advantages associated with each. Rental: • Route Service Representative: Speed, accuracy, and immediate sizing • Phone-Primary Advantages: Speed and interactivity, faxed confirmation • Fax-Primary Advantages: Speed and accuracy, faxed confirmation Direct Sale: • Custom Store Front/Internet: This on-line ordering has the primary advantages of: convenience, interactivity, colored pictures, descriptions, sizes, allowance programs, spending limits, multiple payment methods, program management/accountability, secure - Verisign® • Custom Brochure/Mail In: Available to all employees with or without internet access, color picture, descriptions, prices, includes pre-printed order forms, and convenience • Mail: Accuracy, faxed confirmation • Phone: Speed and interactivity, faxed confirmation • Fax: Speed and accuracy, faxed confirmation • E-Mail: Speed, accuracy, electronic record, electronic confirmation	*
54	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Yes. Customers can pay weekly invoices using a company credit or P-card. Our accounts receivable department will apply the weekly invoice amounts to the credit or P-card for each customer location.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *
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<p>55</p>	<p>Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.</p>	<p>UniFirst evaluates the total potential volume for any particular National Account customer and prices the entire in accordance with our pricing models. Total usage levels are evaluated as part of the pricing, and UniFirst takes this into consideration and leverages the total potential of each account in order to come up with the most competitive rates available.</p> <p>In general, UniFirst provides service quotes to its Customers that represent its very best prices for the projected volume of business and the associated terms and conditions of service, as determined by our review of the RFP documents. This does not mean, however, that we necessarily expect to receive all of this business immediately, or even necessarily within the first year or two of the term of our Agreement, for that matter, as we realize that we frequently are required to await the natural expiration (by their terms) of any pre-existing agreements that our Customer might then have in place with any third party vendors.</p> <p>As with all things there is at least one exception to this general rule, which would arise in the event that a given Customer elected to award all of its business to two or more preferred vendors, each of whom was then expected to solicit business from each Customer operating location. In this instance, we would downgrade the value of the projected business volumes (raise the bid prices that we initially quoted) and then offer incentives (reduced prices) to be granted upon the attainment of certain specified earned revenue thresholds. The most Customer friendly option is the former, where our very best prices are offered from day one of the Agreement.</p> <p>Once our agreement is finalized our Account Management System ensures that only those products and prices enabled in the agreement can be invoiced locally. Consistent application of products and pricing across all of the local Member's operations, is guaranteed.</p> <p>All requests for exceptions (additions) to the originally negotiated contract requirements must be processed through predefined channels for approval. All pricing will be developed using the same pricing model used in the original bid effort to incorporate the same volume considerations.</p> <p>Rental Services Include:</p> <ul style="list-style-type: none"> » Water-wash of Rented Uniforms and Rented Items. Including inspection of all garments during the cleaning process and the pressing (US only), of all garments at no additional cost » Delivery of clean Rented Uniforms and Rented Items, on a stated weekly schedule. » Removal of soiled Ranted Uniforms and Rented Items, on a stated schedule. » Existing garments may be exchanged due to an Employee's changing size requirements at no cost to the Customer, though the emblem and garment preparation charges specified by the agreement will apply. » All Garment repairs needed due to normal wear and tear will be done at no cost to the Customer. » UniFirst will automatically replace garments before they become so worn as to impact either appearance or function. This replacement will be done at no charge to the Customer, though the emblem and garment preparation charges specified by agreement will apply.
<p>56</p>	<p>Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.</p>	<p>Sourcewell's program pricing is constant across the nation and therefore the discount/savings varies by market; i.e. savings on the Sourcewell program might be as high as 60-70% in metropolitan markets such as NYC whereas in central Kentucky the savings might only be 20-30%.</p> <p>We have included a comparison in the price list to show program rates vs standard local rates savings.</p>

57	Describe any quantity or volume discounts or rebate programs that you offer.	<p>A. Rental. The prices initially in effect under this Agreement, "Tier 1 Pricing" will be reduced by three percent (3%), "Tier 2 Pricing", for each of Customer's Participating Entities once the weekly rental revenues paid by each such Participating Entity exceeds \$2,000.00 per week, for a minimum of thirteen (13) weeks. Participating Entities shall have the right to aggregate the purchasing volume of all its Locations in order to meet the desired volume tier. The prices shall not be reduced retroactively; and, for purposes hereof, the phrase "weekly rental revenues" shall be defined to mean the total weekly invoice value, less any sums invoiced for loss / damage replacement, garment preparation, emblem, outsize garment, DEFE, minimum service charges, sale of disposable products, well as any applicable sales /use taxes.</p> <p>B. Direct. The prices initially in effect under this Agreement, "Tier 1 Pricing" will be reduced by three percent (3%), "Tier 2 Pricing", for each of Customer's Participating Entities once the total direct product purchases of each such Participating Entity exceeds \$104,000.00 per calendar year. Participating Entities shall have the right to aggregate the purchasing volume of all its Locations in order to meet the desired volume tier. The prices shall not be reduced retroactively; and "total direct product purchases" shall not be inclusive of any applicable sales/use taxes.</p>
58	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	<p>UniFirst is a full-service provider of textile services, with much of the products being manufactured and much of the services being provided directly by UniFirst. As a part of our continued growth, we have aligned ourselves with several trusted vendor partners whenever we have customer requirements that don't align with our manufacturing core competencies (i.e. Non-Standard Options). All vendor partners must pass through our Vendor Approval process to ensure that they are financially solvent, and adhere to all manufacturing best practices and appropriate child/forced labor laws. Our vendor partners have been carefully selected based on product offering breadth, stocking position, and mutual business goals. This is an on-going effort to leverage our influence over these vendor partners in order to better guarantee the quality of services provided by any such vendor to any one of our customers. As an industry leader, UniFirst is able to leverage our size in order to negotiate the most favorable pricing and terms in the industry, a benefit that gets passed on directly to our customers.</p> <p>In situations where our vendor partner's products are used to support our customers, we will issue standard UniFirst (bulk) Purchase Orders for merchandise, on an as necessary basis. These orders will be filled and shipped directly to our distribution center in Owensboro, KY. Our vendor partners will then invoice UniFirst directly for their services. All other services (order administration, pick, pack, ship, customer services and overall program administration and management) will be directly performed by UniFirst personnel, utilizing UniFirst owned equipment and facilities.</p>
59	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Please see the attached "Sourcewell Proposal," for a complete listing of all the associated Service Charges.

60	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	<p>Rental: The delivery cost is included in the weekly rental rate.</p> <p>Direct Sales: Pricing is quoted F.O.B. Origin, sans applicable sales taxes, with applicable freight and handling charges being prepaid and added to the shipment invoice.</p> <ul style="list-style-type: none"> • United States - All Purchased Items are shipped via UPS standard ground service from our ISO registered Central Distribution Center in Owensboro, KY, unless instructions to the contrary are specified on the order. • Canada - All Purchased Items are shipped via Canadian Post standard ground service from our Central Distribution Center in Mississauga, ON, unless instructions to the contrary are specified on the order. <p>Expedited shipping (overnight) is available via FedEx or UPS Express. The cost of expedited shipping will be calculated on a case by case basis and we will pass along the true cost of shipping.</p>	*
61	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	<p>Due to the cost of doing business in Alaska and Hawaii, subcontractors in these states may charge a minimum of two times the prices quoted above. We will do our best to find a subcontractor that will honor the program pricing, however actual prices are a function of the product in the program and the Subcontractors local business practices. Any alternative pricing for Alaska and Hawaii will be submitted for your approval prior to subcontracting any of your sites to a third party.</p>	*
62	Describe any unique distribution and/or delivery methods or options offered in your proposal.	<p>UniFirst's combination of the full weight of our ISO Certified Distribution Center Capabilities and our National Service Coverage can be brought to bear on the Sourcewell's requirements. Direct Sale and Rental programs are all supported from a merchandise perspective by our Owensboro, KY "state-of-the-art" Distribution Center. This facility has been built with the specific objective of providing the fastest most accurate order turnaround times in the industry and we are confident that this will enhance the UniFirst value proposition for Sourcewell Members.</p> <p>Our proposal represents "Best in Class" pricing based upon the Sourcewell estimated contract value and usage. Furthermore, we offer the following value-added services:</p> <ul style="list-style-type: none"> • ISO Certified Manufacturing and Distribution: UniFirst manufactures and distributes the majority of its garments through a strict process controlled ISO certified manufacturing and distribution system. This capability allows us to better manage our supply chain and negotiate favorable rates with fabric mills. The ISO Certification ensures that consistently high quality manufactured garments will be delivered to your Member in a timely manner, through a proven documented distribution system. • Guaranteed rates and charges: Our proprietary Account Management System (AMSiMozart) guarantees only the charges authorized and specified in our service agreement can be invoiced, Only the items of merchandise and/or services specifically authorized in the agreement can be provided to the Member. Items of merchandise and/service not authorized in the enabling service agreement can only be invoiced with prior client approval. • Virtually Unlimited Catalog: By using our partnerships with our long term vendor partners, our catalog is essentially limitless, Even if a desired garment is not currently manufactured by UniFirst, or featured in our Workwear Direct catalog, by Leveraging our relationships with our trusted vendor partners we can guarantee best-in-class pricing and service for any work apparel item. Service excellence is central to our culture, it begins with highly trained Customer Representatives who are fully dedicated to total Customer satisfaction and extends to all the contact personnel in our National Accounts Group who specialize in dealing quickly and efficiently to ensure that the specific service requirements of our National Account Customers are understood and consistently applied by our entire field Customer service centers. 	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
63	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	

Table 13: Audit and Administrative Fee

Line Item	Question	Response *
64	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.	During the Term, UniFirst will, upon not less than thirty (30) business days prior written request, make available to Sourcewell no more than once per calendar year, at UniFirst's corporate offices, during normal business hours, the invoice reports and/or invoice documents from UniFirst pertaining to all invoices sent by UniFirst and payments made by Sourcewell's Members for all Products and Services procured under this Agreement. Sourcewell may employ an independent auditor or choose to conduct such audit on its own behalf. UniFirst shall have the right to approve the independent auditor, which approval shall not be unreasonably withheld. Upon approval and after the auditor has executed an appropriate confidentiality agreement, UniFirst will permit the auditor to review the relevant UniFirst documents. Sourcewell shall be responsible for paying the auditor's fees. The parties will make every reasonable effort to fairly and equitably resolve discrepancies to the satisfaction of both parties.
65	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	UniFirst will pay Sourcewell an administrative fee of 2.0% (Two Percent) of the sales to Sourcewell or Sourcewell Members of Products and Services resulting from Sourcewell net of returns and allowances and, with regard to the Products procured hereunder, less applicable delivery charges. With regard to the Services procured hereunder the specified administrative fee will be paid net of any garment preparation, emblem, loss/damage, minimum stop the truck or applicable DEFE (Delivery, Energy, Fuel and Environmental) surcharges. Said administrative fees are to be paid within thirty (30) days after the end of each calendar quarter and commencing on the effective date of this Agreement.

Table 14: Industry Specific Questions

Line Item	Question	Response *
66	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	<p>Performance will be measured according to the following standards:</p> <p>A. Uniform Rental Services Your Account Executive will meet with you to discuss and identify continuous improvement targets. We will then create baselines from which we can measure future improvements. The Account Executive will then incorporate these improvement reports into the quarterly program review. Some of the areas we have included in continuous improvement projects for other customers include:</p> <p>1. On Time Installation: New locations will be installed into Service within eight (8) weeks following the conclusion of Company's employee measurement sessions. The time frame assumes standard garments within normal size ranges as defined in the contract price schedule. The target on time installation rate for new locations is 98%.</p> <p>2. Issue Resolution All service related issues that are communicated to Company will be addressed within 24 hours and Customer will notify Company when the issue is resolved to Customer's satisfaction. Company will utilize its RFCA (Request for Corrective Action) system to track any and all issues. Company will report all service issues and the time it takes to resolve issues to Customer's satisfaction.</p> <p>The following specific service issues may be submitted locally by Customer to Company. Company will address these issues at the local level following standard corrective actions.</p>

a. On Time Delivery and Pick Up:

A delivery and pick up will be considered on-time if the Merchandise arrives at the relevant locations on the specified delivery day, excluding Holidays, in which event, Company will give timely notice of the Holiday delivery schedule. Late deliveries resulting from a natural disaster, severe weather emergency, or road closures, will be excluded from this measurement.

Late deliveries will be recorded in the Company's RFCA system and the appropriate action plan communicated to the Customer's local manager. Performance will then be monitored until Customer's local manager is satisfied that the issue has been corrected.

b. Service For New Employees:

New employees will receive their garments within one (1) week of the request for standard garments in normal size ranges as defined in the contract price schedule.

Instances of new employees not outfitted in one week will be recorded in the Company's RFCA system and the appropriate action plan communicated to the Customer's local manager. Performance will then be monitored until Customer's local manager is satisfied that the issue has been corrected.

c. Merchandise Acceptance:

Merchandise will be considered accepted if the Merchandise is properly water-washed, pressed or steam tunneled and has no rips or tears that have not been repaired. If stains cannot be removed the Rented Uniforms or Rented Items, as applicable, the same will be reviewed with Customer's representative to determine responsibility for replacement costs.

Instances where merchandise is delivered in unacceptable condition will be recorded in the Company's RFCA system and the appropriate action plan communicated to the Customer's local manager. Performance will then be monitored until Customer's local manager is satisfied that the issue has been corrected.

B. Uniform Direct Sale

Order Fulfillment

A minimum of 98% of in-stock inventory will be shipped to Customer within 5 – 7 business days after the order is placed.

2. Order Accuracy

Company will achieve a minimum of 98% order accuracy measured as a function of returned orders.

Total Customer Satisfaction is measured in terms of customer retention rates. At UniFirst, our minimum goal is 95%. All Customer Service Centers are required to do all things necessary to retain a minimum of 95% of their Customers (the "Customers for Life Program"). Again, each Customer Service Center is ranked best to worst and financial incentives are associated with the attainment of this goal.

UniFirst's Route Sales Representatives (RSR's) are paid on delivered revenue at a 7% commission rate. In addition to the commission program all RSR's have a \$6000 annual bonus opportunity based primarily on Customer Satisfaction and Customer Retention. The annual bonus opportunity generally represents between 15 and 20 percent of total compensation.

We believe that effective customer service is the most important element in developing and maintaining our market position. Our commitment to service excellence is reflected throughout our organization. Our route sales representatives are the first line of continuing customer contact, who are supported by local customer service representatives, local service management staff and local operations management leaders, all of whom are focused on addressing the ongoing needs of customers, constantly delivering high-value service and pursuing total customer satisfaction. Our proprietary information systems and our support service center enable us to respond to customer inquiries or issues within 24 hours, and our service personnel are specially trained to handle the daily contact work necessary to effectively manage customer relations.

We measure the speed and accuracy of our customer service efforts on a weekly basis and, through our "Customers for Life" program, we continuously survey, record and report satisfaction levels as a means of evaluating current performance and highlighting areas for improvement.

Every customer is audited a minimum of twice a year to ask specifically about levels of satisfaction, areas where we can improve, and whether or not there are problems which need correcting. This proactive approach lets us uncover issues that might normally remain hidden and surfaces problems we might otherwise not hear about.

		But it benefits both us and our customers and it's one of the reasons that over 98% of all current customers give us an "completely satisfied" or "satisfied" performance rating.
67	Describe your unique product attributes and advances, including specific examples related to product longevity or wear-resistance.	With our Change-As-Needed system, uniform garments are regularly replaced on a rotating basis when they reach a point where either appearance or function is compromised. There is no specific schedule, and actual replacements are very much dependent upon the type of garment, the material from which it is manufactured and the nature of its use.
68	Describe how your direct buy, rental, and/or leasing solutions complement the value of your program and offerings.	<p>UniFirst has a long and proud tradition of providing quality uniforms, Job-Fitted Work Clothes® and other image and safety enhancing workwear to businesses of all sizes and types. From industrial work shirts and pants, to work jackets and coveralls, to polos and executive wear, to lab coats and food service smocks - UniFirst offers work uniforms for virtually every occupation. Beyond a complete selection of the best work uniforms available, UniFirst also provides accessories like gloves, hats, and protective gear—making "single source workwear solutions" more than just a marketing slogan.</p> <p>We manufacture our work apparel in ISO certified facilities to ensure we consistently provide the most important garment features, benefits, and fabrics as defined by our customers. That's why the UniFirst family of workwear brands boasts unrivaled styling, comfort, durability, and protection; as well as wearer-friendly features like roomier cuts, more stitches per inch, and premium construction. And we supplement our own workwear product lines with those of other leading brands. So no matter the needs, UniFirst has the solutions customers demand.</p> <p>Rent, lease, or buy work uniforms Sourcewell's Members can assume as little or as much responsibility as they wish for their overall uniform program by electing to rent, lease, or buy. With the proper care and ongoing maintenance, Members can be assured their UniFirst workwear (and facility service) products are always in top shape.</p> <p>Work Uniform Rental includes program administration, laundering, delivery, repairs, replacements, and more. Learn more about our Uniform Rental programs.</p> <p>UniFirst full service uniform rental programs include: When you participate in a full-service UniFirst uniform program, up-front clothing investments are eliminated. We outfit employees in the clothing of your Member's choice, provide weekly cleaning, garment maintenance, and issue replacements as necessary. We handle all the program administration for your employee uniforms and services, eliminating the worries and headaches. And it's all for one low weekly charge per employee (or per product).</p> <p>How our rental programs work More than 260 UniFirst service centers throughout the U.S. and Canada provide a total uniform and Facility Service package. With a full service rental program, you get:</p> <ul style="list-style-type: none"> • Professional on-site needs analysis • More than 40,000 in-stock product SKUs to choose from • Measurement/fitting of each wearer conducted at your location(s) • Specified number of garments for each individual • Professional laundering and finishing • Regularly scheduled uniform deliveries and product replenishment • Inspection of all work clothing for rips, flaws, missing buttons, etc. • Automatic garment repairs • Automatic replacement of overly worn or damaged garments • Inventory control with itemization by employee (or product) • Quick outfitting of new employees • Full program management <p>Triple Pro Service You will get three dedicated UniFirst professionals working on your account at all times. There's a dependable Route Sales Representative who'll keep your program running smoothly day in and day out, a Service Manager whose primary responsibility is to see that you're getting everything you need when you need it, and a helpful local Customer Service Representative who's always ready to provide immediate assistance. Through the efforts of this hard-working team, we guarantee 24-hour response to any problem, question, or request.</p> <p>Work Uniform Leasing includes all the facets of a Uniform Rental Program, but employees take care of laundering their own uniform garments.</p> <p>UniFirst Val-U-Lease uniform programs include: Depending upon individual needs, you may prefer our Val-U-Lease program. You enjoy the service, convenience, and all the benefits of our Full Service Uniform Rental Program, with the exception of the scheduled laundering services. But if you need occasional laundering, we can arrange that, too. And you'll still receive our uniform</p>

repair, replacement, and other maintenance services, as needed.

How our Val-U-Lease programs work

Like with our Uniform Rental programs, a UniFirst Val-U-Lease program eliminates upfront clothing investments in favor of low weekly charges. You're only billed for the number of workers actually "in uniform." Idle clothing costs are avoided, and you get top-quality, stylish uniforms of your choice... complete with custom company emblems and much more. Employees take care of uniform cleaning, but UniFirst takes care of everything else, including:

- Professional on-site needs analysis
- More than 40,000 in-stock SKUs and over 340,000 total product SKUs to choose from
- Measurement/fitting of each wearer conducted at your location(s)
- Specified number of garments for each individual
- Garment repairs
- Garment replacements of overly worn or damaged garments
- Inventory control with itemization by employee (or product)
- Quick outfitting of new employees
- Full program management

Triple Pro Service

You'll get three dedicated UniFirst professionals working on your account at all times. There's a dependable Route Service Representative who'll keep your program running smoothly day in and day out, a Service Manager whose primary responsibility is to see that you're getting everything you need when you need it, and a helpful local Customer Service Representative who's always ready to provide immediate assistance. Through the efforts of this hard-working team, we guarantee 24-hour response to any problem, question, or request.

Work Uniform Purchase programs allow you to outfit your staff at competitive prices. And if you require occasional laundering or other garment services, we can provide that too. Learn more about our Uniform Purchase programs.

UniFirst Direct Purchase programs include:

For those who prefer to own, UniFirst offers competitive pricing and an extensive workwear selection - as all of our items are available for purchase.

Program Requirements: A service agreement would serve the best interest of both parties in the event that special or otherwise non-standard products, that UniFirst would also be expected to place into inventory, are specified.

All our uniform rental items are available for purchase. You may choose from thousands of UniFirst-manufactured products or other popular brands from trusted names like Landau, Fashion Seal, Dickies, Tri-Mountain & Port Authority.

<p>69</p>	<p>Describe any unique advantages that your offering provides in terms of customization, personalization, alteration, fitting, and/or sizing.</p>	<p>Custom personalization is a key element in most image apparel programs and UniFirst's extensive experience in both screen printing and embroidery represents an advantage for us as well. We have our own in-house screen printing and operate our own embroidery machinery. In our Owensboro distribution facility UniFirst owns and operates our own embroidery equipment for emblem making and direct embroidery.</p> <p>Our advanced emblem, embroidery, logo, and employee name personalization options keep your employees looking sharp and easily identifiable in your business branded logo apparel.</p> <p>Our in-house graphics staff creates and digitizes scores of new customer personalization designs daily. Software allows us to quickly produce an electronic rendition of any embroidery design or emblem. This gives us greater control over the process of creating and delivering unique customer images through the combination of specially selected clothing and custom-applied design.</p> <p>UniFirst has the industry's largest complement of personalization equipment. Our proprietary personalization workflow software enables us to personalize over 30,000 items every day, and 6,000 emblems per hour. We invite you to view our Owensboro six minute video tour at the link listed below.</p> <p>http://www.unifirst.com/company/videos/centralized-distribution-center-owensboro-ky/</p> <p>For Direct Purchase: Custom inseam lengths for pants are available at the point of order entry. UniFirst will hem to a specified length prior to shipment of the order. As part of the service offering, UniFirst will accept returns for size exchanges within sixty (60) days of order receipt at no additional charge (i.e. no restocking fees). Freight to ship returned merchandise is paid by the customer unless the return was necessitated by a UniFirst error.</p> <p>Custom sized garments, not in stock, that do not require a "special manufacturing cut" will ship in approximately 14 - 17 business days from the date of order receipt. Custom garments that require a special cut, depending on the particular circumstances at hand, could take up to 12 weeks to procure.</p> <p>For Rental Programs: UniFirst does not measure your employees. Rather, we have your employees actually try-on the garments as we have found that this process better ensures proper fit. We have also found that lists, prepared in advance, that detail the employees to be sized, at a given sizing session, and the type and number of garments that each employee is entitled to receive greatly assists the sizing process.</p>
<p>70</p>	<p>Describe any unique advantages that your offering provides in terms of laundering, cleaning, mending and/or repair services.</p>	<p>The Company's commitment is to provide top-quality service to businesses in a broad range of industries that require superior work clothing, career apparel programs, and other managed services. The major portion of the Company's business is Rental Service Programs, which provide customers with all necessary products plus weekly cleaning, maintenance, and any needed replacements for an affordable weekly fee.</p> <p>UniFirst leads the industrial laundry industry with our technology and reporting capabilities which gives your Member's management the tools needed to impact their spend level.</p> <p>UniFirst operates the largest network of ISO certified laundry facilities in the world. Our strict adherence to our SOP's ensure our national customers receive consistent and predictable quality coast-to-coast. At UniFirst, the finishing process is unique to the industry because every shirt that we finish is professionally pressed (not in Canada), as opposed to the traditional tunnel finishing processes employed by our competitors. The vary process that occurs as our shirt pressing equipment is "dressed" by our operator requires that the top button is closed, and the dress collars are hand shaped. Once these inspection points are completed, the front of the shirt is completely inspected, including emblem affixation and quality. The bottom shirt tails and sleeves are clipped to complete the initial shirt press process. The UniFirst "Ten-Point" Inspection process and "Change-As-Needed" programs are employed to identify product defects so that your Members can focus on their Clients.</p> <p>UniFirst's exclusive "mend system" provides (at no cost to your Members), for a comprehensive "Ten-Point" inspection of every garment every time it's processed. This system is backed up by our wearer communication system which provides a continuous supply of service request tags at your place of business so that any special needs can also be flagged by wearers to ensure that they get our immediate attention.</p> <p>In general, we believe that the garment should be repaired whenever it is possible to do so, provided its appearance or function is not materially impacted by the repair. This "judgment call" we leave to the discretion of your Members. Some Customers</p>

require that they and they alone approve the retirement from service of any damaged garment. This process remains acceptable to UniFirst.

Our "Change-As-Needed" system provides (at no cost to your Members), for the automatic replacement of garments before they become so worn as to impact appearance or function. UniFirst is the only company in our industry who takes the additional step of proactively upgrading garments for our customers. Much of what our competitor's bill out as "damage" is actually the result of worn out uniforms that have not been replaced. Unlike many (if not all) of our competitors, UniFirst replaces all garments which wear out as a consequence of normal wear and tear with "new" garments.

UniFirst also recognizes that not every employee stays the same size over time, so we provide (at no cost to your Members), for clothing size exchanges to your Member's employees whenever necessary.

We commit to reinvesting 18% of revenues back into your garment inventory. The consistent upgrades (at no cost to your Members), keep your Member's inventory above the image and safety threshold where our competitors fall after the first couple years of service. We, at UniFirst, would be privileged to have the opportunity to host a tour of one of our operating facilities to demonstrate our competitive advantages in terms of garment finish quality and more importantly to you, finish appearance.

At every UniFirst ISO certified laundry facility, every single item is carefully sorted and placed into specially designed slings that are weighed before being sent to one of 14 different washers with capacities ranging from 75 to 700 pounds. Each wash lot is tagged as to the type of content and soiling so that operators can instruct a pre-programmed computer to use the correct wash formula for that particular load.

Under this system, there's virtually no opportunity for human error. Computerized wash formulas determine the correct water levels and temperatures, what detergents and additives are needed, the length of the wash cycle, and any other additional information that the clothing or soil type might require. And when the cleaning cycle is completed, sophisticated computer controls automatically tip and empty washers onto moving conveyors which transfer the laundry to pre-programmed computerized driers.

The automation process is extremely precise, and it allows UniFirst personnel to monitor each process from start to finish to ensure overall quality—from the most efficient use of energy and wash chemicals to the overall level of cleanliness. Should any minor error or malfunction occur, such as water not reaching a specific temperature, an alarm sounds and the entire process comes to an immediate halt until the problem is fixed.

The following controls are used to limit loss and damage.

- All garments are counted at Customer pick-up, again upon receipt at our plant and again at delivery . . . all documented on the weekly service invoice.
- All garments are individually barcoded to identify specific location, day of service and individual employee.
- Our UniTrack bar coding system provides an accurate pickup and delivery report to the Client, at the time of product delivery, on a weekly basis. These weekly reports, printed on their premises, detail the number of garments that are picked up for cleaning from, and delivered clean to, a given location or sub location, within a given location. This, in turn, will enable the member to clearly identify who last had possession of the garments, and thus who is responsible for any loss of the subject garments.
- Internal garment control systems back at our service center are designed to eliminate delivery shortages
- Our Garment Maintenance Program (if selected) eliminates all damage charges, except those that arise as a consequence of gross negligence
- Garment lockers are available to secure clean garments and for better housekeeping of soiled garments.
- Lost Damage Report - provides a detailed summary (monthly or quarterly) of the lost and damage charges invoiced for each Member's site. The report shows the garment information as well as the employee name.

We are committed to conducting our business in a fair, honest and responsible manner in accordance with all environmental and governmental regulations and with the highest standards of business ethics. UniFirst stresses energy conservation measures throughout all its facilities. Our laundry production facilities feature

		computerized processing equipment that ensures these operations are not wasteful in any way with respect to fuel and energy usage. With 260 locations throughout North America, we have also found that seemingly small conservation measures, such as installing energy efficient equipment, motion-activated lighting, and automated thermostats, are cumulatively producing big savings. We also make sure that each of our fleet of customer delivery and support vehicles follows proper maintenance schedules, and that all of our drivers follow best practices for vehicle fuel performance.
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Exceptions to Terms, Conditions, or Specifications Form

Only those Proposer Exceptions to Terms, Conditions, or Specifications that have been accepted by Sourcewell have been incorporated into the contract text.

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.
4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."
 - [Financial Strength and Stability](#) - Financial Strength and Stability UniFirst.zip - Wednesday April 08, 2020 13:05:35
 - [Marketing Plan/Samples](#) - Sourcewell sample welcome kit.pdf - Wednesday April 08, 2020 16:19:01
 - WMBE/MBE/SBE or Related Certificates (optional)
 - Warranty Information (optional)
 - [Pricing](#) - Sourcewell Proposal.docx - Thursday April 09, 2020 14:04:22
 - Additional Document (optional)

Proposer's Affidavit

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcwell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcwell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcwell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcwell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 - a. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 - b. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://www.sam.gov/>; or
 - c. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - David Katz, Vice President Sales & Marketing, UniFirst Corporation

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

Yes No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_7_Uniforms_RFP040920 Fri April 3 2020 12:04 PM	<input checked="" type="checkbox"/>	1
Addendum_6_Uniforms_RFP040920 Thu April 2 2020 08:09 AM	<input checked="" type="checkbox"/>	3
Addendum_5_Uniforms_RFP040920 Thu March 19 2020 10:46 AM	<input checked="" type="checkbox"/>	1
Addendum_4_Uniforms_RFP040920 Tue March 3 2020 11:20 AM	<input checked="" type="checkbox"/>	2
Addendum_3_Uniforms_RFP040920 Thu February 27 2020 04:04 PM	<input checked="" type="checkbox"/>	1
Addendum_2_Uniforms_RFP040920 Fri February 21 2020 02:33 PM	<input checked="" type="checkbox"/>	1
Addendum_1_Uniforms_RFP040920 Thu February 20 2020 03:41 PM	<input checked="" type="checkbox"/>	1

**CITY OF ARCADIA
PROFESSIONAL SERVICES AGREEMENT REGARDING
UNIFORM RENTAL SERVICES**

This Agreement is made and entered into as of _____, 20____ by and between the City of Arcadia, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 240 West Huntington Drive, Arcadia, California 91066 (“City”), and **UniFirst**, a Massachusetts Corporation, with its principal place of business at **700 S. Etiwanda, Suite C, Ontario, CA 91761** (hereinafter referred to as “Consultant”). City and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

- A. City is a public agency of the State of California and is in need of professional services for the following project: **uniform rental services** (hereinafter referred to as “the Project”).
- B. Consultant is duly licensed and has the necessary qualifications to provide such services.
- C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit “A.”

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit “B.”

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **SEVENTY-TWO THOUSAND, FIVE HUNDRED DOLLARS AND NO CENTS (\$72,500.00)**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or

the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Term.

The term of this Agreement shall be from **October 12, 2023 through and including October 11, 2028**, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must

specifically include work performed under this Agreement. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any

insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iii) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the City nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. To the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's obligations under the above indemnity shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, but shall not otherwise be reduced. If Consultant's obligations to defend, indemnify, and/or hold harmless arise out of Consultant's performance of "design professional services" (as that term is defined under Civil Code section 2782.8), then upon Consultant obtaining a final adjudication that liability under a claim is caused by the comparative active negligence or willful misconduct of the City, Consultant's obligations shall be reduced in proportion to the established comparative liability of the City and shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any

failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1).

b. If the services are being performed as part of an applicable “public works” or “maintenance” project and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant’s sole responsibility to comply with all applicable registration and labor compliance requirements.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant’s sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant’s performance of services, including any delay, shall be Consultant’s sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. City Material Requirements.

Consultant is hereby made aware of the City’s requirements regarding materials, as set forth in **City’s Memorandum of Understanding with APWEA**, which are deemed to be a part of this Agreement.

16. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Los Angeles, State of California.

17. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event,

City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

18 Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

19. Organization

Consultant shall assign **Nicolas Beltran** as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

20. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

21. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:

City of Arcadia
240 West Huntington Drive
Arcadia, CA 91066
Attn: John Corona, Utilities Superintendent

CONSULTANT:

UniFirst
700 S. Etiwanda, Suite C
Ontario, CA 91761
Attn: Nicolas Beltran, Account Manager

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

28. Time of Essence

Time is of the essence for each and every provision of this Agreement.

29. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee,

commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF ARCADIA
AND UNIFIRST**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF ARCADIA

UNIFIRST

By: _____
Dominic Lazzaretto
City Manager

By: _____
Title: _____
Printed Name: _____

ATTEST:

By: _____
City Clerk

By: _____
Title: _____
Printed Name: _____

APPROVED AS TO FORM:

CONCUR:

By: _____
Michael J. Maurer
City Attorney

Paul Cranmer
Public Works Services Director

EXHIBIT "A"

Scope of Services

This Agreement for the uniform rental services shall include, but is not limited to the following specifications which are intended to cover the rental and/or lease of uniforms for 45 City of Arcadia employees:

- Each employee shall receive a total set of 11 uniforms, including:
 - 11 total pants/shorts combo and 11 total short sleeve/long sleeve collard shirts combo
- Shirts and pants shall be a 65/35 poly/cotton blend, with the exception of fire retardant fabrics (fire resistant fabric shall be 88/12 cotton/nylon blend and must be grade 2 fire resistant).
- 100% Cotton shirts must be made available for any employee who has a doctor's note stating that the employee is not able to wear 65/35 poly/cotton blend or fire retardant fabric or for employees who work with electricity.
- New fire retardant coveralls shall be required to be provided within two (2) weeks of outfitting and/or employee request.
- The sizes of all garments shall be national standard sizes.
- Each employee shall be measured individually to assure that the provided uniform fits properly.
- Initial outfitting of employees shall be with a full complement of new garments.
- Any size changes, replacements, and upgrades shall also consist of new garments and will be charged the same rate as initial outfitting.
- Contractor shall provide size changes upon request of employees, should an employee require a size change, new garments shall be delivered within two (2) weeks of notification.
- Contractor shall provide uniform replacement requests within two (2) weeks of notification.
- Employee will determine style of shirts, short sleeves versus long sleeve or combination of both.
- Employees will determine style of pants, short versus long or a combination of both
- Contractor shall promptly measure and outfit with new garments any eligible new City employee added to the Public Works Services Department in accordance with all the terms and conditions as those submitted with original documents. New uniformed employees shall receive garments within two (2) weeks of outfitting.
- The contractor will furnish the City of Arcadia patch, which goes over the right breast pocket.

- The employee's name and City patches shall be standard to the design provided by the City and adhered to the City's specifications (samples shall be provided).
- Uniforms must be picked up for cleaning once a week.
- The contractor will provide a one week turn around for uniforms that are turned in for cleaning.
- Cleaning process shall not affect color of uniforms, attached emblems, or name plates.
- If the City feels that a uniform has become faded, discolored, or damaged in any way due to the cleaning process, a new replacement will be provided at no additional cost complete with name plates and emblems.
- Each employee shall be provided with a locker for the storage of uniforms.
- The contractor shall provide a method used to identify each employee's garments during the laundry process. Shirts and pants need to be returned to the appropriate staff.
- The contractor shall maintain sufficient inventory to furnish shirts and pants when regular garments are held back for repair or service in excess of one (1) week.
- Contractor shall retain ownership of all uniforms for the term of the contract agreement. In the event of the loss of any item by an employee, the City shall pay the quoted replacement charges for each item on a pro-rated basis.
- Uniforms must be repaired if there is a hole in the uniform. The maximum size of patch on a uniform is to be 1-1/2" square. No more than three (3) patches are to appear on the uniform. No patch is to overlap or be within one (1) inch of the existing patch. All uniforms in excess of three (3) patches are to be replaced with a new uniform.
- Contractor shall replace any uniform item whenever the garment is beyond repair or acceptable appearance.
- Contractor shall maintain an inventory of a minimum of 10% uniforms being supplied to the City.
- The City will return uniform garments from a terminated employee or pay for the garment on a pro-rated basis.
- Uniforms must be delivered to the City of Arcadia Public Works Services Department at 11800 Goldring Road, Arcadia, CA 91006.

Should the above referenced specifications not be met within the specified time of two (2) weeks, liquidated damages shall be applied at a cost of \$0.25 per uniform piece per day.

Mats:

The following specifications for mats are intended to cover the rental and/or lease of mats for the City of Arcadia Public Works Services Department and the City of Arcadia Police Department:

- Mats must be changed weekly.
- Mats must be in good condition.
- If the City feels the mats are not in good condition or damaged in any way, a replacement must be delivered in a timely manner.
- Two (2) – 4x6 mats, and two (2) – 3x5 mats must be delivered to the City of Arcadia Police Department located at 250 W. Huntington Drive, Arcadia, CA 91007.
- Four (4) – 3x5 mats, four (4) – 4x6 mats, and two (2) – 3x5 mats must be delivered to the City of Arcadia Public Works Services Department located at 11800 Goldring Road, CA 91006.

EXHIBIT "B"

Schedule of Charges/Payments

Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.

Compensation shall be based on time and materials spent in accordance with the following tasks, not to exceed the total compensation listed below:

The schedule of prices is attached as attachment "A" to this Exhibit "B".

Implementation of the Coordinated Integrated Monitoring Program:

Year One (1) – from October 12, 2023 to October 11, 2024	-	\$14,500.00
Year Two (2) – from October 12, 2024 to October 11, 2025	-	\$14,500.00
Year Three (3) – from October 12, 2025 to October 11, 2026	-	\$14,500.00
Year Four (4) – from October 12, 2026 to October 11, 2027	-	\$14,500.00
Year Five (5) – from October 12, 2027 to October 11, 2028	-	\$14,500.00
Total Compensation	-	\$72,500.00

The total compensation shall not exceed the total listed without written authorization in accordance with Section 2 (b) of the agreement.



CUSTOMER SERVICE AGREEMENT

COMPANY NAME (Customer) CITY OF ARCADIA LOC. NO. 325
 ADDRESS 11800 GOLDRING ROAD ROUTE NO. _____
ARCADIA, CA 91066 DATE 9/11/2023
 PHONE 626.256.6591 SIC/NAICS _____

The undersigned (the "CUSTOMER") orders from UniFirst Corporation and/or UniFirst Holdings, Inc. d.b.a. UniFirst and/or UniFirst Canada LTD. ("UNIFIRST") the rental service(s) at the prices and upon the conditions outlined:

MERCHANDISE SERVICED								
ITEM DESCRIPTION	LOST/DAMAGED REPLACEMENT CHARGE	SERVICE FREQUENCY	NO. OF PERSONS/ISSUE PER PERSON	TOTAL NO. OF CHANGES/PIECES	PRICE PER CHANGE/PIECE	STANDARD/NON-STANDARD ¹	TOTAL FULL SERVICE	TOTAL VALU-LEASE ²
0101 LS SHIRT-CHINO 100%	10.80	1	9	52	.23	S <input type="checkbox"/>		
0102 LS WORK SHIRT 65/35	8.20	1	28	182	.17	S <input type="checkbox"/>		
0201 SS SHIRT-CHINO 100%	10.25	1	5	37	.20	S <input type="checkbox"/>		
0202 SS WORK SHIRT 65/35	6.85	1	25	135	.17	S <input type="checkbox"/>		
1001 PANT-100% COTTON PLAIN	14.05	1	10	93	.28	S		
1002 PANT-65/35 SOFTWILL PLAIN	11.10	1	33	266	.22	S		
1034 SHORT-65/35 PLAIN FRONT	8.65	1	13	36	.17	S		
1506 JACKET 65/35 PERMALINED	35.12	1	2	2	.41	S		
76GA MAT 3X5 GI	64.87	1	1	6/12	1.20	S		
76GB MAT 4X6 GI	100.08	1	1	6/12	1.92	S		
76GC MAT 3X10 MI	132.62	1	1	2/4	2.20	S		
8919 LOCKER-8 COMPART WIDE US	514.00	1	1	6/6	NC	S		

Minimum weekly charge applies, equal to 75% of the initial weekly install value.

OTHER CHARGES	AMOUNT
Garment preparation per piece	0.75
Name emblem per piece	.45
Company emblem per piece	1.50
Direct Embroidery: Wearer name per piece	BOOK PRICE
Company name per piece	BOOK PRICE
GARMENT MAINTENANCE PROGRAM	NO
MAT PROTECTION PROGRAM	YES

OTHER CHARGES	AMOUNT
Non-stock sizes per piece	3.00
Special cuts per piece	20%
Restock/Exchange per piece	20%
Automatic Wiper Replacement	3%
Automatic Linen Replacement	3%
DEFE (See description on reverse side)	3.50
ENERGY CHARGE	2.25

PAYMENT TERMS: C.O.D. E.F.T. Approved Charge³

COMMENTS

(25) Coach's Jacket W/ Direct Embroidery at no cost.

Approved charge: CUSTOMER agrees to make payments within 30 days of invoice receipt. A late charge of 1½% per month (18% per year) for any amount in arrears may be applied.⁴

The undersigned agrees to the attached Customer Service Agreement Terms and attests to have the authority to execute for the named CUSTOMER, and to approve use of any personalization – including logos or brand identities – that has been requested.

SALES REP: NICOLAS BELTRAN 9/11/23
SALES REP (Print Name) DATE

ACCEPTED: _____
CUSTOMER (Signature) DATE

ACCEPTED⁵: _____
LOCATION MANAGER (Signature) DATE

CUSTOMER (Print Name and Title)

LOCATION MANAGER (Print Name and Title)

EMAIL

¹ Out-sizes of otherwise Standard Merchandise are deemed to be Non-Standard Merchandise.
² Merchandise which is Val-U-Leased is not cleaned by UniFirst.
³ Charge status contingent upon continuing credit worthiness and may be revoked at UniFirst's discretion.

⁴ All returned checks and declined credit/debit cards subject to \$35 processing fee.
⁵ This Agreement is effective only upon acceptance by UniFirst Location Manager.

CUSTOMER SERVICE AGREEMENT TERMS

REQUIREMENTS SUPPLIED. Customer orders from UniFirst Corp. ("UniFirst") the rental garments and/or other items of the type specified in this Agreement ("Merchandise") and related pickup/delivery and maintenance services (collectively with Merchandise, "Services") for all of Customer's requirements therefor, at the prices and upon the terms and conditions set forth herein. Additional Services requested by Customer, verbally or in writing, will also be covered by this Agreement. All rental Merchandise supplied to Customer remains the property of UniFirst. Customer warrants that it is not subject to, and that this Agreement does not interfere or conflict with, any existing agreement for the supply of the Merchandise or Services covered.

PERFORMANCE GUARANTEE. UNIFIRST GUARANTEES TO DELIVER HIGH-QUALITY SERVICE AT ALL TIMES. All items of Merchandise cleaned, finished, inspected, repaired, and delivered by UniFirst will meet or exceed industry standards, or non-conforming items will be replaced by the next scheduled delivery day at no cost to Customer. Items of rental Merchandise requiring replacement due to normal wear and tear will be replaced at no cost to Customer, save for any applicable personalization and setup charges.

Customer expressly waives the right to terminate this Agreement during the initial term or any extension thereof for deficiencies in the quality of Services unless: (1) complaints are first made in writing to UniFirst which set forth the precise nature of any deficiencies; (2) UniFirst is afforded at least 60 days to correct any deficiencies complained of; and (3) UniFirst fails to correct those deficiencies complained of within 60 days. In the event Customer complies with the foregoing and UniFirst fails to correct such deficiencies, Customer may terminate this Agreement by written notice to UniFirst, providing that all previous balances due to UniFirst have been paid in full and that all other conditions to terminate have been satisfied. Any delay or interruption of the Services provided for in this Agreement by reason of acts of God, fires, explosions, strikes or other industrial disturbances, or any other cause not within the control of UniFirst, shall not be deemed a breach or violation of this Agreement.

TERM AND RENEWAL. This Agreement is effective when signed by both the Customer and UniFirst Location Manager and continues in effect for 60 months after installation of Merchandise (for new customers) or any renewal date. This Agreement will be renewed automatically and continuously for multiple successive 60-month periods unless Customer or UniFirst gives written notice of non-renewal to the other at least 90 days prior to the next expiration date.

PRICES AND PAYMENTS. Prices are based on 52 weeks of service per year. Any increase(s) to Service Frequency could result in additional charges. On an annual basis, the prices then in effect will be increased by the greater of the annual percent increase in the Consumer Price Index - All Urban Consumers, Series ID: CUUROOOSAG, other goods and services, or by 5%. Additional price increases and other charges may be imposed by separate written notice or by notation on Customer's invoice. Customer may, however, decline such additional increases or charges by notifying UniFirst in writing within 10 days after receipt of such notice or notation. If Customer declines said additional price increases, UniFirst may terminate this Agreement. Customer also agrees to pay the other charges and minimum weekly charge herein specified. Charges relating to a wearer leaving Customer's employ can be terminated by (1) giving notice thereof to UniFirst and (2) returning or paying for any missing Merchandise issued to that individual. Any Merchandise payments required pursuant to this Agreement will be at the replacement price(s) then in effect hereunder. If an authorized Customer representative is not available to receive and acknowledge delivery of Merchandise, Customer authorizes UniFirst to make delivery and assumes responsibility for related charges/invoices.

If Customer fails to make timely payment, UniFirst may, at any time and in its sole discretion, terminate this Agreement by giving written notice to Customer, whether or not UniFirst has previously strictly enforced Customer's obligation to make timely payments. Customer agrees to pay, and will pay, all applicable sales, use, personal property, and other taxes and assessments arising out of this Agreement.

DEFE CHARGE. Customer's invoices may also include a DEFE charge to cover all or portions of certain expenses including:

D = DELIVERY, or expenses associated with the actual delivery of Services and Merchandise to Customer's place of business, primarily Route Sales Representative commissions, management salaries, vehicle depreciation, equipment maintenance, insurance, road use charges and local access fees.

E = ENVIRONMENTAL, or expenses (past, present, and future) UniFirst absorbs related to wastewater testing, purification, effluent control, solids disposal, supplies and equipment for pollution controls and energy conservation, and overall regulatory compliance.

F = FUEL, or the gas, diesel fuel, oil, and lubricant expenses associated with keeping UniFirst's fleet vehicles on the road and servicing its customers.

E = ENERGY, primarily the natural gas UniFirst uses to run boilers and gas dryers, plus other local utility charges.

MERCHANDISE. Customer acknowledges and agrees to notify all employees that Merchandise supplied is for general occupational use and, except as expressly specified below, affords no special user protections. Customer further acknowledges that: (1) Customer has unilaterally and independently determined and selected the nature, style, performance characteristics, number of changes and scope of all Merchandise to be used and the appropriateness of such Merchandise for Customer's specific needs or intended uses; (2) UniFirst does not have any obligation to advise, and has not advised, Customer concerning the fitness or suitability of the Merchandise for Customer's intended use; (3) UniFirst makes no representation, warranty, or covenant regarding the performance of the Merchandise (including without limitation Flame Resistant and Visibility Merchandise); and (4) UniFirst shall in no way be responsible or liable for any injury or harm suffered by any Customer employees while wearing or using any Merchandise. Customer agrees to indemnify and hold harmless UniFirst and its employees and agents from and against all claims, injuries, or damages to any person or property resulting from Customer's or Customer's employee use of the Merchandise, whether or not such claims, injuries or damages arise from any alleged defects in the Merchandise.

Flame Resistant ("FR") Merchandise supplied hereunder is intended only to prevent the ignition and burning of fabric away from the point of high heat impingement and to be self-extinguishing upon removal of the ignition source. FR items will not provide significant protection from burns in the immediate area of high heat contact due to thermal transfer through the fabric and/or destruction of the fabric in the area of such exposure. FR items are designed for continuous wear as only a secondary level of protection. Primary protection is still required for work activities where direct or significant exposure to heat or open flame is likely to occur.

Visibility Merchandise is intended to provide improved conspicuity of the wearer under daylight conditions and when illuminated by a light source of sufficient candlepower at night. It is Customer's responsibility to determine the level of conspicuity needed by wearers under specific work conditions. Further, Customer agrees that Visibility Merchandise alone does not ensure conspicuity of the wearer and that additional safety precautions may be necessary. The Visibility Merchandise supplied satisfied particular ANSI/ISEA standards only when they were new and unused and only if so labeled. Customer acknowledges that usage and laundering of Visibility Merchandise may adversely affect its conspicuity.

Healthcare/Food-Related Customer acknowledges that: (1) UniFirst does not guarantee or warrant that the Merchandise selected by Customer or that processed garments delivered by UniFirst will be appropriate or sufficient to provide a hygienic level adequate for individual Customer's needs; and (2) optional poly-bagging* is recommended to reduce the risk of cross-contamination of Merchandise, and the failure to utilize such service may adversely affect the efficacy of UniFirst's hygienic cleaning process. (* Poly-bag services incur additional charges.)

If any Merchandise supplied hereunder is Merchandise that: (1) UniFirst does not stock for whatever reason (including due to style, color, size or brand); (2) consists of non-UniFirst manufactured or customized FR Merchandise; or (3) consists of Merchandise that has been permanently personalized (in all cases known as "Non-Standard Merchandise"), then, upon the discontinuance of any Service hereunder at any time for any reason, including expiration, termination, or cancellation of this Agreement, with or without cause, deletion of any Non-Standard Merchandise from Customer's Service Program, or due to employee reductions (in each case a "Discontinuance of Service"), Customer will purchase at the time of such Discontinuance of Service all affected Non-Standard Merchandise items then in UniFirst's inventory (in-service, shelf, as well as any manufacturer's supplies ordered for Customer's use), paying for same the replacement charges then in effect.

Customer agrees not to contaminate any Merchandise with asbestos, heavy metals, solvents, inks, or other hazardous or toxic substances ("contaminants"). Customer agrees to pay UniFirst for all Merchandise that is lost, stolen, damaged or abused beyond repair. As a condition to the termination of this Agreement, for whatever reason, Customer will return to UniFirst all standard Merchandise in good and usable condition or pay for same at the replacement charges then in effect.

OBLIGATIONS AND REMEDIES. If Customer breaches or terminates this Agreement before the expiration date for any reason (other than for UniFirst's failure under the performance guarantee described above), Customer will pay UniFirst, as liquidated damages and not as a penalty (the parties acknowledging that actual damages would be difficult to calculate with reasonable certainty) an amount equal to 50 percent of the average weekly amounts invoiced in the preceding 26 weeks, multiplied by the number of weeks remaining in the current term. These damages will be in addition to all other obligations or amounts owed by Customer to UniFirst, including the return of Standard Merchandise or payment of replacement charges, and the purchase of any Non-Standard Merchandise items as set forth herein.

This Agreement shall be governed by Massachusetts law (exclusive of choice of law). If a dispute arises from or relates in any way to this Agreement or any alleged breach thereof at any time, the parties will first attempt to resolve the claim or dispute by negotiation at agreed time(s) and location(s). All negotiations are confidential and will be treated as settlement negotiations. Any matter not resolved through direct negotiations within 30 days shall be resolved exclusively by final and binding arbitration, conducted in the capital city of the state where Customer has its principal place of business (or some other location mutually agreed), pursuant to the Expedited Rules of the Commercial Arbitration Rules of the American Arbitration Association, and governed by the Federal Arbitration Act, to the exclusion of state law inconsistent therewith. The parties will agree upon one (1) Arbitrator to settle the controversy or claim. The successful or substantially prevailing party in any proceeding, including any appeals thereof (as determined by the Arbitrator/court) shall recover all of its costs and expenses including, without limitation, reasonable attorney fees, witness fees, and discovery costs, all of which shall be included in and as a part of the judgment or award rendered hereunder. This provision for Arbitration is specifically enforceable by the parties; the Arbitrator shall have no power to vary or ignore the provisions hereof; and, the decision of the Arbitrator in accordance herewith, may be entered in any court having jurisdiction thereof. Customer acknowledges that, with respect to all such disputes, it has voluntarily and knowingly waived any right it may have to a jury trial or to participate in a class action or class litigation as a representative of any other persons or as a member of any class of persons, or to consolidate its claims with those of any other persons or class of persons. If this prohibition against class litigation is ruled to be unenforceable for any reason in any proceeding, then the prohibition against class litigation shall be void and of no force and effect in that proceeding.

MISCELLANEOUS. The parties agree that this Agreement represents the entire agreement between them. In the event Customer issues a purchase order to UniFirst at any time, none of the standard pre-printed terms and conditions therein shall have any application to this Agreement or any transactions occurring pursuant hereto or thereto. UniFirst may, in its sole discretion, assign this Agreement. Customer may not assign this Agreement without the prior written consent of UniFirst. Customer agrees that in the event it sells or transfers its business, it will require the purchaser or transferee to assume all obligations and responsibilities under this Agreement, provided that such assumption shall not relieve Customer of its liabilities hereunder and provided further that any failure by a purchaser or transferee to assume this Agreement shall constitute a breach and early termination of this Agreement resulting in the obligation to pay all amounts on account thereof as set forth in this Agreement. Neither party will be liable for any incidental, consequential, special, or punitive damages. In no event shall UniFirst's aggregate liability to Customer for any and all claims exceed the sum of all amounts actually paid by Customer to UniFirst. In the event any portion of this Agreement is held by a court of competent jurisdiction or by a duly appointed arbitrator to be unenforceable, the balance will remain in effect. All written notices provided to UniFirst must be sent by certified mail to the attention of the Location Manager. In Texas and certain other locations, UniFirst's business is conducted by, and the term "UniFirst" as used herein means, UniFirst Holdings, Inc. d.b.a. UniFirst.

EXHIBIT "C"

Activity Schedule

All work shall be completed in accordance with the following schedule:

The term of this Agreement shall be for five (5) years from October 12, 2023, through and including October 11, 2028. All tasks under Exhibit "A" shall be adhered to and executed accordingly.



STAFF REPORT

Fire Department

DATE: September 19, 2023

TO: Honorable Mayor and City Council

FROM: Chen Suen, Fire Chief
By: Tom Devlin, Acting Deputy Fire Chief

SUBJECT: PURCHASE ORDER WITH EMERGENCY VEHICLE GROUP (“EVG”) FOR THE PURCHASE OF ONE NEW ROAD RESCUE ULTAMEDIC TYPE I AMBULANCE AND ONE NEW BASIC LIFE SUPPORT (“BLS”) TYPE II AMBULANCE IN THE AMOUNT OF \$ \$701,801
CEQA: Not a Project
Recommendation: Approve

SUMMARY

The Fire Department has a need for two new rescue ambulances to meet service demands. One ambulance will replace a Type I Advanced Life Support (“ALS”) 2015 Chevrolet vehicle that has exceeded its useful life, and the other ambulance will be added to the fleet to provide a vehicle for the Type II Basic Life Support (“BLS”) Peak Hour Program that was approved during the Fiscal Year 2023-24 Budget Adoption.

While the budget only anticipates a single ambulance purchase this year, opportunities exist to purchase both vehicles within the approved budget. After exploring possible purchasing options, it was determined that using Sourcewell, a national cooperative purchasing program, enables the City to streamline the process of procuring these rescue ambulances and receive the best price possible (see attachments for the contract and pricing). Sufficient funds in the amount of \$731,600 have been allocated in the Fiscal Year 2023-24 Equipment Acquisition Budget to accommodate the purchase of one BLS and one ALS ambulances, including upfitting costs.

It is recommended that the City Council approve the purchase and upfitting of one new Road Rescue Ultamedic Type I ambulance and one new Type II Basic Life Support ambulance in the amount of \$701,801.

BACKGROUND

Annually, the Fire Department responds to approximately 6,000 incident calls, of which 70% are medically related. Medical response times are critically important, and the Fire

Department requires its rescue ambulances to be in optimal condition as it responds to thousands of calls each year.

During the FY 2023-24 Budget adoption process, the City Council approved the Fire Department's new program request to implement the "BLS Peak Hour Program." This was proposed due to a sustained call volume increase and longer hospital bed wait times during peak hours. More often, the City is turning to neighboring cities to respond to medical calls in Arcadia. Having a program to address peak hours will enable faster response times and better service to residents in need. Included in this program is a new Type II ambulance for the fleet, which will be outfitted for BLS responses. Specifically, the FY 2023-24 Equipment Acquisition Budget has allocated a total of \$731,000 for the purchase of a new rescue ambulance.

In addition, the Fire Department has a total of three existing rescue ambulances, with two operating as frontline response and one as a reserve unit. The City's Vehicle Replacement Schedule for rescue ambulances provides for a seven-year, 75,000 mile replacement cycle. One of the existing rescue ambulances (Asset No. 80361) is on a 2015 Chevrolet chassis and is scheduled to be replaced in FY 2024-25. However, over the years, this vehicle has increasingly required unexpected maintenance and repairs, adding more costs to its upkeep. The City could keep this vehicle operating for another year or two, but with the long procurement and upfitting times in this industry, it may take up to three years before the vehicle can be put into service. Thus, it is recommended that the vehicle be purchased now so it can be received before the current asset becomes more unreliable.

Due to some unique opportunities described further below, it is possible to purchase both vehicles within the current budget amount of \$731,000.

DISCUSSION

Purchase of a Type I ALS Ambulance

The current 2015 Chevrolet Express 3500 Road Rescue Type I ambulance has been utilized by the Fire Department since 2015. With regulatory changes in vehicle exhaust systems and the heavy use of its chassis/platform, the Department has been experiencing ongoing apparatus/service problems (e.g., vehicle emissions system and engine failures). The current nationwide supply chain issues and the growing wait times to custom-build and deliver this type of apparatus (at this time, it takes about 30-36 months for build and delivery), present a greater concern about vehicle reliability and the provision of medical services. For these reasons, replacement of this type of vehicle has become more vital to continue delivering uninterrupted, critical ground emergency medical transportation to the community. The Fire Department has become aware that the vendor, Emergency Vehicle Group ("EVG"), has a new 2023 Type I ambulance that was originally built for the Nevada

City Fire Department, but was not ultimately purchased. In addition to having a Type I vehicle built and ready for immediate delivery, EVG is willing to sell this new 2023 Type I Road Rescue Ambulance at its 2021 price. The reduced price of \$502,541, including upfitting expenses, provides an immediate savings of \$140,000 over current pricing.

The current 2015 Chevrolet Express 3500 Road Rescue ambulance will be replaced with a 2023 Ford F550, Road Rescue Ultramedic Type I ambulance. This new rescue ambulance will be upfitted with the required Fire Department radios and Code 3 capabilities, allowing for rapid response to emergency situations.

The recommended replacement ambulance from the Nevada City Fire Department is constructed of a heavier duty chassis to help support additional use and mileage. This Type I ambulance is needed to support the Department's ALS Paramedic program, with reliability and gross vehicle weight ratings to safely transport fire personnel, patients, medical equipment, firefighting safety equipment and a self-contained breathing apparatus, all required for this service model. This new Type I ambulance has a hybrid system, offering battery powered idle time for environmental protections, which create a healthier work environment for Fire Department personnel and patients being treated and transported. This hybrid feature also lowers ambient noise levels, reducing stress levels for patients and improving communications inside and around the vehicle.

Purchase of a Type II BLS Ambulance

The desired rescue ambulance for the BLS Peak Hours Program is the 2023 Ford Transit, Type II ambulance. This smaller, lighter, and more economical BLS Type II ambulance comes with a V-6 engine, with greatly improved fuel economy. This unit will be operated primarily by Ambulance Operators ("AOs") who do not carry additional personal protective firefighting attire, breathing apparatus, tools, and equipment. In addition, BLS equipment needs (medical supplies, machines, devices, etc.) are less than those of an ALS unit. With less equipment stored in the vehicle, a smaller, lighter, and less expensive ambulance will sufficiently support the Ambulance Operators. The total vehicle cost plus upfitting expenses is \$199,260, significantly less than the \$731,000 identified in the adopted budget, which contemplated a Type I vehicle for consistency within the fleet. This vehicle can also be provided by EVG.

In summary, **staff has determined that purchasing two new ambulances concurrently this Fiscal Year is the most prudent option to ensure that the Department can operate efficiently and effectively within current budgets.** The total cost for purchasing these two ambulances is \$701,801, which is within the Fire Department's allocated \$731,000 Equipment Acquisition Budget for the purchase of these vehicles for this Fiscal Year 2023-24.

Cooperative Purchasing

The California Government Code authorizes public agencies to participate in cooperative purchasing agreements such as those established by Sourcewell, while remaining within the City's adopted rules and procedures for purchasing. By utilizing a cooperative purchasing program, the City is able to streamline the procurement process and purchase vehicles and equipment at a lower cost than traditional competitive bidding. The cooperative agreement for this purchase is with Sourcewell's awarded contract to REV Ambulance Group Orlando, Inc., dba Wheeled Coach, providing ambulance and emergency service vehicles. The vendor Emergency Vehicle Group ("EVG") is Wheeled Coach's exclusive distributor for their ambulance vehicles, parts, and services for the State of California; specifically, for the type of ambulances the Fire Department needs to purchase, which is a 2023 Type I Ultramedic ambulance ("ALS") and a 2023 Ford Transit Type II ambulance ("BLS"), with related upfitting, equipment, and accessories. Hence, this report is seeking approval to award a Purchase Order to EVG.

The bidding process, specifications, and contract under Sourcewell, with EVG's pricing, have been reviewed by the Fire Department. It has been determined to meet the City's procurement requirements and is within the Department's allocated budget for vehicle purchases this Fiscal Year. See attachments for the copies of Sourcewell's contract and EVG's pricing.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

FISCAL IMPACT

The total cost for purchasing these two ambulances is \$701,801. Sufficient funding in the amount of \$731,000 from the Fiscal Year 2023-24 Equipment Acquisition Budget has been allocated for the purchase. While the adopted budget only contemplates a single vehicle to be purchased, by taking advantage of a one-time opportunity and reconsidering the type of vehicle needed for the new BLS program, two needed vehicles can be purchased within the existing budget.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and approve a Purchase Order with Emergency Vehicle Group ("EVG") for the purchase of one new Road Rescue

Purchase Order for Purchasing Two Ambulances
September 19, 2023
Page 5 of 5

Ultamedic Type I ambulance and one new Basic Life Support (“BLS”) Type II ambulance
in the amount of \$701,801.

Approved:



Dominic Lazzaretto
City Manager

Attachment No. 1: Sourcewell Cooperative Purchasing Contract
Attachment No. 2: EVG Pricing



September 8, 2023

Emergency Vehicle Group, Inc.
2883 E. Coronado Street
Anaheim, CA 92806

To whom it may concern:

On behalf of Wheeled Coach, I would like to confirm that the Emergency Vehicle Group, Inc., is our exclusive dealer and distributor for Wheeled Coach vehicles, parts and service associated with Wheeled Coach brand ambulances and emergency vehicles in the state of California.

We look forward to our future opportunities together.

Should you have any questions or require additional information, please feel free to contact me at 321-441-8027.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Abel Del Rio', enclosed in a thin black rectangular border.

Abel Del Rio
Wheeled Coach
Director of Sales



Road Rescue®

September 8, 2023

Emergency Vehicle Group, Inc.
2883 E. Coronado St.
Anaheim, CA 92806

To whom this may concern:

On behalf of Road Rescue Emergency Vehicles, I would like to inform you that the Emergency Vehicle Group, Inc. is our exclusive dealer and distributor for Road Rescue Emergency Vehicles, parts, and service associated with our Road Rescue Emergency Vehicles product line in the state of California.

We look forward to our future opportunities together.

Should you have any questions or require additional information, please feel free to contact me at 321-441-8043.

Sincerely,

Mark Schwartzbauer
Road Rescue Emergency Vehicles
Director of Sales

**Solicitation Number: RFP #110921****CONTRACT**

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and REV Ambulance Group Orlando, Inc., dba Wheeled Coach, 2737 N. Forsyth Road, Winter Park, FL 32792 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Ambulance and Emergency Medical Service Vehicles from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

- A. **EFFECTIVE DATE.** This Contract is effective upon the date of the final signature below.
- B. **EXPIRATION DATE AND EXTENSION.** This Contract expires February 23, 2026, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.
- C. **SURVIVAL OF TERMS.** Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

- A. **EQUIPMENT, PRODUCTS, OR SERVICES.** Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out, refurbished, or remounted Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. **WARRANTY.** Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. **DEALERS, DISTRIBUTORS, AND/OR RESELLERS.** Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. **SHIPPING AND SHIPPING COSTS.** All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily

apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;

- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell

contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. **ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM.** Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum; the terms of which will be negotiated directly between the Participating Entity and the Supplier. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. **SPECIALIZED SERVICE REQUIREMENTS.** In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. **TERMINATION OF ORDERS.** Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. **GOVERNING LAW AND VENUE.** The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. **PRIMARY ACCOUNT REPRESENTATIVE.** Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcwell and Participating Entity inquiries; and
- Business reviews to Sourcwell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcwell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcwell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcwell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcwell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcwell, the Supplier will pay an administrative fee to Sourcwell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcwell in the amount of \$800.00 USD multiplied by the total number of units purchased by Participating Entities under this Contract as the

administrative fee during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. **AUDIT.** Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. **ASSIGNMENT.** Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. **AMENDMENTS.** Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. **WAIVER.** Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. **CONTRACT COMPLETE.** This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. **RELATIONSHIP OF THE PARTIES.** The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
 - a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
 - b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.
2. *Limited Right of Sublicense.* The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers,

resellers, marketing representatives, and agents (collectively “Permitted Sublicensees”) in advertising and promotional materials for the purpose of marketing the Parties’ relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. Use; Quality Control.

- a. Neither party may alter the other party’s trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.
- b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party’s trademarks only in good faith and in a dignified manner consistent with such party’s use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. As applicable, Supplier agrees to indemnify and hold harmless Sourcewell and its Participating Entities against any and all suits, claims, judgments, and costs instituted or recovered against Sourcewell or Participating Entities by any person on account of the use of any Equipment or Products by Sourcewell or its Participating Entities supplied by Supplier in violation of applicable patent or copyright laws.

5. Termination. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party’s name or logo (excepting Sourcewell’s pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell’s written directions.

B. **PUBLICITY.** Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. **MARKETING.** Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. **ENDORSEMENT.** The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. **PERFORMANCE.** During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending.* Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. **DEFAULT AND REMEDIES.** Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*

Workers' Compensation: As required by any applicable law or regulation.

Employer's Liability Insurance: must be provided in amounts not less than listed below:

Minimum limits:

\$500,000 each accident for bodily injury by accident

\$500,000 policy limit for bodily injury by disease

\$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.

Minimum Limits:

\$1,000,000 each occurrence Bodily Injury and Property Damage

\$1,000,000 Personal and Advertising Injury

\$2,000,000 aggregate for Products-Completed operations

\$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:

\$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:

\$2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:

\$2,000,000 per occurrence

\$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is

primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. **WAIVER OF SUBROGATION.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. **UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION.** The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. **LAWS AND REGULATIONS.** All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. **LICENSES.** Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to “federal” should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier’s Equipment, Products, or Services with United States federal funds.

A. **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. § 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause is incorporated herein by reference.

B. **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of \$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names

of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation

and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier not use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcwell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcwell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcwell

REV Ambulance Group Orlando, Inc.,
dba Wheeled Coach

DocuSigned by:
Jeremy Schwartz
C0FD2A139D06489...

DocuSigned by:
George Petropoulos
15B53455ECA7401...

By: _____

By: _____

Jeremy Schwartz

George Petropoulos

Title: Chief Procurement Officer

Title: VP, Sales – Ambulance Division

3/22/2022 | 12:14 PM CDT

3/22/2022 | 12:33 PM CDT

Date: _____

Date: _____

Approved:

DocuSigned by:
Chad Coquette
7E42B8F817A64CC...

By: _____

Chad Coquette

Title: Executive Director/CEO

3/22/2022 | 12:46 PM CDT

Date: _____

RFP 110921 - Ambulance and Emergency Medical Service Vehicles

Vendor Details

Company Name: 'REV Orlando Group
Does your company conduct business under any other name? If yes, please state: Wheeled Coach
Address: 2737 N Forsyth
winter park, FL 32972
Contact: michele yoder
Email: michele.yoder@revgroup.com
Phone: 855-661-9232 321
Fax: 574-536-9509
HST#:

Submission Details

Created On: Monday October 25, 2021 14:25:43
Submitted On: Tuesday November 09, 2021 10:10:00
Submitted By: michele yoder
Email: michele.yoder@revgroup.com
Transaction #: 98d728b7-11a8-40dc-bc67-b8645110a5ff
Submitter's IP Address: 71.44.214.82

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	REV Group, Inc.
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	REV Ambulance Group Orlando, Inc.
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	REV Ambulance Group Orlando, Inc. DBA Wheeled Coach Ambulance
4	Proposer Physical Address:	2737 N. Forsyth Road, Winter Park, FL 32792
5	Proposer website address (or addresses):	https://www.wheeledcoach.com/
6	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	George Petropoulos, Sr. Director of Sales-2737 N. Forsyth Road, Winter Park, FL 32792, GPetropoulos@revgroup.com-262-717-5994
7	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Abel Del Rio, Manager, Sales-2737 N. Forsyth Road, Winter Park, FL 32792, Abel.delrio@revgroup.com 407-341-1452
8	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Michele Yoder, Manager, Sales-2737 N. Forsyth Road, Winter Park, FL 32792, Michele.yoder@revgroup.com-574-536-9509

Table 2: Company Information and Financial Strength

Line Item	Question	Response *
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9	<p>Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.</p>	<p>REV Group The Ambulance Division is America's critical care transport leader. Around the clock and around the world, REV Group's ambulances transport patients to emergency rooms and healthcare facilities. These "vehicles for life" all have one thing in common — connecting and protecting life when it matters most. From Southern California to Winter Park, Florida, REV'S world-class manufacturing facilities span the United States and cover more than 5 million square feet of space. REV's four dedicated ambulance production facilities focus on efficient manufacturing and operational excellence.</p> <p>History of Wheeled Coach Wheeled Coach, Inc. was founded in 1975 by Robert Collins Sr. in downtown Orlando. It started with a team of 5 employees that built Wheelchair Vans and type II Ambulances. In 1980, with the demand for Wheeled Coach products growing, the company moved to North Forsyth Rd in Winter Park where Wheeled Coach headquarters today.</p> <p>Wheeled Coach went public in 1983 and in 1985 the company was purchased by Collins Industries, a bus and small ambulance manufacturer in Kansas and moved operations there. In the early 1990's all ambulance manufacturing returned to Orlando, and Wheeled Coach's focus on innovation, quality and safety was re-energized. In 1993 the company started producing type III ambulances.</p> <p>In the early 2000's Wheeled Coach continued to gain popularity in the EMS Industry and the company continued to adopt technology to improve the efficiency and consistency of production while safety standard were raised even higher through scientific data analysis. In March 2010 Wheeled Coach was the first to put it's type III ambulance to test by performing the Insurance Institute for Highway Safety Side Impact Crashworthiness Evaluation Protocol IV. These results confirmed the strength of the Wheeled Coach body with only minimal damage.</p> <p>Wheeled Coach is now part of REV Group. In 2017, Wheeled Coach again showed leadership by performing a modular body rollover test at an independent test lab. The results again confirmed the strength and safety of the Wheeled Coach body.</p> <p>In 2020, Wheeled Coach celebrated our 45th anniversary of building tough, durable ambulance that emergency that emergency fleets rely on every day. That is just another reason why Wheeled Coach is "Trusted by the Toughest".</p> <p>Core Values With a legacy and passion to deliver mission-critical durability, Wheeled Coach ambulances are born to perform under the most demanding conditions - and built to be as unbreakable as the spirit of the heroes we serve.</p> <p>Business Philosophy REV Ambulance Group Orlando, Inc., parent company REV Group produces 30 specialty vehicle brands, connects and protects communities around the clock and worldwide, with a lineup that has long served the bus, emergency recreation, and specialty markets. With more than 300,000 vehicles in service today, REV's lineup of brands helps fight fires, transport patients, shuttle passengers, unite families with the outdoors, offer mobility options, move freight to the ports of the world and carry children safely to school and back home again. We provide related parts, services, and financing solutions for our vehicles more than just a vehicle manufacturer. The REV business model utilizes our unique scale to drive profitable organic and acquisitive growth. We seek to gain market share by delivering high-quality products with customized attributes tailored to our customers' product specifications while simultaneously reducing costs and shortening delivery lead times. We aim to achieve this by standardizing and optimizing specific processes across our segments, including procurement, engineering and product development, lean manufacturing, dealer management, pricing, and aftermarket parts sales. We believe our manufacturing and service network, consisting of manufacturing facilities and aftermarket service locations (called Regional Technical Centers or "RTCs"), provides us with a competitive advantage through the sharing of best practices, manufacturing flexibility, delivery costs and lead times, economies of scale, customer service capabilities, and a complementary distribution system.</p> <p>Longevity Wheeled Coach has been manufacturing high-quality custom ambulances since 1975. It is our mission to increase our market share within the ambulance industry each year. To achieve this, we continue our support to our customers through a team of 5 members who are on call to reference on-hand electrical schematics, engineering drawings, etc., to help service the customer. Also, the Wheeled Coach dealer network of 19 dealers across the United States all have service facilities and are authorized service centers for Wheeled Coach ambulances, most of which with mobile service.</p>
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10	What are your company's expectations in the event of an award?	<p>Should Wheeled Coach have the privilege of being selected as a vendor to the Sourcewell membership, we anticipate that the continuation of the multi-year contract will introduce our product to more members. Our long-range goal by entering into this agreement will be to increase the number of units sold and reach new customers. While many of your members will be very familiar with the Wheeled Coach brand, some will be hearing of us for the first time. Therefore, we expect to continue answering questions about our products and what sets us apart from the other ambulance manufacturers. We believe as Sourcewell members learn more about the Wheeled Coach product line and the opportunities our parent company REV Group can offer, they will help us realize our goal of providing life saving vehicles to all local communities.</p> <p>We understand that the goal of the Leadership of Sourcewell entering into this agreement with Wheeled Coach is to increase the offerings and choices available and to continue to bring value to the Sourcewell membership. As the experts in ambulance design and manufacturing, Wheeled Coach commits to continually keeping the Sourcewell and its members abreast of any changes in regulations that could affect the industry as well as any technological advances that could increase the level of care they provide to their patients or the safety of their staff.</p>	*
11	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	SEC Filing attached	*
12	What is your US market share for the solutions that you are proposing?	The overall market share for REV Group Ambulances is approximately 67%; of that market share REV Orlando Ambulance Group, Inc is responsible for 38% of the market.	*
13	What is your Canadian market share for the solutions that you are proposing?	Wheeled Coach at the time does not have a sole Canadian dealership that we work with. We are in talks with a couple though and have the capability of selling and growing in that market.	*
14	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No	*
15	<p>How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization.</p> <p>a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned?</p> <p>b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?</p>	<p>Manufacturer, Wheeled Coach sells through a dealer network. Wheeled Coach is a premier manufacturer of high-quality custom ambulances. Our products are offered through a nationwide independent dealer network. These dealerships are individually owned and managed, and none of their employees are employees of or managed by Wheeled Coach.</p> <p>To assist our dealers and their sales force, Wheeled Coach employs two (2) Sales Managers to assist with product training, support, and liaison between the dealerships and Wheeled Coach.</p>	*
16	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	<p>The following are either licenses, certifications or requirements, or proposed requirements that Wheeled Coach and its parent company REV Group hold or comply within manufacturing all Wheeled Coach ambulances.</p> <p>a) ISO 9001:2015 b) Ford Quality Vehicle Modifier (QVM) c) Society of Automotive Engineers J3057 body integrity test. d) National Fire Protection Assoc. 1917 e) CAAS Ground Vehicle Standards Development f) GSA KKK-1822-F (including change notices 1-10) g) National Institute for Occupational Safety and Health h) National Institute of Standards and Technology i) Ambulance Manufacturers Division of the National Truck Equipment Association</p>	*
17	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	None	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *
18	Describe any relevant industry awards or recognition that your company has received in the past five years	Wheeled Coach is recognized by QVM and NTEA
19	What percentage of your sales are to the governmental sector in the past three years	Approximately 80+% of Wheeled Coach customers are governmental agencies.
20	What percentage of your sales are to the education sector in the past three years	Approximately 1 % of Wheeled Coach customers were in the education sector mainly universities
21	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	SAVVIK Buying Group – Sales Volume = 30 Units
22	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	GSA contract approximately 360 Units

Table 4: References/Testimonials

Line Item 23. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *
Memphis Fire Department	901-636-1400	Chief Shelton
Priority Ambulance	865-688-4999	Ken Smith
Margate Fire Rescue	954-971-7010	Chief Daniel Rodriguez

Table 5: Top Five Government or Education Customers

Line Item 24. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *
n/a	Government	Maryland - MD	County based Fire Department	31 units	10,850,000.00
n/a	Government	New York - NY	City Based Fire Department	300 units	95,034,000.00
n/a	Government	Florida - FL	Worldwide shipments - not just Florida	360 units	60,000,000.00
n/a	Government	Maryland - MD	County based Fire Department	40 units	10,400,000.00
n/a	Government	Texas - TX	City based Fire Department	40 units	9,480,000.00

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *
25	Sales force.	Except for (1) one inside sales staff that handles our Middle East and South American export sales, Wheeled Coach offers our products exclusively through our independent dealer network.
26	Dealer network or other distribution methods.	Wheeled Coach offers its products to our North American customers through a series of 19 Independent Sales Dealerships. All dealers can be located for a particular state by using our website dealer locator.

27	Service force.	It is a requirement from Wheeled Coach that our dealer distribution network of 19 Independent Sales Dealerships across the country have service facilities. Many of which offer mobile service units. To assist with this, we have a customer service department made up of (5) five members who are on call. They are able to reference on-hand electrical schematics, engineering drawings, etc., to help get units back on the road. Our service department is available 24/7 via the Service Hot Line and can be reached by calling (800) 628-8178.	*
28	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Wheeled Coach will process the quarterly report to Sourcewell on behalf of our dealer network. The customer will need to inform the dealership that they are a member of Sourcewell. We will have a published option in our order entry system that the dealership will select and this will identify the customer's membership. Wheeled Coach will then send Sourcewell a notice of the customer's Member ID, Application Name, Address, City, State, Zip, What Type of Ambulance, the date that the order was received, and an approximate completion date. Once the vehicle delivers our accounting department will process the administration fee per order.	*
29	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	<p>For parts request, we require the F-432Warranty Claim Form for all warranty parts request. Forms must be emailed to REVorlandoservice@revgroup.com. The form must be fully and correctly completed. Please specify where the parts need to be shipped to. • If requested by REV, defective parts must be returned to the warranty department. Please return all defective parts with the original packing slip it came with. • All claims for labor must be submitted as an estimate. The hours must be itemized, and the labor must be detailed on the estimate. Estimates must be emailed to revorlandoservice@revgroup.com. We will no longer accept any other labor submission formats. • If the total estimate/repair order for the vehicle is over 3 hours, you must call the Customer Relations Department for pre-authorization. The REV technician will give you a ticket # with the approved hours.</p> <p>1. If the total estimate/ repair order for the vehicle is over 3 hours, STOP. You must call the Customer Relations Department for a pre-authorization/ticket number.</p> <p>a) Call us at 855-661-9232</p> <p>b) Provide our technicians with the full VIN/Sales Order # and explanation of the issue.</p> <p>c) The technician will supply you a ticket number after the call. Please reference the ticket number on your estimate/repair order when submitting for labor reimbursement.</p> <p>d) For parts request, we require the F-432 Warranty Claim Form to be emailed to revorlandoservice@revgroup.com.</p> <p>2. The Customer Service Department may require you to return the defective parts. Please send back the defective parts to REV Ambulance Group Orlando, Inc. Warranty Department, 2737 North Forsyth Road, Winter Park, FL 32792. Be sure to attach the original packing slip the part came in.</p>	*
30	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Manufacturer, Wheeled Coach sells through a dealer network Wheeled Coach is a premier manufacturer of high-quality custom ambulances. Our products are offered through a nationwide independent dealer network.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Manufacturer, Wheeled Coach sells through a dealer network Wheeled Coach is a premier manufacturer of high-quality custom ambulances. We are in talks with a dealership in Canada to represent our brand. At this time we are able to sell direct if needed.	*
32	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	None	*
33	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	None	*
34	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	None	*

Table 7: Marketing Plan

Line Item	Question	Response *
35	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	a) A press release detailing the Sourcewell/Wheeled Coach partnership. b) Full-color brochures are available in print and pdf format. These would be distributed to both customers and dealers in conjunction with describing Sourcewell and the offerings of Wheeled Coach. c) Information about Sourcewell partnership on Wheeled Coach website along with a display of Sourcewell logo. d) Information about Sourcewell exhibited at multiple dealer trade shows around the country.
36	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Wheeled Coach has a presence over a variety of social media platforms, to include; Facebook, Instagram, Linkdin and YouTube Channel. Wheeled Coach shares and promotes their brand and products across all platforms as well as our dealer network platforms. Wheeled Coach utilizes a corporate marketing partner to create fresh, educational information to keep our customers and dealer network up to date on the latest offering and trends in emergency medical services. Wheeled Coach actively advertises on relevant emergency medical services platforms as well as participation in round table discussions.
37	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	We feel that Sourcewell is responsible for ensuring that each vendor is qualified to provide the goods or services they have committed to through this RFP and that the quality of the good or service meets the minimum requirement of this RFP. We also realize that more than a single ambulance manufacturer will likely be selected to offer products to the Sourcewell members through this RFP process. We further recognize that Sourcewell and its leaders cannot and should not favor one vendor. We feel the Sourcewell has a role in assisting its members in identifying their needs and then connecting the member with the best-qualified vendor to meet each member's unique needs.
38	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	No

Table 8: Value-Added Attributes

Line Item	Question	Response *
39	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Our dealerships offer in-use training of each vehicle when requested by the customer. This is done at the dealership when the customer is taking acceptance of the vehicle. As a courtesy to our customers, our dealerships will request training from Wheeled Coach, and they will schedule with the manufacturer to set up an agenda. The agenda is based upon the attendee numbers. We offer this at no charge to the dealership, but it will be up to the customer to cover the cost of their employee for their time and travel.
40	Describe any technological advances that your proposed products or services offer.	a) Our hard wired printed circuit board electrical system is a bullet proof system that reliable and easy to maintain. A optional system would be the Multi-plex electrical system, provided by the IDEX Corporation (aka: Weldon), offers on-board diagnostics that simplifies troubleshooting and repairs that equals reducing out-of-service time. Weldon V-Mux power distribution. It also reduces wire splices by up to 75%, which reduces wire connection by up to 25%. This increases reliability and minimizes downtime if any. This is a Peer-to-Peer System where the nodes hold their own configuration that integrates load shedding and sequencing. b) Continuous product development allows our customers to have features and benefits that other manufactures cannot offer. c) Per4Max seat belts are standard on all Wheeled Coach products and offer state-of-the-art deceleration technology. d) Trueform Wall Construction e) AntiCor Protection System to protect against corrosion f) Safeguard Box Frame g) Cool Bar for maximum AC performance h) Toughcoat Paint Process i) Texas Edition Dual Evaporator System k) On-Line REVO parts ordering.

41	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	<p>At Wheeled Coach, we have strived to produce a better product for a better planet. Commitments guide our approach to business to the following principles: Leadership, Inclusivity, Transparency, Integrity, Stewardship, and Continuous Improvement. This is achieved by adopting four basic principles in our daily life:</p> <ul style="list-style-type: none"> • reduce pollution • conserve resources • conserve energy • reduce consumption and waste <p>All four principles are essential in protecting the environment and helping to ensure that living on earth is sustainable. As part of this, we will strive to reduce pollution and the release of toxic substances into the environment. Wheeled Coach acknowledges that the process of achieving a sustainable practice will require cooperation among the REV Group family and personal philosophy of environmental stewardship. This also means engaging our consumers by giving them another reason to trust Wheeled Coach, trusting our products, and living up to employees' expectations about our environmental responsibility and practices. Wheeled Coach is therefore committed to:</p> <ul style="list-style-type: none"> • Environmental awareness training and education for our employees, alongside effective communication with employees; • Proactive long-term engagement and partnerships with stakeholders, including regulators, customers, business partners, and the community, to define, implement and evaluate solutions to the complex environmental challenges we face. • The Leadership of our company is determined to provide the resources to ensure that this commitment is fully integrated throughout the organization. <p>REV Group has partnered with ZeroRPM™ Idle Mitigation System™ to offer scalable solutions to fit our customer's needs and reduce the time their vehicles spend idling.</p>	*
42	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	REV Group has partnered with ZeroRPM™ Idle Mitigation System™ to offer solutions to fit our customer's needs and reduce the time their vehicles spend idling.	*
43	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	See Attached Sub-K Plan	*
44	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	<p>In addition to a building a full range of ambulances that will provide your members with years of rock-solid dependable service, our parent company REV Group brings opportunities to Sourcewell members that other manufactures' do not. For example, REV Finance can provide favorable funding and equipment finance terms to your membership that traditional lending institutions may not be able to provide. Since REV is in the business, we understand the unpredictable nature of cash flows that are sometimes associated with emergency medical services collections. We will work with your members to develop finance terms that allow them to secure the equipment they need at terms that do not put a hardship on the organization. REV Finance also offers our end users vehicle leasing, insurance, and assistance with used equipment sales.</p> <p>To ensure that your member's equipment is well maintained, Wheeled Coach has sixty-two (62) regional technical centers (RTC) across the United States to perform service and maintenance to ensure that your vehicle is always ready to respond. Should the member not be located close enough to one of our RTC, we also have an entire aftermarket parts catalog online. We have a dedicated parts warehouse and a dedicated management team to oversee the aftermarket business. The member's in-house shop or mechanic of choice can find all the necessary parts to keep their unit maintained and fully operational.</p>	*

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *
45	Do your warranties cover all products, parts, and labor?	<p>See the attached warranty registration information, warranties, and warranty claim information.</p> <p>Warranties cover defects in material and workmanship, which are attributable to the Wheeled Coach brand and arise during normal use and service. Other components are covered by their manufacturer's warranties.</p> <p>a) Conversion warranty = 12 months / unlimited mileage b) Limited Lifetime Cabinet Construction Warranty = 11 years c) Limited Electrical Warranty = 11 years d) Modular Structure Limited Lifetime Warranty = 15 years e) Body Paint Warranty = 0 / 36 months – 100% coverage 37 / 48 months – 50% coverage 49 / 60 months – 25% coverage</p>
46	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Normal use and service
47	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	It is listed in our dealer distributor agreements and in our warranties that we do not cover travel time and mileage, but we are an ethical manufacturer that will look at all request for reimbursements on a case by case basis and determine what the correct course of action should be and follow through.
48	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	None
49	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	If the component by another manufacturer has failed within the described conversion warranty, we will cover the warranty service. After the expiration of the described conversion warranty then it will go through the OEM.
50	What are your proposed exchange and return programs and policies?	Due to all of the variables that can transpire, the result will have to be determined by a case-by-case basis and choose the correct course of action and follow-through.
51	Describe any service contract options for the items included in your proposal.	Service Contracts may be available by our distributor, which will have to be determined of the services requested.

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
52	Describe your payment terms and accepted payment methods.	C.O.D. Winter Park, FL at the time of delivery	*
53	Describe any leasing or financing options available for use by educational or governmental entities.	<p>As Wheeled Coach is a subsidiary of the REV Group, we can offer Municipal Ambulance Financing. REV Financial Services offers fast turnaround, exceptional service, and flexible products that can be structured to match the customer's cash flow goals. Fact is, financing is the way 8 out of 10 organizations acquire new equipment.</p> <p>Municipal Financing:</p> <p>a) Terms up to 7 years Fixed Payments are locked in now, avoiding the risk of inflation in the future.</p> <p>b) Annual, Quarterly, or Monthly Payments Preserves Credit so that financing doesn't tie up lines of credit, so that the customer will have more available credit when needed.</p> <p>c) Lease Purchasing and Short Term Financing (Available 1-12 Months) Conservation of capital with 100% plus equipment financing, the customer is able to spend funds on other items such as personnel, materials and supplies, needed to build their business.</p> <p>d) Finance addition equipment purchases with the ambulance – Electronics, Cots, etc. Flexible payment structure payment plans can be structured to meet the customer's specific cash flow needs.</p>	*
54	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Order form attached	*
55	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	No	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *
56	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Pricing attached
57	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Wheeled Coach would like to offer a 3% discount from our list price on all base model chassis' and conversion models to all Sourcewell members. In addition, we would like to offer a 10% discount from our list price from our options list to all Sourcewell members. Listed out are the list price next to the membership discount percentage and the best price offered.
58	Describe any quantity or volume discounts or rebate programs that you offer.	Wheeled Coach runs at the same production rate, and with the discounts offered at the best price available, we are locked into the offered pricing within this RFP.
59	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	A written request can be submitted to Wheeled Coach for review and approval.
60	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	The costs provided in this RFP are all F.O.B. Winter Park, FL. This does not include any inspection trips, training, or transportation cost.
61	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	A written request for shipping can be submitted to Wheeled Coach by our distributor for review, and a request for a quote will be provided. If there are any issues with the vehicle caused by the transportation company, our distributor will contact our delivery manager for the claim processing.
62	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	A written request for shipping can be submitted to Wheeled Coach distributor for review and a request for quote with specific shipping instructions. If there are any issues with the vehicle caused by the transportation company, our distributor will contact our delivery manager for claim processing.
63	Describe any unique distribution and/or delivery methods or options offered in your proposal.	All shipping options are carried out by our distributor that can be transported by either flatbed or driven by our distributor.

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
64	a. the same as the Proposer typically offers to an individual municipality, university, or school district.	

Table 13: Audit and Administrative Fee

Line Item	Question	Response *
65	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	The customer will contact their local Wheeled Coach distributor through our website. The customer will then need to inform the dealership that they are a member of Sourcewell. We will have a published option in our order entry system that the dealership will select, and this will identify the customer's membership. Wheeled Coach will then send Sourcewell a notice of the customer's Member ID, Application Name, Address, City, State, Zip, What Type of Ambulance, the date that the order was received, and an approximate completion date. Once the vehicle delivers our accounting department will process the administration fee per order.
66	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	As we receive orders we will need to keep track of the incoming sourcewell orders on a separate spreadsheet for accounting purposes. At that time we will also be able to check those orders vs our intake file and see if we are get new customers. We will also be able to see if our volume has increased per state as we keep track also of that. Lastly we are able to watch our dealer networks numbers to see if they are using the contract by their volume numbers.
67	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Wheeled Coach is proposing an administrative fee of \$800.00 fee per vehicle ordered will be paid to Sourcewell. This administrative fee will be paid by Wheeled Coach.

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *
68	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	Wheeled Coach is offering all of our product line chassis and conversion models. We are also offering all of our published options available for each individual model. Please see pricing attachment with offerings
69	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	We are also offering all of our published options available for each individual model. Please see pricing attachment with offerings

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
70	Type I, II, III, and IV ambulance units	<input checked="" type="radio"/> Yes <input type="radio"/> No	yes
71	Emergency medical transportation vehicles	<input checked="" type="radio"/> Yes <input type="radio"/> No	yes
72	Vehicles used in the delivery of pre-hospital and out of hospital care	<input checked="" type="radio"/> Yes <input type="radio"/> No	yes
73	Equipment, accessories, and supplies complementary or incidental to the purchase of a turnkey or complete unit of the types described in Lines 70-72	<input checked="" type="radio"/> Yes <input type="radio"/> No	yes
74	Installation, customization, refurbishment, inspection, repair and maintenance, and training and support services related to solutions described in Lines 70-72	<input checked="" type="radio"/> Yes <input type="radio"/> No	yes

Table 15: Industry Specific Questions

Line Item	Question	Response *
75	Describe available options for customization of the equipment and products offered in your proposal and any related order processes.	Wheeled Coach is a custom ambulance manufacturer. All of our units start with the dealer and the customer sitting down and identifying precisely what the customer's needs are and identifying the solution and configuration to meet their needs best. Once the dealer and the customer have developed a basic design concept, the project is shifted to one of our on-staff mechanical engineers. The mechanical engineer takes the idea and renders a set of 3D CAD drawings to ensure that everything the customer and dealer have identified will work and that everything will comply with the latest industry standards for safety and construction. This then goes to one of our in-house electrical engineers to ensure that the electrical system is within industry standards for amps, watts, volts, and in the case of the warning equipment, visibility, and decibel ratings for the warning devices. Once completed, the completed package is returned to the dealer, who meets with the customer and confirms one last time that the proposed unit is exactly what they want and that it will meet their needs. Our in house engineering staff stays abreast of trends and changes in the industry and ambulance design, however; should the customer want to incorporate something that is a new idea or piece of equipment, they can work with the dealer and the customer to ensure that the proposed idea complies with all regulations and requirements for ambulance manufacturing. Again, we offer both standard models and customized vehicles.
76	Describe available remount or refurbishing services included within your proposal, the pricing method for such services, and any related order processes.	REV has (2) two certified Remount centers. One is located in NC and the other in OH. We do offer remounting on our vehicles. Since each remount is unique it is not possible to give a general pricing as a group. Each remount is pricing individually as to the condition or what is being changed.
77	Describe your compliance with US standards for the equipment and products offered in your proposal, including applicable federal and state requirements.	The following are either licenses, certifications or requirements, or proposed requirements that Wheeled Coach and its parent company REV Group hold or comply within manufacturing all Wheeled Coach ambulances. a) ISO 9001:2015 b) Ford Quality Vehicle Modifier (QVM) c) Society of Automotive Engineers J3057 body integrity test. d) National Fire Protection Assoc. 1917 e) CAAS Ground Vehicle Standards Development f) GSA KKK-1822-F (including change notices 1-10) g) National Institute for Occupational Safety and Health h) National Institute of Standards and Technology i) Ambulance Manufacturers Division of the National Truck Equipment Association
78	Describe your compliance with Canadian standards for the equipment and products offered in your proposal, including applicable federal and provincial requirements.	Wheeled Coach builds to KKK-A-1822F, CAAS, and NFPA requirements per the region of service for the vehicle.

Table 16: Exceptions to Terms, Conditions, or Specifications Form

Line Item 79. NOTICE: To identify any exception, or to request any modification, to the Sourcwell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcwell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.
2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.
3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.
4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."
 - [Pricing](#) - Sourcewell Conversion & Option Matrix - Wheeled Coach.pdf - Friday November 05, 2021 11:10:40
 - [Financial Strength and Stability](#) - SEC-REV 3rdQTR.pdf - Thursday November 04, 2021 13:53:47
 - [Marketing Plan/Samples](#) - Wheeled Coach Full line of Literature.pdf - Thursday November 04, 2021 15:26:57
 - [WMBE/MBE/SBE or Related Certificates](#) - REVO Sub-K Plan - #43.pdf - Thursday November 04, 2021 13:54:53
 - [Warranty Information](#) - Wheeled Coach Warranty Documents and Policys.pdf - Thursday November 04, 2021 15:20:55
 - [Standard Transaction Document Samples](#) - Wheeled Coach Order Form.xls - Thursday November 04, 2021 14:03:31
 - Upload Additional Document (optional)

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.
2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.
3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.
4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.
5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.
6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.
7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.
8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
11. Proposer its employees, agents, and subcontractors are not:
 1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>;
 2. Included on the government-wide exclusions lists in the United States System for Award Management found at: <https://sam.gov/SAM/>; or
 3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - George Petropoulos, Sr. Director of Sales, REV Ambulance Group Orlando, Inc. DBA Wheeled Coach

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

Yes No

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "I have reviewed this addendum" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_7_Ambulance_EMS_Vehicles_RFP_1109021 Tue November 2 2021 06:50 PM	<input checked="" type="checkbox"/>	1
Addendum_6_Ambulance_EMS_Vehicles_RFP_1109021 Tue October 26 2021 07:51 PM	<input checked="" type="checkbox"/>	1
Addendum_5_Ambulance_EMS_Vehicles_RFP_1109021 Thu October 14 2021 04:14 PM	<input checked="" type="checkbox"/>	1
Addendum_4_Ambulance_EMS_Vehicles_RFP_1109021 Tue October 12 2021 08:14 AM	<input checked="" type="checkbox"/>	1
Addendum_3_Ambulance_EMS_Vehicles_RFP_1109021 Mon October 4 2021 09:44 AM	<input checked="" type="checkbox"/>	1
Addendum_2_Ambulance_EMS_Vehicles_RFP_1109021 Thu September 30 2021 11:08 AM	<input checked="" type="checkbox"/>	2
Addendum_1_Ambulance_EMS_Vehicles_RFP_1109021 Tue September 28 2021 07:41 AM	<input checked="" type="checkbox"/>	1



Vendor Contract #110921-RVO

September 1, 2023

City of Arcadia Fire Department
 Sourcewell ID# 93725
 Chief Tom Devlin
 240 W Huntington Dr
 Arcadia, CA 91007-3401

Dear Chief Devlin,

We are pleased to provide you with the following offer to purchase One (1) Type I Ambulance and One (1) Type II Ambulances through the Sourcewell contract based on the provided specifications and options.

<i>Category</i>	<i>Qty</i>	<i>Price</i>	<i>Each</i>	<i>Extended</i>
<i>Category 19-1170-F550-4x2-PT</i>				
Standard Price	1	\$227,405.00		
Options & Changes		\$256,937.00		
Sourcewell Discount		(\$28,601.00)		
Discount Percentage		5.91%		
Total		\$455,741.00	\$455,741.00	\$455,741.00
 <i>Category 47-TRANSIT-MR-PT</i>				
Standard Price	1	\$107,128.00		
Options & Changes		\$84,877.00		
Sourcewell Discount		(\$11,356.00)		
Discount Percentage		5.91%		
Total		\$180,649.00	\$180,649.00	\$180,649.00
 Total Cost				\$636,390.00
Sales Tax (10.25%)				\$65,229.98
Tire Fee				\$21.00
Document Fees				\$160.00
Total Purchase Price				\$701,800.98

We look forward to providing your agency with an industry leading rescue ambulance. All of us at Emergency Vehicle Group, Inc. (EVG) pledge to offer you the same level of service and expertise that is demanded from you. We put first responders first.



Sincerely,

Travis Grinstead
President & CEO



STAFF REPORT

Public Works Services Department

DATE: September 19, 2023

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: Dave Thompson, Streets Superintendent

SUBJECT: PURCHASE ORDER WITH MOUNTAIN VIEW CHEVROLET FOR THE PURCHASE OF ONE 2023 CHEVROLET SILVERADO 2500 HEAVY DUTY UTILITY SERVICE BODY PICKUP TRUCK IN THE AMOUNT OF \$64,851.11

CEQA: Not a Project
Recommendation: Approve

SUMMARY

The Fiscal Year 2023-24 Equipment Acquisition Budget provides for the replacement of one heavy duty 3/4-ton pickup truck for the Public Works Services Department (“PWSD”) that meets the replacement criteria outlined in the Vehicle Replacement Program. To ensure that the City is receiving the most competitive price for one 2023 Chevrolet Silverado 2500 Heavy Duty Utility Service Body pickup truck, a formal bid process was conducted. Mountain View Chevrolet submitted the lowest bid.

It is recommended that the City Council approve a purchase order with Mountain View Chevrolet for the purchase of one 2023 Chevrolet Silverado 2500 Heavy Duty Utility Service Body pickup truck in the amount of \$64,851.11.

BACKGROUND

The Fiscal Year 2023-24 Equipment Acquisition Budget provides for the replacement of one heavy duty 3/4-ton pickup truck in the PWSD. The vehicle that will be replaced is currently used by the Streets section of the PWSD and meets the mileage and age requirements of the City’s Vehicle Replacement Program. The vehicle is as follows:

- 2003 Chevrolet Silverado 2500 3/4-ton utility body pickup truck with 118,546 miles

This heavy duty pickup truck is used by the concrete and asphalt repair crew in the Streets section. A heavy duty chassis is required to accommodate all the parts and equipment necessary to maintain the City’s streets and parkways. The existing unit will go to auction once replaced.

DISCUSSION

A Notice Inviting Bids was published in accordance with City Council Resolution No. 7483, and bid packages were distributed to local vendors who provide this type of vehicle. Three bids were received with the following results:

<u>Bidder</u>	<u>Location</u>	<u>Bid Amount</u>
Mountain View Chevrolet	Upland, CA	\$64,851.11
Sierra Chevrolet of Monrovia	Monrovia, CA	\$65,560.71
Winner Chevrolet	Elk Grove, CA	\$67,197.38

All bid documents were reviewed for content and each vendor’s background was investigated. During the review process, staff discovered that Winner Chevrolet provided a bid for a 2024 model year truck rather than the 2023 model year specified in the bid specifications, rendering their bid unresponsive in addition to having the highest price. Based on the evaluation of the bids, Mountain View Chevrolet was determined to be the lowest responsive bidder that met the City’s required vehicle specifications.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act (“CEQA”), and it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

FISCAL IMPACT

The total purchase cost for the 2023 Chevrolet Silverado 2500 Heavy Duty Utility Service Body pickup truck is \$64,851.11. Funds in the amount of \$90,000 have been budgeted in the Fiscal Year 2023-24 Equipment Replacement Budget. The remaining budget will be used to outfit the vehicle with necessary equipment.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project, and therefore, is exempt under the California Environmental Quality Act (“CEQA”); and approve a Purchase Order with Mountain View Chevrolet for the purchase of one 2023 Chevrolet Silverado 2500 Heavy Duty Utility Service Body pickup truck in the amount of \$64,851.11.

Approved:


Dominic Lazzaretto
City Manager



STAFF REPORT

Police Department

DATE: September 19, 2023

TO: Honorable Mayor and City Council

FROM: Roy Nakamura, Chief of Police
By: Amber Abeyta, Management Analyst

SUBJECT: GRANT AWARD FROM THE U.S. DEPARTMENT OF HOMELAND SECURITY - STATE HOMELAND SECURITY PROGRAM ("SHSP") FOR REIMBURSEMENT OF PORTABLE HANDHELD RADIO COSTS IN THE AMOUNT OF \$61,230; REJECT LOW BID FROM FOOTHILL COMMUNICATIONS AND AWARD BID TO DAY WIRELESS
CEQA: Not a Project
Recommendation: Accept and Approve

SUMMARY

The Arcadia Police Department has applied for a grant from the U.S. Department of Homeland Security to implement communications improvements. The grant is from a State Homeland Security Program ("SHSP") and will reimburse the cost of portable handheld radio equipment, in an amount not to exceed \$61,230. The Department's funding request has been approved and the Grant Agreement has been finalized. With City Council approval, the Department will be able to proceed with purchasing the equipment. While two bids were received, it is recommended that the bid from Foothill Communications be rejected because their bid included Kenmore brand radios instead of the Motorola radios the City currently uses. Therefore, it is recommended that the City Council accept the grant award from the U.S. Department of Homeland Security SHSP for reimbursement of portable handheld radios in the amount of \$61,230; reject the low bid from Foothill Communications; and approve the bid from Day Wireless based on the discussion below.

BACKGROUND

The Department purchases portable handheld radios through the City's annual Equipment Replacement Program. In order to reduce the overall impact to the City's budget, and to ensure a supply of modern, reliable equipment is on hand, a portion of the Department's radios are replaced each year.

Many police and fire agencies utilize the SHSP to help offset the extensive cost of upgrading communications equipment. For the 2021 grant period (grant period is two years behind the current calendar year), the Arcadia Police Department was approved as a sub-recipient for eight portable handheld radios with programming cables and two radio charging stations, under a larger Interoperable Communications Equipment Project.

The Department will purchase the latest radio technology, Motorola Model APX 6000, which are compatible with the Department’s new Project 25 (“P25”) radio system. P25 is a set of standards for Federal, State, and local public safety agencies to provide interoperable emergency communication within a jurisdiction as well as between agencies and mutual aid response teams.

DISCUSSION

The grant is managed by the California Governor’s Office of Emergency Services (“Cal OES”). Cal OES mandates that the City use its own documented procurement procedures, which reflect applicable Federal, State, and local standards in the award of any subcontracts. In the case of this equipment purchase, subcontracts include purchase agreements. As such, the Department was required to conduct a Formal Request for Bids to comply with the grant’s purchasing guidelines.

In May 2023, the Department published a Notice Inviting Bids three times in the Arcadia Weekly newspaper and on the City’s RFP/BID webpage. The formal notice was also emailed directly to two local equipment vendors. The Notice listed the equipment needs of eight portable handheld radios with eight programming cables and two multi-unit radio charging stations. After a three-week submission period, one bid was received from Foothill Communications on May 17, 2023. Since only one bid was received, the Department sought to make the bidding process more competitive, and extended the bid deadline from May 17, 2023, to June 8, 2023. On June 8, 2023, another bid was received from Day Wireless. The Foothill Communications’ bid included Kenmore brand radios and is the lowest bid at \$59,822.88. The bid submitted by Day Wireless included Motorola brand radios and was slightly higher at \$61,225.10. A breakdown of each bid is provided below.

Company	P25 Handheld Portable Radios (8)	Programming Cables (8)	Multi-Unit Battery Charger (2)	Tax	Bid Total
Foothill Communications	\$51,605.12 (\$6,450.64/radio)	\$1,235.20 (\$154.40/cable)	\$1,420.80 (\$710.40/charger)	\$5,561.76	\$59,822.88
Day Wireless	\$52,399.76 (\$6,549.97/radio)	\$542.08 (\$67.76/cable)	\$2,727.98 (\$1,363.99/charger)	\$5,555.28	\$61,225.10

After reviewing the bids, the Department selected the bid submitted by Day Wireless. Although Foothill Communications bid was slightly lower (by \$1,402.22), the Department

selected the bid from Day Wireless because their bid included Motorola radios, and for the following reasons:

- The Department is in the process of phasing out Kenwood radios (radio inventory has typically included more Motorola products than Kenwood products) because over the years, it has been determined that Kenwood radio products do not integrate well with Motorola radio products, leading to compatibility issues.
- Motorola does not operate its own service centers and requires users to obtain repairs at certified service centers to maintain product warranties. The Department's current contract provider for radio maintenance only services Motorola radios.
- If Kenwood radios are purchased, it requires an additional maintenance contract with a provider that is authorized to service Kenwood radios.

Based on the foregoing, selecting Motorola radios will allow the Police Department to streamline its operations, create efficiencies with a singular service contract, and maintain consistency within its communication systems.

It should also be noted that Day Wireless is the only provider in the region authorized to quote Motorola products for Arcadia. No other radio equipment provider, including Foothill Communications, can quote or sell Motorola products to the Arcadia Police Department. Since the Department's Request for Proposals for this purchase didn't list a specific radio brand due to SHSP grant bid regulations, Foothill Communications was able to submit a quote for Kenwood radio products.

The grant award will be distributed on a reimbursement basis. Cal OES will reimburse the City for all pre-approved costs upon receipt of the Department's claims. The City will be required to comply with the terms and conditions of the grant, including expense reporting and auditing.

Based on the foregoing, it is recommended that the City Council accept the grant award from the U.S. Department of Homeland Security SHSP for reimbursement of portable handheld radio costs in the amount of \$61,230; reject the low bid from Foothill Communications and approve the bid from Day Wireless.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), and it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

FISCAL IMPACT

The funds for the radio equipment have been allocated in the FY 2023-24 Operating Budget. All costs related to the Project will be offset by reimbursement at the end of the grant period, in an amount not to exceed \$61,230.

RECOMMENDATION

It is recommended that the City Council determine that this project is exempt under the California Environmental Quality Act (“CEQA”); and accept a grant award from the U.S. Department of Homeland Security for a State Homeland Security Program (“SHSP”), for reimbursement of costs related to portable handheld radio equipment in the amount of \$61,230; reject the low bid from Foothill Communications and approve the bid from Day Wireless.

Approved:



Dominic Lazzaretto
City Manager



STAFF REPORT

Development Services Department

DATE: September 19, 2023

TO: Honorable Mayor and City Council

FROM: Jason Kruckeberg, Assistant City Manager/Development Services Director

SUBJECT: ALLOCATE AMERICAN RESCUE PLAN ACT (“ARPA”) FUNDS FOR THE 2023 MERRY & BRIGHT HOLIDAY SHOPPING PROGRAM IN THE AMOUNT OF \$200,000
CEQA: Not a Project
Recommendation: Approve

SUMMARY

For the past two years, the City Council has partnered with the Shops at Santa Anita (formerly Westfield Santa Anita), and the Chamber of Commerce on the “Merry and Bright” Holiday Shopping Program. This successful program is directed toward incentivizing in-person shopping at Arcadia brick-and-mortar businesses through a gift card redemption process. The program was implemented in 2021 and 2022, utilizing American Rescue Plan Act (“ARPA”) funds to stimulate the local economy.

This report was originally presented at the September 5, 2023, City Council Meeting. At that meeting, the City Council contemplated changing the program to eliminate the requirement that one of the three qualifying purchases be from the Shops at Santa Anita, allowing all three purchases to be from any Arcadia address. The item was continued to allow the staff an opportunity to discuss this with the Shops at Santa Anita.

After a discussion with the management of the Shops, it is recommended that the City Council allocate ARPA funds for the 2023 Merry and Bright Holiday Shopping Program in the amount of \$200,000 utilizing the existing guidelines.

BACKGROUND

Since the end of the COVID-19 pandemic, American Rescue Plan Act funding has been available for use for various purposes, including economic development and financial assistance for businesses. To date, the City Council has allocated funds for several important and well-received economic development programs, including the Small Business Grant Program, the Business Assistance Program (reimbursing City permit

fees), a Downtown Broadband Study, the Chamber of Commerce Membership Program, and the Merry and Bright Holiday Shopping Program.

The Merry and Bright Program was first implemented for the holiday season in 2021, when a total of \$100,000 was allocated. The funding is utilized to purchase gift cards valued at \$25, \$50, and \$75, for the purpose of incentivizing in-person shopping at Arcadia brick-and-mortar businesses. Customers who spend a minimum of \$150 combined at three or more Arcadia brick-and-mortar businesses are eligible to submit receipts to the Shops at Santa Anita Mall Concierge Desk and redeem a gift card valued at \$25. They will receive a \$50 gift card for \$300 in purchases, or \$75 with \$500 in total combined spend. The gift cards issued will be Visa, Master Card, or American Express and usable at any location in or outside of the City that accepts this form of payment; however, they will be branded with City of Arcadia and Shops at Santa Anita imagery to encourage local spending of those funds.

The project has been very successful in its first two years. In 2021, a total of 1,810 customers participated, with receipts submitted for gift card redemption totaling \$986,738 in local spending. The program received very positive feedback from both the business community and program participants, and there were no significant issues or problems with administration. The City Council authorized the allocation of an additional \$100,000 in ARPA funds in 2022 and the program reported 1,747 participants in the program with a total spend of \$1,130,698.

DISCUSSION

Based on the success of the program over the past two years, it is recommended that the program be continued for the 2023 Holiday Season. If approved, the program is tentatively scheduled to run December 1-24, 2023, or until all gift cards have been issued. Along these lines, all gift cards have been issued prior to the final posted date of the program in both program years. In fact, in 2022, all gift cards were exhausted about one week before Christmas. In order to stimulate additional local spending, it is recommended that the allocation of ARPA funds be expanded to \$200,000 for the 2023 season.

Although the ownership has changed from Westfield to the Shops at Santa Anita, current staff are familiar with the program and, in some cases, were previously employed by Westfield. As in past years, mall staff will oversee the submittal of receipts, issuance of gift cards, and customer service for the program from their on-site concierge desk. The Chamber of Commerce will once again promote the program to their members and assist in spreading the news that these gift cards can be used citywide for spending. Additional program terms, conditions, and details are provided in the Merry & Bright Program Summary, included as Attachment "A" to this report.

At the September 5, 2023, City Council Meeting, Mayor Cheng inquired about removing the program requirement that one of the three purchases necessary to receive a gift card

be made at the Shops at Santa Anita. Essentially, this change would allow all three qualifying purchases to be made anywhere in the City. The City Council requested that staff discuss this potential modification with the Shops at Santa Anita and bring the item back for further discussion.

Management at the Shops was contacted and they discussed this issue internally. After evaluation, the Shops determined that maintaining the existing program criteria is fundamental to retain the overall value of the program (for them). The Shops provides the staffing and labor to run the program, they check receipts and issue cards, answer customer questions, and fund for the majority of marketing and promotion of the program. As such, they feel it is important for at least one of the qualifying purchases to be made at their facility. Additionally, they informed the staff that they would likely not proceed with the program if this criteria was modified as suggested.

Given this information, it is recommended that program move forward with the original criteria of at least one purchase coming from the Shops at Santa Anita, as recommended in the September 5, 2023, Staff Report.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act (“CEQA”), as it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

FISCAL IMPACT

The City was originally allocated a total of \$8,865,000 in ARPA funding available to use for various purposes, including economic assistance. As of the date of this staff report, approximately \$1.6 million of these funds remain unallocated. Providing an additional \$200,000 in ARPA funds for this project is an appropriate use of ARPA funding consistent with its objective to provide economic assistance to residents and businesses impacted by the COVID-19 pandemic. No General Fund dollars, other than staff time already budgeted, will be utilized for this program.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project and is, therefore, exempt under, the California Environmental Quality Act (“CEQA”); and allocate American Rescue Plan Act (“ARPA”) funds for the 2023 Merry & Bright Holiday Shopping Program in the amount of \$200,000.

Approved:



Dominic Lazzaretto
City Manager

Attachment "A": 2023 Merry & Bright Program Summary

2023 Merry & Bright Program Summary

From December 1st through December 24th, 2023, shoppers who spend money at three or more brick-and-mortar retailers or restaurants in Arcadia, including one at the Shops at Santa Anita will be gifted up to \$75 in Gift Cards from the City to Shop and Dine in Arcadia. Redeem at the Shops at Santa Anita Concierge Desk while supplies last. Terms and conditions apply, visit www.Arcadia.gov/MerryandBright for details.

Reward Thresholds (based on combined spend)

- Spend \$150 or more, and get a \$25 gift card
- Spend \$300 or more, and get a \$50 gift card
- Spend \$500 or more, and get a \$75 gift card

Terms and Conditions

While supplies last and awarded on a first-come, first-serve basis. Must make purchases at a minimum of three different brick-and-mortar business located in the City of Arcadia between December 1-24, 2023 to qualify. At least one of the three purchases must be made at a brick-and-mortar business located at the Shops at Santa Anita. In-person purchases only. No minimum purchase required at any particular business, but total receipts must be over the required threshold before taxes. Purchases of gift card are not valid and will not count toward total required spend. Receipts from qualifying purchases must be uploaded to the Shop at Santa Anita's system no later than December 31, 2023 to qualify. No duplicate receipts accepted. Receipts can be uploaded via QR codes located at Santa Anita's concierge desk. Gift cards can only be obtained in person at the Shops at Santa Anita's concierge desk. Use of gift cards subject to terms on back of gift card. Deposits for financed or layaway purchases must be over the promotional amount before taxes to apply. The Shops at Santa Anita reserves the right to reject any receipt in its sole and absolute discretion. A total of \$200,000 in funding has been allocated to this program. Valid ID must be presented and any credit card purchases must match the ID. Limit one gift card redemption per person per giveaway with purchase. 18+ only.

Frequently Asked Questions

Who is eligible to receive a Merry & Bright Program Gift Card?

Anyone who spends a combined \$150+ at three or more Arcadia businesses between December 1-24, 2023, provided at least one of the businesses is located at the Shops at Santa Anita. You do not need to be an Arcadia resident to participate.

What shopping, dining, and other purchases qualify as eligible spending under this program?

Shopping and dining receipts dated December 1-24, 2023 from any brick-and-mortar business located in the City of Arcadia (i.e. any business with a physical storefront in

Arcadia) will be accepted as eligible purchases under this program. For example, spending at any Arcadia-based retail store, restaurant or other food and beverage business, retail service establishment, entertainment-related business, or other business that sells products and/or services direct to the general public is eligible to submit under this program. At least one receipt is required to be from a business located at the Shops at Santa Anita.

How and where do I redeem my Gift Card?

All Gift Cards are required to be redeemed in person at the Shops at Santa Anita Concierge Desk beginning December 1, 2023 during the hours of (12:00 pm – 8:00 pm, 7 days per week) . Please bring all eligible receipts to the Concierge Desk and then follow the on-site instructions to use your smartphone to upload receipts for verification and receive your Gift Card. Please note that a maximum of 2,000 Gift Cards will be issued through this program on a first-come, first-serve basis. Specific amounts and denominations of these Gift Cards are listed in the Program Terms and Conditions provided above.

Where can I spend my Gift Card?

Gift cards can be used at any store that accepts this form of payment, both at the Shops at Santa Anita and outside of the mall.

What happens after all the Gift Cards have been issued? Can receipts still be submitted to participate in this program or another promotion?

A total of \$200,000 in funding has been dedicated to this program and gift cards will be issued on a first-come, first-served basis to qualified recipients. No additional funding for gift cards is planned to be funded at this time. All program participation is subject to gift card availability, and once the initial supply has been distributed no additional receipts will be accepted or available to submit for the Merry & Bright Gift Card Program. At this time, there is no plan for additional offerings or other promotional offers after the initial Merry & Bright Card Program funding has been expended and all gift cards have been issued.

Are there any additional program restrictions or limitations to be aware of?

For additional program information and restrictions, please review the terms and conditions section above.

Who can I contact with any further questions?

For questions relating to the Gift Card redemption process, please contact the Shops at Santa Anita Call Center at (626-462-8510). For other inquiries or comments related to this program, please contact the Arcadia Economic Development Division by email at EconDev@ArcadiaCA.gov and an Arcadia City Staff Member will respond to your message within 1-to-2 business days.