

**AGREEMENT FOR PROJECT SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND ROCKWEST TECHNOLOGY GROUP, INC**

THIS AGREEMENT FOR PROJECT SERVICES (this "Agreement") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and Rockwest Technology Group, Inc, a Nevada corporation dba Multicard ("Contractor" or "Consultant").

The parties hereby agree as follows:

- A. Description of Project or Scope of Services. The project description or scope of services to be provided by Contractor, and any corresponding responsibilities of City or services required to be performed by City are set forth in Exhibit "A".
- B. Term and Time of Completion. Contractor shall commence and complete the project or services described in Exhibit "A" in accordance with the schedule set forth in Exhibit "B".
- C. Compensation. City agrees to pay Contractor for work performed in accordance with Exhibit "C".
- D. Insurance. Contractor shall adhere to the insurance requirements outlined in Exhibit "D", unless otherwise waived by the City's Risk Manager.

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GENERAL PROVISIONS

- 1. Independent Contractor. Contractor acknowledges, represents and warrants that Contractor is not a regular or temporary employee, officer, agent, joint venturer or partner of the City, but rather an independent contractor. This Agreement shall not be construed as a contract of employment. Contractor shall have no rights to any benefits which accrue to City employees unless otherwise expressly provided in this Agreement. Due to the independent contractor relationship created by this Agreement, the City shall not withhold state or federal income taxes, the reporting of which shall be Contractor's sole responsibility.
- 2. Brokers. Contractor acknowledges, represents and warrants that Contractor has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.
- 3. City Property. All plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials prepared for or obtained pursuant to this Agreement shall upon request be delivered to the City within a reasonable time,

and the rights thereto shall be deemed assigned to the City. If applicable, Contractor shall prepare check prints upon request. Said plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials shall be specific for the project herein and shall not be used by the City for any other project without Contractor's consent. Notwithstanding the foregoing, Contractor shall not be obligated to assign any proprietary software or data developed by or at the direction of Contractor for Contractor's own use; provided, however, that Contractor shall, pursuant to Paragraph 14 below, indemnify, defend and hold the City harmless from and against any discovery or Public Records Act request seeking the disclosure of any such proprietary software or data.

4. Inspection. If the services set forth in Exhibit "A" shall be performed on City or other public property, the City shall have the right to inspect such work without notice. If such services shall not be performed on City or other public property, the City shall have the right to inspect such work upon reasonable notice. Inspections by the City shall not relieve or minimize the responsibility of Contractor to conduct any inspections Contractor has agreed to perform pursuant to the terms of this Agreement. Contractor shall be solely liable for said inspections performed by Contractor. Contractor shall certify in writing to the City as to the completeness and accuracy of each inspection required to be conducted by Contractor hereunder.
5. Services. The project or services set forth in Exhibit "A" shall be performed to the full satisfaction and approval of the City. In the event that the project or services set forth in Exhibit "A" are itemized by price in Exhibit "C", the City in its sole discretion may, upon notice to Contractor, delete certain items or services set forth in Exhibit "A", in which case there shall be a corresponding reduction in the amount of compensation paid to Contractor. City shall furnish Contractor, to the extent available, with any City standards, details, specifications and regulations applicable to the Project and necessary for the performance of Contractor's services hereunder. Notwithstanding the foregoing, any and all additional data necessary for design shall be the responsibility of Contractor.
6. Records. Contractor, including any of its subcontractors, shall maintain full and complete documents and records, including accounting records, employee time sheets, work papers, and correspondence pertaining to the project or services set forth in Exhibit "A". Contractor, including any of its subcontractors, shall make such documents and records available for City review or audit upon request and reasonable notice, and shall keep such documents and records, for at least four (4) years after Contractor's completion of performance of this Agreement. Copies of all pertinent reports and correspondence shall be furnished to the City for its files.

7. Changes and Extra Work. All changes and/or extra work under this Agreement shall be provided for by a subsequent written amendment executed by City and Contractor.
8. Additional Assistance. If this Agreement requires Contractor to prepare plans and specifications, Contractor shall provide assistance as necessary to resolve any questions regarding such plans and specifications that may arise during the period of advertising for bids, and Contractor shall issue any necessary addenda to the plans and specifications as requested. In the event Contractor is of the opinion that City's requests for addenda and assistance is outside the scope of normal services, the parties shall proceed in accordance with the changes and extra work provisions of this Agreement.
9. Professional Ability. Contractor acknowledges, represents and warrants that Contractor is skilled and able to competently provide the services hereunder, and possesses all professional licenses, certifications, and approvals necessary to engage in its occupation. City has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor shall perform in accordance with generally accepted professional practices and standards of Contractor's profession.
10. Business License. Contractor shall obtain a Redondo Beach Business License before performing any services required under this Agreement. The failure to so obtain such license shall be a material breach of this Agreement and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual circumstances without necessitating any modification of this Agreement to reflect such waiver.
11. Termination Without Default. Notwithstanding any provision herein to the contrary, the City may, in its sole and absolute discretion and without cause, terminate this Agreement at any time prior to completion by Contractor of the project or services hereunder, immediately upon written notice to Contractor. In the event of any such termination, Contractor shall be compensated for: (1) all authorized work satisfactorily performed prior to the effective date of termination; and (2) necessary materials or services of others ordered by Contractor for this Agreement prior to Contractor's receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, and further provided that Contractor is not able to cancel such orders. Compensation for Contractor in such event shall be determined by the City in accordance with the percentage of the project or services completed by Contractor; and all of Contractor's finished or unfinished work product through the time of the City's last payment shall be transferred and assigned to the City. In conjunction with any termination of this Agreement, the City may, at its own expense, make copies or extract information from any notes, sketches, computations, drawings, and specifications or other data, whether complete or not.

12. Termination in the Event of Default. Should Contractor fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Agreement, the City may immediately terminate this Agreement by giving written notice of such termination, stating the reasons for such termination. Contractor shall be compensated as provided immediately above, provided, however, there shall be deducted from such amount the amount of damages, if any, sustained by the City by virtue of Contractor's breach of this Agreement.
13. Conflict of Interest. Contractor acknowledges, represents and warrants that Contractor shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Agreement. Contractor further acknowledges, represents and warrants that Contractor has no business relationship or arrangement of any kind with any City official or employee with respect to this Agreement. Contractor acknowledges that in the event that Contractor shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Agreement, all consideration received under this Agreement shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Agreement for one (1) year.
14. Indemnity. To the maximum extent permitted by law, Contractor hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of Contractor's performance or work hereunder (including any of its officers, agents, employees, Subcontractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Contractor or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.
 - a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against Contractor because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.

- b. Waiver of Right of Subrogation. Contractor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.
15. Insurance. Contractor shall comply with the requirements set forth in Exhibit "D." Insurance requirements that are waived by the City's Risk Manager do not require amendments or revisions to this Agreement.
16. Non-Liability of Officials and Employees of the City. No official or employee of the City shall be personally liable for any default or liability under this Agreement.
17. Compliance with Laws. Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Agreement, including without limitation all environmental laws, employment laws, and non-discrimination laws.
18. Non-Discrimination. Contractor shall comply with all applicable federal, state, and local laws, ordinances, regulations, and codes prohibiting discrimination, including but not limited to the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and the California Fair Employment and Housing Act. Contractor shall not discriminate against any employee or applicant for employment on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Contractor shall include a similar non-discrimination provision in all subcontracts related to the performance of this Agreement.
19. Limitations upon Subcontracting and Assignment. Contractor acknowledges that the services which Contractor shall provide under this Agreement are unique, personal services which, except as otherwise provided herein, Contractor shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion. In the event that the City, in writing, approves any assignment or subletting of this Agreement or the retention of subcontractors by Contractor, Contractor shall provide to the City upon request copies of each and every subcontract prior to the execution thereof by Contractor and subcontractor. Any attempt by Contractor to assign any or all of its rights under this Agreement without first obtaining the City's prior written consent shall constitute a material default under this Agreement.

The sale, assignment, transfer or other disposition, on a cumulative basis, of twenty-five percent (25%) or more of the ownership interest in Contractor or

twenty-five percent (25%) or more the voting control of Contractor (whether Contractor is a corporation, limited liability company, partnership, joint venture or otherwise) shall constitute an assignment for purposes of this Agreement. Further, the involvement of Contractor or its assets in any transaction or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Agreement or Contractor's assets occurs, which reduces Contractor's assets or net worth by twenty-five percent (25%) or more shall also constitute an assignment for purposes of this Agreement.

20. Subcontractors. Contractor shall provide properly skilled professional and technical personnel to perform any approved subcontracting duties. Contractor shall not engage the services of any person or persons now employed by the City without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion.
21. Integration. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Contractor and City may be used to assist in the interpretation of the exhibits to this Agreement.
22. Amendment. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties.
23. Conflicting Provisions. In the event of a conflict between the terms and conditions of this Agreement and those of any exhibit or attachment hereto, this Agreement proper shall prevail. In the event of a conflict between the terms and conditions of any two or more exhibits or attachments hereto, those prepared by the City shall prevail over those prepared by Contractor.
24. Non-Exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Contractor hereunder shall be non-exclusive, and City reserves the right to employ other contractors in connection with the project.
25. Exhibits. All exhibits hereto are made a part hereof and incorporated herein by reference; provided, however, that any language in Exhibit "A" which does not pertain to the project description, proposal, or scope of services (as applicable) to be provided by Contractor, or any corresponding responsibilities of City, shall be deemed extraneous to, and not a part of, this Agreement.
26. Time of Essence. Time is of the essence of this Agreement.
27. Confidentiality. To the extent permissible under law, Contractor shall keep confidential its obligations hereunder and the information acquired during the performance of the project or services hereunder.

28. Third Parties. Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Agreement shall not be considered "third parties."
29. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.
30. Attorneys' Fees. In the event either party to this Agreement brings any action to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees (including expert witness fees) and costs. This provision shall survive the termination of this Agreement.
31. Claims. Any claim by Contractor against City hereunder shall be subject to Government Code §§ 800 *et seq.* The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six (6) months after accrual of the cause of action.
32. Interpretation. Contractor acknowledges that it has had ample opportunity to seek legal advice with respect to the negotiation of this Agreement. This Agreement shall be interpreted as if drafted by both parties.
33. Warranty. In the event that any product shall be provided to the City as part of this Agreement, Contractor warrants as follows: Contractor possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets all specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of thirty (30) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Contractor, at Contractor's expense, including shipping. Contractor shall not be liable under this warranty for an amount greater than the amount set forth in Exhibit "C" hereto.
34. Severance. Any provision of this Agreement that is found invalid or unenforceable shall be deemed severed and all remaining provisions of this Agreement shall remain enforceable to the fullest extent permitted by law.
35. Authority. City warrants and represents that upon City Council approval, the Mayor of the City of Redondo Beach is duly authorized to enter into and execute

this Agreement on behalf of City. The party signing on behalf of Contractor warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of Contractor, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Agreement on behalf of Contractor.

36. Waiver. The waiver by the City of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this 1st day of October, 2024.

CITY OF REDONDO BEACH,
a chartered municipal corporation

ROCKWEST TECHNOLOGY GROUP, INC,
a Nevada corporation dba Multicard

James A. Light, Mayor

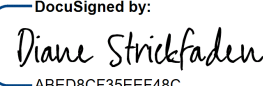
DocuSigned by:

By: _____
Name: Hugo Garcia
Title: President/COO

ATTEST:

APPROVED:

Eleanor Manzano, City Clerk

DocuSigned by:


Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

EXHIBIT "A"

PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

I. **CONTRACTOR'S DUTIES**

Contractor shall provide all necessary equipment, installation, configuration, and training services to complete the Photo ID System Upgrade as described herein. The work includes the integration and installation of DNA Fusion ID Badging Client Software License, Sigma DS3 Printers, Canon T7 DSLR Cameras, and related hardware and supplies as described in this Agreement.

A. Software. Contractor shall provide:

1. One (1) Additional DNA Fusion ID Badging Client Software License.
2. Software support and troubleshooting.

B. Hardware. Contractor shall install:

1. Three (3) Sigma DS3 Printers, Duplex, 125-Card Input Hopper.
2. Two (2) Sigma Commercial Lamination Modules, Single Laminator, L1.
3. Two (2) Standard Tactile Impresser Modules.
4. Two (2) Canon T7 Cameras w/6' USB Extension & AC Adapter
5. One (1) Canon T7 Camera w/6' USB Extension, AC Adapter, Floor Tripod and Backdrop with Stand (28" x 36")
6. Three (3) TWAIN Plug-in, DSLR Cameras

C. Supplies. Contractor shall install:

1. One (1) Color Ribbon Kit for YMCKT (Yields 500 color simplex cards, or 250 color front/color back duplex; includes Sigma DS3 cleaning kit).
2. Two (2) Color Ribbon Kits YMCKF-KT (Yields 300 color front/black back simplex cards, or 150 color front/color back duplex; includes Sigma DS3 cleaning kit).
3. Two (2) DuraGard OptiSelect(TM) Laminates, 0.6 mil, "Authorized Personnel" Full Card (Yields 350 Cards).

D. Professional Services. Contractor shall perform on-site installation, configuration, and training as follows:

1. Information Technology Department (located at 415 Diamond Street, Redondo Beach, CA 90277 and Police Department (located at 401 Diamond, Redondo Beach, CA 90277)
 - a. Installation of two (2) additional DNA Fusion ID Badging Client Software Licenses.
 - b. Installation of two (2) Sigma DS3 Duplex CLM Printers with reinstallation of the CORB custom tactile impressor dies.
 - c. Installation of two (2) Canon T7 EOS Cameras w/ Plug-in.

2. Transit Facility (located at 1521 Kingsdale Avenue, Redondo Beach, CA 90278)

- a. Installation of one (1) additional DNA Fusion ID Badging Client Software License.
- b. Installation of one (1) Sigma DS3 Duplex Printer and one (1) Canon T7 EOS Camera w/ Plug-in.
- c. Migration and Conversion of Open Options-DNA Fusion ID Database, Photo Images and Card Design.
- d. Creation of one (1) new card design, including Photo Images and Testing.
- e. Provision of an Annual Connect Care SMA DNA Fusion ID Badging Client Software License.

E. Maintenance. Contractor shall provide:

1. One (1) Year On-Site "Total Care Agreement" (Printers, Laminators & Cameras), which shall include all parts, labor and travel time; 8:00 am-5:00 pm Monday through Friday.
2. Scheduled preventative maintenance in accordance with the Manufacturer Specifications.
3. The Total Care Agreement does not include consumables, such as printheads and ribbons.

F. Badging Process. Contractor shall ensure the badging process will include an input screen and card design and performs as follows:

1. To create a badge for an employee, the City operator will retrieve or enter an employee's record to include first name, last name, ID number, and autoincrement number. Once this information is retrieved or entered, an employee photo will be captured and automatically integrated with the employee's DNA Fusion ID database. Upon acceptance of information entered and captured, the City operator will press print and the employee ID card will print with the Sigma DS3 Printer.

G. Designated Contact. Contractor shall provide a single point of contact for this project.

H. Standard One - Year Warranty

1. All equipment and materials provided come with a one-year warranty on parts, labor excluded.
2. All products are FOB origin.
3. Contractor's manufacturers shall replace or repair parts for one year from the shipping date of this installation. Contractor shall repair or replace defective items they have installed or provided. Further, all equipment provided by Contractor in an installation is subject to a manufacturer's warranty.
4. Contractor disclaims any other warranties, whether implied or expressed. Contractor is not liable for any damages or defects in the system caused by

City's neglect, vandalism, misuse, or unauthorized repairs. This includes no responsibility for incidental or consequential economic or property damage, although some jurisdictions may not permit such exclusions.

I. Service Hours and Installation Scheduling

1. Standard service hours are Monday to Friday, 8:00 a.m. to 5:00 p.m.
2. Installations outside these hours, including weekends, holidays, and outside of normal business hours, are subject to overtime rates. These hours may be adjusted by agreement between City and Contractor's installation team.

J. Contractor's License Number. Contractor's license number is 1012840.

II. **CITY'S DUTIES**

City will:

- A. Provide a single point of contact for this project.
- B. Provide a facility for training at one location, with a train the trainer format.
- C. Coordinate the personnel that need to be trained once a Training Date has been scheduled.
- D. Require all trainees to be in attendance throughout the entire training period and ensure the trainees are capable of operating a Personal Computer and a Microsoft Windows operating system.
- E. Provide one (1) Existing DNA Fusion Server and three (3) Personal Computer Workstations that meet the minimum PC specifications.

EXHIBIT “B”

TERM AND TIME FOR COMPLETION

TERM. The term of this Agreement shall commence on October 1, 2024, and expire on September 30, 2025, unless otherwise terminated as provided herein. City, in its sole discretion, will decide the start date of the services described in Exhibit “A”.

EXHIBIT "C"
COMPENSATION

Provided Contractor is not in default under this Agreement, Contractor shall be compensated as provided below.

- A. **AMOUNT.** Contractor shall be paid \$26,672 for the work described in Exhibit "A" of this Agreement. Expenses incurred by Contractor in performance of this work shall be considered included in Section A of this Exhibit "C" and no additional compensation shall be provided.
- B. **NOT TO EXCEED AMOUNT.** If unexpected issues arise, including but not limited to, the need for additional materials and/or equipment, the price may exceed the amount in Section A of this Exhibit "C". In such case, Contractor shall provide an estimate for extra tasks. However, any additional costs shall not exceed a \$7,000 contingency to cover unforeseen additional work, and the total amount paid to the Contractor shall not exceed \$33,672.
- C. **METHOD OF PAYMENT.** Contractor shall provide two invoices to the City for approval and payment .
1. The first invoice shall cover the hardware and will be invoiced after forty-five (45) days following both the execution of the Agreement and delivery of the equipment.
 2. The second invoice shall cover the services, and will be invoiced after forty-five (45) days after services have been completed.

The services as described in Exhibit "A" shall be considered complete when all tasks and deliverables have been performed to the City's reasonable satisfaction. The invoices shall include the dates of service, description of services performed and equipment, quantity, location, and total amount. Invoice must be itemized, adequately detailed, based on accurate records, in a form reasonably satisfactory to City. Contractor shall provide any other back-up material upon request.

- D. **SCHEDULE FOR PAYMENT.** City agrees to pay Contractor within forty-five (45) days of receipt of the invoice; provided, however, that the services are completed to the City's reasonable satisfaction and there is no dispute over the amount.
- E. **NOTICE.** Written notices to City and Contractor shall be given by registered or certified mail, postage prepaid, email, or personally served, and addressed to the following parties.

Contractor: Rockwest Technology Group Inc. dba Multicard
 3370 San Fernando Road, Suite 202
 Los Angeles, CA 90065
 Attention: Anthony Azoy

Email: aazoy@multicard.com

City:

City of Redondo Beach
415 Diamond St.
Redondo Beach, CA 90277
Attention: Mike Cook
Email: mike.cook@redondo.org

All notices, including notices of address changes, provided under this Agreement are deemed received as follows: (1) on the second business day after emailing, provided that no “bounce-back” or similar message indicating non-delivery is received; (2) on the third day after mailing if sent by registered or certified mail; or (3) upon personal delivery. Changes in the respective address set forth above may be made from time to time by any party upon written notice to the other party in accordance with this section.

EXHIBIT "D"

INSURANCE REQUIREMENTS FOR CONTRACTORS

Without limiting Contractor's indemnification obligations under this Agreement, Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

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

Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

Workers' Compensation insurance as required by the State of California.

Employer's Liability Insurance.

Minimum Limits of Insurance

Contractor shall maintain limits no less than:

General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply separately to this project.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or (2) the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Endorsement:

General Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of work performed by or on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance, or as a separate owner's policy.

Automobile Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor.

For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, elected and appointed officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

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

Each insurance policy shall be endorsed to state that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverages afforded shall apply as though separate policies had been issued to each insured.

Each insurance policy shall be in effect prior to awarding the contract and each insurance policy or a successor policy shall be in effect for the duration of the project. The maintenance of proper insurance coverage is a material element of the contract and failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract on the Contractor's part.

Acceptability of Insurers

Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VII and which are authorized to transact insurance business in the State of California by the Department of Insurance.

Verification of Coverage

Contractor shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on the City authorized forms provided with the contract specifications. Standard ISO forms which shall be subject to City approval and amended to conform to the City's requirements may be acceptable in lieu of City authorized forms. All certificates and endorsements shall be received and approved by the City before the contract is awarded. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Subcontractors

Contractor shall include all subcontractors as insured 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.

Risk Management

Contractor acknowledges that insurance underwriting standards and practices are subject to change, and the City reserves the right to make changes to these provisions in the reasonable discretion of its Risk Manager.