AGREEMENT FOR PROJECT SERVICES BETWEEN THE CITY OF REDONDO BEACH AND WOODS MAINTENANCE SERVICES, INC. DBA GRAFFITI CONTROL SYSTEMS

THIS AGREEMENT FOR PROJECT SERVICES (this "Agreement") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and Woods Maintenance Services, Inc., a California corporation, dba Graffiti Control Systems ("Contractor" or "Consultant").

The parties hereby agree as follows:

- A. <u>Description of Project or Scope of Services</u>. 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. <u>Term and Time of Completion</u>. Contractor shall commence and complete the project or services described in Exhibit "A" in accordance with the schedule set forth in Exhibit "B".
- C. <u>Compensation</u>. City agrees to pay Contractor for work performed in accordance with Exhibit "C".
- D. <u>Insurance</u>. Contractor shall adhere to the insurance requirements outlined in Exhibit "D", unless otherwise waived by the City's Risk Manager.
- E. <u>Agreement to Comply with California Labor Law Requirements</u>. Contractor agrees to comply with all applicable California Labor Law Requirements as set forth in Exhibit "E".

* * * * *

GENERAL PROVISIONS

- 1. <u>Independent Contractor</u>. 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. <u>Brokers</u>. 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. <u>City Property.</u> 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. <u>Inspection</u>. 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. <u>Services</u>. 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. <u>Changes and Extra Work</u>. All changes and/or extra work under this Agreement shall be performed and paid for in accordance with the following:

Only the City Council, City Manager, or the Department Head responsible for the administration of, or supervision of the scope of work under, this Agreement may authorize extra and/or changed work. Contractor expressly recognizes that other City personnel are without authorization to either order extra and/or changed work or waive contract requirements. Failure of Contractor to secure the written authorization for such extra and/or changed work shall constitute a waiver of any and all right to adjustment in contract price due to such unauthorized work and Contractor thereafter shall be entitled to no compensation whatsoever for performance of such work.

If Contractor is of the opinion that any work which Contractor has been directed to perform is beyond the scope of this Agreement and constitutes extra work, Contractor shall promptly notify the City of the fact. The City shall make a determination as to whether or not such work is, in fact, beyond the scope of this Agreement and constitutes extra work. In the event that the City determines that such work does constitute extra work, City shall provide extra compensation to Contractor on a fair and equitable basis. A written amendment providing for such compensation for extra work shall be executed by Contractor and the City.

- 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. <u>Professional Ability</u>. 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. <u>Business License</u>. 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. <u>Termination in the Event of Default</u>. 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. <u>Indemnity</u>. 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. Notwithstanding the foregoing, nothing in this Section 14 shall be construed to encompass Indemnitees' active negligence to the limited extent that this Agreement is subject to Civil Code Section 2782(b). 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. <u>Nonwaiver of Rights</u>. 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. <u>Waiver of Right of Subrogation</u>. 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. <u>Insurance</u>. 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. <u>Non-Liability of Officials and Employees of the City</u>. No official or employee of the City shall be personally liable for any default or liability under this Agreement.
- 17. <u>Compliance with Laws</u>. 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, and employment laws.
 - a. <u>Acknowledgement</u>. Contractor acknowledges that eight (8) hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement

by the Contractor 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 one (1) calendar day and forty (40) hours in any one calendar week. Pursuant to Labor Code section 1815, work performed by employees of Contractor in excess of 8 hours per day, and 40 hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 11/2 times the basic rate of pay. For every subcontractor who will perform work on the project, Contractor shall be responsible for such subcontractor's compliance with Labor Code Sections 1810, 1813 and 1815, and Contractor shall include in the written contract between it and each subcontractor copies of Labor Code Sections 1810, 1813 and 1815 and a requirement that each subcontractor shall comply with these aforementioned sections. Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a periodic review of the certified payroll records of the subcontractor and upon becoming aware of the failure of the subcontractor comply with Labor Code Sections 1810, 1813 and 1815, Contractor shall diligently take corrective action to halt or rectify the failure.

- b. <u>Labor Law Requirements</u>. Contractor shall comply with the Agreement to Comply with California Labor Law Requirements set forth in Exhibit "E", which is attached hereto and incorporated by reference. State prevailing wage determinations are available on the California Department of Industrial Relations ("DIR") website located at https://www.dir.ca.gov/Public-Works/Prevailing-Wage.html.
- 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, military and veteran status, or any other legally protected characteristic. 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. <u>Limitations upon Subcontracting and Assignment</u>. 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. <u>Subcontractors</u>. 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. <u>Integration</u>. 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. <u>Amendment</u>. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties.
- 23. <u>Conflicting Provisions</u>. 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. <u>Non-Exclusivity</u>. 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. <u>Exhibits</u>. 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. <u>Time of Essence</u>. Time is of the essence of this Agreement.
- 27. <u>Confidentiality</u>. 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. <u>Third Parties</u>. 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. <u>Governing Law and Venue</u>. 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. <u>Attorneys' Fees</u>. 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. <u>Claims</u>. 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. <u>Interpretation</u>. 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. <u>Severance</u>. 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. <u>Authority</u>. 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. <u>Waiver</u>. 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 21st day of October, 2025.

CITY OF REDONDO BEACH,	Woods Maintenance Services, Inc. dba Graffiti Control Systems,
a chartered municipal corporation	a California corporation
James A. Light, Mayor	By: Josh Woods Name: Josh Woods Title: COO
ATTEST:	APPROVED:
Eleanor Manzano, City Clerk	Diane Strickfaden, Risk Manager
APPROVED AS TO FORM:	
Joy A. Ford, City Attorney	

EXHIBIT "A"

PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

CONTRACTOR'S DUTIES

Contractor shall perform the following duties.

- **A.** <u>Graffiti Removal.</u> Contractor shall perform graffiti removal on public property City-wide, subject to the following specifications.
 - 1. Graffiti removal services shall be performed a minimum of three (3) times per week on Mondays, Wednesdays, and Fridays. Service schedules may be adjusted to accommodate holidays, special events, or seasonal activity levels, subject to mutual agreement between Contractor and City.
 - 2. Contractor shall provide emergency response within 24-hours of a verifiable report of offensive, vulgar, or high priority graffiti, subject to the emergency response fee listed in Exhibit "C" of this agreement.
 - 3. Contractor shall maintain a valid license from the California Contractor's State License Board (CSLB) with the appropriate classifications related to graffiti removal services (C-33 Painting and Decorating, C-61/D-38 Sand and Water Blasting). All licenses must be active, current, and in good standing.
 - 4. Contractor shall obtain and maintain a City of Redondo Beach Business License through the duration of the project services agreement.
 - 5. Contractor shall comply with Prevailing Wage Laws for its employees, including California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq. Certain work under this contract may constitute a "public work" or "maintenance" as defined in the Prevailing Wage Laws and by local ordinance. The prevailing wage rates are determined by the Department of Industrial Relations (DIR).
 - 6. Contractor and its employees shall perform all work under this agreement and no work shall be subcontracted.
 - 7. Contractor shall furnish at its own expense all labor, equipment, and materials necessary for the performance graffiti removal services.
 - 8. Contractor shall comply with storm water and urban runoff pollution prevention requirements and the City's National Pollutant Discharge Elimination System (NPDES) permit requirements.

- 9. Work shall be performed by qualified and trained staff in a professional manner. Personnel shall wear uniforms clearly identifying the company name and present an identification badge upon request. Uniforms shall be clean and neat.
- 10. Contractor's company vehicles shall have identifying company name and logo. Employees must utilize only a company vehicle when providing services.
- 11. Contractor shall determine the most appropriate, effective, and surfaceappropriate method of removal based on location, substrate, and type of paint or marking.
- 12. Contractor shall maintain before and after digital photographs of all work performed, which shall be available to City staff upon request.
- 13. Contractor shall maintain a log which includes the date and time of each instance of reported graffiti, the location, and the response date and time. Logs shall be submitted monthly to the City as part of invoicing.
- 14. Contractor shall offer a dedicated email address for City staff and public use to report graffiti.
- 15. Contractor shall offer a customer service phone line answered during business hours of Monday through Friday from 9:00 a.m. to 5:00 p.m., and voicemail monitored after-hours.
- 16. Contractor shall offer a web-based application accessible to specified City staff to track all graffiti removal work performed by the Contractor. The application shall include the digital before and after photographs of each job.
- 17. City main points of contact will be the Public Safety Communications Manager and/or Deputy Public Works Director.
- **B.** Other Services. Contractor may provide the following additional services, on an as-needed basis, when requested by the City, and mutually agreed upon between City and Contractor, and subject to the compensation terms in Exhibit "C" of this Agreement.
 - 1. Non-sacrificial anti-graffiti coating / mural protection.
 - 2. Pressure washing (including water recovery).
 - 3. Trash and vegetation abatement.
 - 4. Homeless encampment cleanup

EXHIBIT "B"

TERM AND TIME OF COMPLETION

- 1. <u>Term.</u> This agreement shall commence on November 1, 2025 and shall continue until October 31, 2028 (Initial Term), unless otherwise terminated as herein provided. The agreement shall automatically renew for two, one (1) year terms (Renewal Term).
- 2. <u>Termination.</u> During the Initial Term, either Party may terminate this agreement by 90-day written notice provided by email, first-class mail, or personal delivery, addressed to the parties below. During the any Renewal Term, either Party may terminate this agreement by 45-day written notice provided by email, first-class mail, or personal delivery, addressed to the parties below.

Contractor: Woods Maintenance Services, Inc.

7250 Coldwater Canyon Ave. North Hollywood, CA 91605 Attn: Josh Woods, COO

Email: joshwoods@graffiticontrol.com

<u>City:</u> City of Redondo Beach

Police Department 401 Diamond St.

Redondo Beach, CA 90277

Attn: Lina Carrillo, Senior Management Analyst

Email: lina.carrillo@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 "C"

COMPENSATION

1. <u>Graffiti Removal Services.</u> Provided Contractor is not in default under this Agreement, Contractor shall be compensated as provided below.

Description	Service Frequency	Rate	Rate Frequency	Period of Time
Graffiti Removal Services	3 times per week	\$5,633.50	per month	36 months
First 1-year extension	3 times per week	\$6,155.88	per month	12 months
Second 1-year extension	3 times per week	\$6,340.55	per month	12 months
24- Hour Emergency Services- during business hours	1- time	\$275.00	per occurrence	
24- Hour Emergency Services- weekend hours	1-time	\$375.00	per occurrence	

2. <u>Other services as needed.</u> Other services offered on an as-needed basis only when requested by the City shall be compensated as provided below. Contractor shall first provide an estimate for the work for the City to authorize.

Description	Rate			
Non-sacrificial anti-graffiti coating/mural protection	Based rate of \$3.12 per square foot (minimum \$575.00) Actual cost may increase based on logistics			
Pressure washing (including water recovery)	\$145.00 per hour, per worker (4 hour minimum)			
Trash and vegetation abatement	\$280.00 per hour for 2-person crew (4 hour minimum) plus dump fees passed through at cost (\$140 per hour for additional staff)			
Homeless encampment cleanup	\$280.00 per hour for 2-person crew (4 hour minimum) plus dump fees passed through at cost (\$140 per hour for additional staff)			

- 3. <u>Total Compensation.</u> The total compensation shall not exceed \$487,263 for the term of this agreement.
- 4. Method of payment.
 - a. <u>Graffiti Removal.</u> Contractor shall provide monthly invoices to City for approval and payment for services. Invoices must be dated, itemized, uniquely numbered, addressed to the appropriate City department, include Contractor name and payment remit address, adequately detailed, and in a form reasonably satisfactory to the City. Invoices shall include the monthly service log. Invoices for graffiti removal may be provided by mail or email to the following:

b.

Mail: Redondo Beach Police Department

Accounts Payable 401 Diamond St.

Redondo Beach, CA 90277

Email: Lina Carrillo, Senior Management Analyst

lina.carrillo@redondo.org

c. Other Services as needed: Contractor shall provide an invoice for any additional services, upon completion of the job. Invoice must be dated, itemized, uniquely numbered, addressed to the appropriate City department, include Contractor name and payment remit address, adequately detailed, and in a form reasonably satisfactory to the City. Invoices for other services may be provided by mail or email to the following:

Mail: Redondo Beach Public Works Department

Accounts Payable 531 N. Gertruda Ave.

Redondo Beach, CA 90277

Email: Michael Klein, Deputy Public Works Director

michael.klein@redondo.org

5. <u>Schedule for payment.</u> City agrees to pay Contractor within thirty (30) days of receipt of an invoice, provided that services are completed to the City's reasonable satisfaction and there is no dispute over the amount.

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:

<u>Additional Insured Endorsement:</u>

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.

EXHIBIT "E"

AGREEMENT TO COMPLY WITH CALIFORNIA LABOR LAW REQUIREMENTS

- 1. Contractor acknowledges that the project as defined in this Agreement between Contractor and the City, to which this Agreement to Comply with California Labor Law Requirements is attached and incorporated by reference, is a "public work" as defined in Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code ("Chapter 1"), and that this Agreement is subject to (a) Chapter 1, including without limitation Labor Code Section 1771 and (b) the rules and regulations established by the Director of Industrial Relations ("DIR") implementing such statutes. Contractor shall perform all work on the project as a public work. Contractor shall comply with and be bound by all the terms, rules and regulations described in 1(a) and 1(b) as though set forth in full herein.
- 2. California law requires the inclusion of specific Labor Code provisions in certain contracts. The inclusion of such specific provisions below, whether or not required by California law, does not alter the meaning or scope of Section 1 above.
- 3. Pursuant to Labor Code Section 1771.4, Contractor shall post job site notices, as prescribed by regulation.
- 4. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Agreement are on file at City Hall and will be made available to any interested party on request. Contractor acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and Contractor shall post such rates at each job site covered by this Agreement.
- 5. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty to the City, forfeit the maximum amount allowable by law for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Contractor or by any subcontractor.
- 6. Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Contractor and each subcontractor to (1) keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3) inform the City of the location of the records.
- 7. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6 and 1777.7 and California Administrative Code title 8, section 200 *et seq.* concerning the employment of apprentices on public works projects. Contractor shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Contractor shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding work pursuant to this Agreement, Contractor and each of its subcontractors shall submit to the City a verified statement of the journeyman and apprentice hours performed under this Agreement.

- 8. Contractor acknowledges that eight (8) hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement by the Contractor 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 one (1) calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Contractor in excess of 8 hours per day, and 40 hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1 and 1/2 times the basic rate of pay.
- 9. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Contractor hereby certifies as follows:
 - "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."
- 10. For every subcontractor who will perform work on the project, Contractor shall be responsible for such subcontractor's compliance with Chapter 1 and Labor Code Sections 1860 and 3700, and Contractor shall include in the written contract between it and each subcontractor a copy of those statutory provisions and a requirement that each subcontractor shall comply with those statutory provisions. Contractor shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a periodic review of the certified payroll records of the subcontractor and upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Contractor shall diligently take corrective action to halt or rectify any failure.
- 11. To the maximum extent permitted by law, Contractor shall indemnify, hold harmless, and defend (at Contractor's expense with counsel acceptable to the City) the City, its officials, officers, employees, agents, independent contractors, and volunteers from and against any demand or claim for damages, compensation, fines, penalties, or other amounts arising out of or incidental to any acts or omissions listed in this Exhibit "E" by any person or entity (including Contractor, its subcontractors, and each of their officials, officers, employees, and agents) in connection with any work undertaken or in connection with the Agreement, including without limitation the payment of all consequential damages, attorneys' fees, and other related costs and expenses, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. This indemnification obligation shall survive the termination of the Agreement.





CERTIFICATE OF LIABILITY INSURANCE

MCNEILL
DATE (MM/DD/YYYY)

9/23/2025

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

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

tills certificate does not come rights to the certificate noider in fied of such endorsement(s).					
PRODUCER	CONTACT NAME:				
Whiteboard Risk & Insurance Solutions, LLC 9655 Granite Ridge Dr., Suite 200	PHONE (A/C, No, Ext): (858) 223-1170 FAX (A/C, No): (858) 3	358-4709			
San Diego, CA 92123	E-MAIL ADDRESS:				
	INSURER(S) AFFORDING COVERAGE	NAIC#			
	INSURER A: Natl Union Fire Ins Pittsburgh	19445			
INSURED	INSURER B : Evanston Insurance Company	35378			
Woods Maintenance Services, Inc.	INSURER C:				
7250 Coldwater Canyon Ave.	INSURER D:				
North Hollywood, CA 91605	INSURER E :				
	INSURER F:				
COVERAGES CERTIFICATE NUMBER:	REVISION NUMBER:				

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

INSR LTR		TYPE OF INSURANCE	ADDL INSD	SUBR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMIT	s	
Α	Х	COMMERCIAL GENERAL LIABILITY					***************************************	EACH OCCURRENCE	\$	2,000,000
		CLAIMS-MADE X OCCUR	X		2429407	9/1/2025	3/1/2026	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$	300,000
								MED EXP (Any one person)	\$	25,000
								PERSONAL & ADV INJURY	\$	2,000,000
	GEN	N'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	\$	4,000,000
		POLICY X PRO-						PRODUCTS - COMP/OP AGG	\$	4,000,000
		OTHER:							\$	
Α	AU1	OMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	\$	2,000,000
	Х	ANY AUTO			4886131	9/1/2025	3/1/2026	BODILY INJURY (Per person)	\$	
		OWNED SCHEDULED AUTOS ONLY						BODILY INJURY (Per accident)	\$	
		HIRED NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	\$	
									\$	
В		UMBRELLA LIAB X OCCUR						EACH OCCURRENCE	\$	4,000,000
	X	EXCESS LIAB CLAIMS-MADE			MKLV5EUL106006	2/1/2025	2/1/2026	AGGREGATE	\$	4,000,000
		DED RETENTION \$							\$	
Α		RKERS COMPENSATION EMPLOYERS' LIABILITY						X PER OTH- STATUTE OTH-		
	ANY	PROPRIETOR/PARTNER/EXECUTIVE Y/N	N/A		34213283-4	9/1/2025	3/1/2026	E.L. EACH ACCIDENT	\$	2,000,000
	(Mar	ndatory in NH)	N/A					E.L. DISEASE - EA EMPLOYEE	\$	2,000,000
	If yes	s, describe under CRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT	\$	2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Additional Insured status applies to The City, its officers, elected and appointed officials, employees, and volunteers with respect to liability arising out of work performed by or on behalf of the Contractor, under the General Liability as required per written contract, subject to the attached endorsement.

CERTIFICATE HOLDER	CANCELLATION
City of Redondo Beach 415 Diamond St Redondo Beach, CA 90277	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
Redolido Deach, OA 30211	AUTHORIZED REPRESENTATIVE
	Ta Lung

POLICY NUMBER: 2429407

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations		
ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	PER THE CONTRACT OR AGREEMENT.		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

- A. Section II Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:
 - 1. Your acts or omissions; or
 - 2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

- The insurance afforded to such additional insured only applies to the extent permitted by law; and
- If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
- **B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service,

- maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
- 2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- C. With respect to the insurance afforded to these additional insureds, the following is added to Section III Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the contract or agreement; or
- 2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

POLICY NUMBER: 2429407

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - VENDORS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s) (Vendor)	Your Products		
VENDORS WHO SELL OR DISTRIBUTE YOUR PRODUCTS	ALL PRODUCTS		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Section II — Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) (referred to throughout this endorsement as vendor) shown in the Schedule of this endorsement, but only with respect to liability for "bodily injury" or "property damage" arising out of "your products" shown in the Schedule of this endorsement which are distributed or sold in the regular course of the vendor's business.

However:

- **1.** The insurance afforded to such vendor only applies to the extent permitted by law; and
- 2. If coverage provided to the vendor is required by a contract or agreement, the insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.
- **B.** With respect to the insurance afforded to these vendors, the following additional exclusions apply:
 - **1.** The insurance afforded the vendor does not apply to:
 - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

- **b.** Any express warranty unauthorized by you;
- **c.** Any physical or chemical change in the product made intentionally by the vendor;
- d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- **f.** Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (1) The exceptions contained in Subparagraphs d. or f.; or
 - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- 2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

C. With respect to the insurance afforded to these vendors, the following is added to Section III — Limits Of Insurance:

If coverage provided to the vendor is required by a contract or agreement, the most we will pay on behalf of the vendor is the amount of insurance:

- 1. Required by the contract or agreement; or
- **2.** Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.

POLICY NUMBER: 2429407

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations		
ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	PER THE CONTRACT OR AGREEMENT.		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

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

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1. Required by the contract or agreement; or
- 2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.