

**AGREEMENT FOR PROJECT SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND AVALON ROOFING, INC.**

THIS AGREEMENT FOR PROJECT SERVICES (this "Agreement") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and AVALON ROOFING, INC., a CALIFORNIA CORPORATION ("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 comply with insurance requirements set forth in Exhibit "D".
- E. California Labor Law. Contractor shall comply with the Agreement to Comply with California Labor Law Requirements set forth in Exhibit "E".
- F. Federal and State Required Provisions and Certification Forms. Contractor agrees to comply with the Federal and State provisions and certification forms set forth in Exhibit "F," which is 42 pages.

* * * * *

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 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. 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. 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. 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.
- a. Federal Standard. Contractor further acknowledges that this is a federally assisted construction contract and that federal labor standards provisions, including prevailing wage requirements of the Davis-Bacon and Related Acts, will be enforced. Contractor understands that in the event of a conflict between the Federal General Wage Decision as established by the United States Department of Labor (available at www.access.gpo.gov/davisbacon/ca.html) and the State General Prevailing Wage Determination as established by the California Department of Industrial Relations (available at <http://www.dir.ca.gov/DLSR/PWD/index.htm>), the higher of the two will prevail.
 - b. Prevailing Wages. City and Contractor acknowledge that this project is a public work to which prevailing wages apply. 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.
18. 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.

19. 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.
20. 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.
21. Amendment. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties.
22. 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.
23. 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.
24. 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.
25. Time of Essence. Time is of the essence of this Agreement.

26. 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.
27. 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."
28. 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.
29. 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.
30. 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.
31. 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.
32. 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.
33. 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.
34. 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.

35. 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 5th day of March, 2024.

CITY OF REDONDO BEACH,
a chartered municipal corporation

AVALON ROOFING, INC.
a California corporation

James A. Light, Mayor

DocuSigned by:
Jeff Jacobson
85B7E544F4EE4EC...
By: _____
Name: Jeff Jacobson
Title: President

ATTEST:

Eleanor Manzano, City Clerk

APPROVED:

DocuSigned by:
Diane Strickfaden
ABED8CE35EEE48C...

Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

Michael W. Webb, City Attorney

EXHIBIT "A"

PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

CONTRACTOR'S DUTIES

1. Hopkins Wilderness Park Community Center

Contractor shall furnish all labor, equipment and materials to prepare the existing roof surfaces and replace the roof with a twenty (20) year type life expectancy Carlisle Sure TPO or equal single ply roofing system at the Hopkins Wilderness Park Community Center as outlined in this scope of work.

A. Roof Preparation: Contractor shall:

1. Remove existing roof down to the deck, including all roofing, debris, and any other materials.
2. Clean and prepare all surfaces to receive the new roofing system.
3. Inspect and replace any damaged sheathing at the rate of \$7.50 per sq/ft.

B. Application of Roofing Material: Contractor shall:

1. Install a 4 x 8 quarter inch sure rock decking onto the existing wood surface, mechanically fastening it with screws and plates.
2. Install a TPO 60 mil membrane over the sure rock surface, properly and mechanically fastening with screws and plate system.
3. Weld each and all seams of the TPO membrane per the manufacturer's specifications.

C. Edge Detail: Contractor shall:

1. Install prefabricated TPO type edging.
2. Apply adhesive and adhere one (1) layer of TPO 60 mil membrane over the top of the parapet, ensuring a heat-sealed connection to the edging.

D. Base Flashings: Contractor shall:

1. Cover all base flashings with TPO 60 mil membrane.
2. Secure the tops of base flashings with a term bar, fastened at intervals of twelve inches on center.

E. Post and Beam Repairs/Replacement: Contractor shall:

1. Complete all wood replacement to rear overhang.

F. Miscellaneous: Contractor shall:

1. Re-flash all existing vents, pipes, and other roof projections, and install new membrane flashings.
2. Ensure new flashings receive one (1) additional layer of Carlisle membrane.

G. Other: Contractor shall:

1. Upon completion of work, remove all roof-related equipment and debris and leave job site clean.

2. Inspect roof thoroughly upon job completion.
- H. Working Hours: Contractor shall:
1. Perform work from Monday to Friday, beginning at 7:00 AM and ending at 5:00 PM.
- I. Guarantee/Warranty: Contractor shall:
1. Provide a five-year labor guarantee upon completion of work and receipt of final payment.
 2. Provide a 20-year material warranty from the manufacturer.
 3. Provide warranties in substantially the same forms as Attachment "A-3."
- J. Bonds: Contractor shall:
1. Execute and notarize a Performance Bond and a Payment Bond in substantially the same form as Attachments "A-1" and "A-2".
- K. Contractor's License Number: Contractor shall:
1. Maintain a valid contractor's license in California. Currently, Contractor's license number is 765042.
- L. Special Conditions: Contractor and City shall adhere to the following special conditions:
1. If specialized work (electrician, plumber, sheet metal worker, carpenter or air conditioning person) is required, the City will provide such services.
 2. Contractor shall comply with all prevailing wage requirements.
 3. Contractor shall facilitate the permit / inspection process and fees shall be paid by City.
 4. Title 24 "Cool Roof" requirements as of 10/31/05, if required by City inspector, shall be additional cost.
 5. City and Contractor shall schedule and conduct a meeting to discuss job details prior to the commencement of work.
 6. Contractor shall submit a project manual and material submittal after the pre-job meeting.
 7. Contractor shall adhere to manufacturer specifications for all work.
 8. Contractor shall perform no work during inclement weather.
 9. Upon completion and final payment, the Contractor shall issue all labor and material releases.

2. Alta Vista Park Community Center

Contractor shall furnish all labor, equipment and materials to prepare the existing roof surfaces and replace the roof with all new tile roofing system at the Alta Vista Park Community Center as outlined in this scope of work.

- A. Removal/Disposal and Wood Replacement: Contractor shall:
1. Remove all existing tile roof material down to solid wood deck and haul away debris to the proper dumpsite.

2. Inspect and replace any defective decking as necessary per City code at a rate of \$7.50 per sq/ft.
- B. Metal Flashings: Contractor shall:
1. Install all new primary standard galvanized-metal pipe jack flashings to roof deck.
 2. Install new drip edge and eve riser to all eve areas.
 3. Install a new sheet metal flashing kit around the chimney and skylights.
 4. Provide and install tile metal, valley metal, pan metal and roof to wall metal.
- C. Install All New Tile Roof System: Contractor shall:
1. Mechanically fasten one (1) layer of Layfast SBS tile underlayment to roof deck.
 2. Snap chalk lines to ensure straight lines.
 3. Install all new tiles to field area per the manufacturer's maximum exposure to the weather.
 4. Install hip and ridge tiles to trim areas.
 5. Seal all hip and ridge tile areas.
- D. Sealing and Painting: Contractor shall:
1. Seal all pipe/vent and related flashings with modified roofing cement or construction grade silicone.
 2. Coat sealed areas and exposed metal flashing with paint to guard against UV deterioration.
- E. Special Details and/or Options: Contractor shall:
1. Remove and replace all existing fascia with HD Spruce wood.
- F. Other: Contractor shall:
1. Upon completion of work, remove all roof-related equipment and debris and leave job site clean.
 2. Inspect roof thoroughly upon job completion.
- G. Working Hours: Contractor shall:
1. Perform work from Monday to Friday, beginning at 7:00 AM and ending at 5:00 PM.
- H. Guarantee/Warranty: Contractor shall:
1. Provide a five-year labor guarantee upon completion of work and receipt of final payment.
 2. Provide material warranty from the manufacturer, if available.
 3. Provide warranties in substantially the same forms as Attachment "A-3."
- I. Bonds: Contractor shall:
1. Execute and notarize a Performance Bond and a Payment Bond in substantially the same form as Attachments "A-1" and "A-2".
- J. Contractor's License Number: Contractor shall:

1. Maintain a valid contractor's license in California. Currently, Contractor's license number is 765042.

K. Special Conditions: Contractor and City shall adhere to the following special conditions:

1. If specialized work (electrician, plumber, sheet metal worker, carpenter or air conditioning person) is required, the City will provide such services.
2. Contractor shall comply with all prevailing wage requirements.
3. Contractor shall facilitate the permit / inspection process and fees shall be paid by City.
4. Title 24 "Cool Roof" requirements as of 10/31/05, if required by City inspector, shall be additional cost.
5. City and Contractor shall schedule and conduct a meeting to discuss job details prior to the commencement of work.
6. Contractor shall submit a project manual and material submittal after the pre-job meeting.
7. Contractor shall adhere to manufacturer specifications for all work.
8. Contractor shall perform no work during inclement weather.
9. Upon completion and final payment, the Contractor shall issue all labor and material releases.

ATTACHMENT "A-1"
PERFORMANCE BOND

Performance Bond is attached.

Performance Bond

Bond No.: _____

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS, the City of Redondo Beach, California ("City"), has awarded to

Avalon Roofing, Inc.
16828 S. Broadway
Gardena, CA 90248

("Principal"), a contract ("Contract") for the work described as follows:

Community Center Roof Replacement at Hopkins Wilderness Park and Alta Vista Park

WHEREAS, Principal is required under the terms of the Contract to furnish a bond for the faithful performance of the Contract.

NOW, THEREFORE, we, the undersigned Principal, and

(Name and address of Surety)

("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the City in the penal sum of one hundred and ninety-seven thousand, eight hundred and twenty Dollars (\$197,820), this amount being not less than one hundred percent (100%) of the total contract price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bound Principal, its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and will and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the Contract and any alteration thereof made as therein provided, on the Principal's part to be kept and performed, all within the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and hold harmless the City, its officers, agents, and others as therein provided, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect. In case suit is brought upon this bond, Surety further agrees to pay all court costs incurred by the City in the suit and reasonable attorneys' fees in an amount fixed by the court.

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

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Principal and Surety, on the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Date: _____

"Principal"

"Surety"

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

(Seal)

(Seal)

CITY OF REDONDO BEACH

**APPROVED AS TO SURETY
AND PRINCIPAL AMOUNT**

APPROVED AS TO FORM

By: _____

By: _____

Risk Manager

City Attorney

Note: This bond must be executed in duplicate and dated. All signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached.

ATTACHMENT "A-2"

PAYMENT BOND

Payment Bond is attached.

Payment Bond

(Labor and Material)

Bond No.: _____

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS, the City of Redondo Beach, California ("City"), has awarded to

Avalon Roofing, Inc.
16828 S. Broadway
Gardena, CA 90248

("Principal"), a contract ("Contract") for the work described as follows:

Community Center Roof Replacement at Hopkins Wilderness Park and Alta Vista Park

WHEREAS, Principal is required under the terms of the Contract and the California Civil Code secure the payment of claims of laborer, mechanics, materialmen, and other persons as provided by law

NOW, THEREFORE, we, the undersigned Principal, and

(Name and address of Surety)

("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the City in the penal sum of one hundred and ninety-seven thousand, eight hundred and twenty Dollars (\$197,820), this amount being not less than one hundred percent (100%) of the total contract price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bound Principal, its heirs, executors, administrators, successors or assigns, or subcontractors shall fail to pay any of the persons named in Section 3181 of the California Civil Code, or any amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Principal and subcontractors pursuant to Section 13030 of the Unemployment Insurance Code, with respect to work or labor performed under the Contract, the Surety will pay for the same in an amount not exceeding the penal sum specified in this bond; otherwise, this obligation shall become null and void. This bond shall inure to the benefit of any of the persons named in Section 3181 of the California Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon the bond. In case suit is brought upon this bond, Surety further agrees to pay all court costs incurred by the City in the suit and reasonable attorneys' fees in an amount fixed by the court.

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

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Principal and Surety, on the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Date: _____

"Principal"

"Surety"

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

(Seal)

(Seal)

CITY OF REDONDO BEACH

**APPROVED AS TO SURETY
AND PRINCIPAL AMOUNT**

APPROVED AS TO FORM

By: _____

By: _____

Risk Manager

City Attorney

Note: This bond must be executed in duplicate and dated. All signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached.

ATTACHMENT "A-3"

THREE SAMPLE WARRANTIES

ROOFING WARRANTY:

Labor/Workmanship Warranty:

Avalon Roofing, Inc. agrees to guarantee that should a leak occur upon completion of the work, that should a leak occur, in the roof, for which this is in order, through an error in workmanship, we will repair the same free of charge for a Period of **5 Years** from the Date of Completion until the below stated end of this warranty. This is provided we are given Reasonable Notice.

This Warranty shall not be construed to cover any liability damage or injury, due to leakage, interior fixtures, decorations, walls, contents or any part of the structure. This Warranty does not cover any mold or mold related issues/problems.

This agreement shall cover only any errors in workmanship and shall not extend to damages to the roof caused by any and all acts of Nature such as earthquakes, tornados, hurricanes, lightening, hail, meteorites. This Warranty does not cover any unusual causes or through accidental injury or abuse or acts of war or terrorist attacks. Nor does it cover damage to the roof caused by others such as other contractors, remodelers, handymen, repairers, satellite antenna installers, solar installers, chimney sweeps etc. And should another Roofing Company/Contractor perform roofing work on the Roof during this Warranty period, without the knowledge or expressed approval or consent of Avalon Roofing, Inc. then this said act shall immediately null and void this Warranty.

It will be the duty of the holder of this guarantee or the party notifying us under this Warranty, to ascertain with reasonable assurance that leaks so reported are entering the building through the roof applied by us. The actual expense incurred there will be charge for examination for disclosing said leaks to be other than our roof work.

Should the roof leak(s) be found to be caused or due to a defect in the integrity of the Materials, and NOT an error in Workmanship, then the Manufacturer of the Materials shall be contacted as this issue will be handled by the Manufacturer under their Warranty.

Owner's Responsibility:

The Owner(s) shall at their expense:

- (A) Perform regular inspections and maintenance during this Warranty Period to keep the roof in good condition.
- (B) Keep records of all inspections and maintenance work performed.
- (C) The Owner at their expense shall remove and if desire, subsequently replace any materials and equipment that impedes inspection and repair of the Roofing Membrane, such as HVAC units and satellite dishes mounted so that here is a functional access to the roofing membrane and solar panels, pre-cast concrete pavers, wood decking, steel grating that are installed over the roofing membrane assembly.

Transfer of Warranty to any New Owner(s):

This Guarantee is assignable to another owner of the building for the remaining term ONLY under the following conditions:

1. Avalon Roofing, Inc. reserves the right to either approve or deny any such transfer of Warranty. Transfer is NOT Automatic.
2. The request is made to Avalon Roofing, Inc. in writing 30 days after the Ownership Transfer.
3. Roof system, building envelope & related are inspected and any required repairs needed are completed at the Owner's own expense.
4. New Owner(s) agrees to possibly pay a Nominal Fee to Avalon Roofing, Inc. to transfer this Warranty into their Name.

JOB NUMBER:

BC23-042

OWNER NAME:

City of Redondo Beach, California.

JOBSITE ADDRES:

Wilderness Park- 1102 Camino Real, Redondo Beach, CA 90277

JOBSITE CITY, ZIP CODE:

Redondo Beach, CA, 90277

LENGTH OF WARRANTY:

5 Years beginning from:

WARRANTY PERIOD FROM:

March 5th 2024 to March 4th, 2029

NOTE: This Warranty becomes effective only when all Invoices, Bills for installation and materials have paid off in full to Avalon Roofing, Inc. and thus no outstanding monies or debts are left owing:

Jeff Jacobson

Signature

President-RMO

Title

February 29th, 2024

Date



State Lic# C39 - 765042
RESIDENTIAL ▲ COMMERCIAL ▲ INDUSTRIAL

16834 S. Broadway Street
Gardena, CA 90248-2116
310-515-9423-Ph 310-515-0129-Fax
State License # 765042

ROOFING WARRANTY:

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2. The request is made to Avalon Roofing, Inc. in writing 30 days after the Ownership Transfer.
3. Roof system, building envelope & related are inspected and any required repairs needed are completed at the Owner's own expense.
4. New Owner(s) agrees to possibly pay a Nominal Fee to Avalon Roofing, Inc. to transfer this Warranty into their Name.

JOB NUMBER:

BC24-008

OWNER NAME:

City of Redondo Beach, California.

JOB SITE ADDRESS:

Alta Vista Park- 715 Julia Street Redondo Beach, CA 90277

JOB SITE CITY, ZIP CODE:

Redondo Beach, CA, 90277

LENGTH OF WARRANTY:

5 Years beginning from:

WARRANTY PERIOD FROM:

March 5th 2024 to March 4th, 2029

NOTE: This Warranty becomes effective only when all Invoices, Bills for installation and materials have paid off in full to Avalon Roofing, Inc. and thus no outstanding monies or debts are left owing:

Jeff Jacobson

Signature

President-RMO

Title

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Date



State Lic# C39 - 765042
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16834 S. Broadway Street
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MEMBRANE MATERIAL WARRANTY

DATE OF ISSUE:
WARRANTY NO.:
NAME OF BUILDING:
BUILDING ADDRESS:

Subject to the following terms and conditions, Versico, a division of Carlisle Construction Materials Incorporated (VERSICO) warrants to the Buyer that the membrane material (MEMBRANE) sold to the Buyer will be free from manufacturing defects at the time of its delivery to the job site.

If upon inspection by Versico, the membrane evidences manufacturing defects, Versico's liability and Buyer's remedies are limited, at Versico's option, to the repair or replacement of the defective membrane at the F.O.B. point in the original contract of sale.

Versico further warrants that the Membrane material will not prematurely deteriorate to the point of failure because of weathering for a period of -- years from the date of sale if properly installed, maintained and used for the purpose for which Versico intended.

Buyer shall give Versico notice of a claim under this warranty within thirty (30) days of discovering the premature deterioration of the Membrane.

If upon inspection by Versico, the Membrane shows premature deterioration because of weathering within the -- year period stated herein, Versico's liability and Buyer's remedies are limited at Versico's option to the providing of repair material for the original Membrane or credit to be applied towards the purchase of a new Membrane, the value of these remedies being determined by Versico based upon the number of remaining months of the unexpired warranty used to prorate at the current prices for the Membrane. The maximum prorated value allowed by Versico for repair or credit shall not exceed the original Membrane purchase price.

This warranty refers to the membrane material only. Flashings, adhesives and other accessories contained in a membrane system are not covered by this warranty.

Versico shall not be responsible for the cleanliness or discoloration of the membrane material caused by environmental conditions including, but not limited to, dirt, pollutants or biological agents.

NO REPRESENTATIVE OF VERSICO HAS AUTHORITY TO MAKE ANY REPRESENTATIONS OR PROMISES EXCEPT AS STATED HEREIN.

THERE ARE NO WARRANTIES EITHER EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHICH EXTEND BEYOND THE WARRANTIES CONTAINED IN THIS DOCUMENT. VERSICO SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR DAMAGES TO THE STRUCTURE OR ITS CONTENTS ARISING UNDER ANY THEORY OF LAW WHATSOEVER.

BY: James Heisey

AUTHORIZED SIGNATURE
TITLE: Director of Sales

EXHIBIT "B"

TERM AND TIME OF COMPLETION

Term. The term of this Agreement shall commence on March 5, 2024 and terminate on June 30, 2024, unless terminated earlier as provided herein. All work described in Exhibit "A" of this Agreement shall be completed by March 31, 2024. In the event of inclement weather that delays the performance of work by the Contractor, the City, in its sole discretion, may extend the completion date to April 8, 2024.

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 \$197,820 for the work described in Exhibit "A" of this Agreement.
- B. **NOT TO EXCEED AMOUNT.** If unexpected issues arise, including but not limited to, structural integrity of roof joists or beams being compromised by rot or termite damage, that necessitate additional work, 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 \$1,500 contingency to cover unforeseen additional work, and the total amount paid to the Contractor shall not exceed \$199,320.
- C. **METHOD OF PAYMENT.** Contractor shall provide invoices to City for approval and payment. The invoices shall include the dates of service and total fee. Invoice must be itemized, adequately detailed, based on accurate records, in a form reasonably satisfactory to City. Contractor shall submit a monthly invoice to the City by email and mail. Contractor shall provide any other back-up material upon request.
- D. **SCHEDULE FOR PAYMENT.** City agrees to pay Contractor within thirty (30) days of receipt of the invoice; provided, however, that the services are completed to the City's reasonable satisfaction.
- E. **NOTICE.** Written notices to City and Contractor shall be given by email, or registered or certified mail, postage prepaid and addressed to or personally served on the following parties.

Contractor: Avalon Roofing Inc.
 16828 S. Broadway
 Gardena 90248
 Attention: Brad Coyne
 Email: bc.avalonroofing@gmail.com

City: City of Redondo Beach
 Public Works Department
 531 N Gertruda Ave
 Redondo Beach, CA 90277
 Attention: Rob Osborne
 Email: rob.osborne@redondo.org

All notices, including notices of address changes, provided under this Agreement are deemed received on the next business day if by email and on the third day after mailing if sent by registered or certified mail. 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.

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.

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 above 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. All duties of Contractor under this Section shall survive termination of the Agreement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

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

The following is added to the **Other Insurance** Condition and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under this policy provided that:

- (1) The additional insured is a named insured under such other insurance; and
- (2) You have agreed in writing in a contract or agreement prior to the injury or damage that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured where the additional insured is a named insured.

However, the insurance provided under this endorsement will not apply beyond the extent required by such contract or agreement.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

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 you have agreed in a written contract to add as an additional insured on your policy provided the written contract is signed prior to the "bodily injury", "property damage" or "personal and advertising injury"	Locations and operations covered under this policy when required by written contract signed prior to the "bodily injury", "property damage" or "personal and advertising injury"
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:

1. 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 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Business Auto Broadening Endorsement

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

- I. NEWLY ACQUIRED OR FORMED ENTITY (BROAD FORM NAMED INSURED)
- II. EMPLOYEES AS INSURED
- III. AUTOMATIC ADDITIONAL INSURED
- IV. EMPLOYEE HIRED AUTO LIABILITY
- V. SUPPLEMENTARY PAYMENTS
- VI. FELLOW EMPLOYEE COVERAGE
- VII. ADDITIONAL TRANSPORTATION EXPENSE
- VIII. HIRED AUTO PHYSICAL DAMAGE COVERAGE
- IX. ACCIDENTAL AIRBAG DEPLOYMENT COVERAGE
- X. LOAN/LEASE GAP COVERAGE
- XI. GLASS REPAIR – DEDUCTIBLE WAIVER
- XII. TWO OR MORE DEDUCTIBLES
- XIII. AMENDED DUTIES IN EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS
- XIV. WAIVER OF SUBROGATION
- XV. UNINTENTIONAL ERROR, OMISSION, OR FAILURE TO DISCLOSE HAZARDS
- XVI. EMPLOYEE HIRED AUTO PHYSICAL DAMAGE
- XVII. PRIMARY AND NONCONTRIBUTORY IF REQUIRED BY CONTRACT
- XVIII. HIRED AUTO – COVERAGE TERRITORY
- XIX. BODILY INJURY REDEFINED TO INCLUDE RESULTANT MENTAL ANGUISH

BUSINESS AUTO COVERAGE FORM

I. NEWLY ACQUIRED OR FORMED ENTITY (Broad Form Named Insured)

SECTION II - LIABILITY COVERAGE, A. Coverage, 1. Who Is An Insured, the following is added:

- d. Any business entity newly acquired or formed by you during the policy period provided you own 50% or more of the business entity and the business entity is not separately insured for Business Auto Coverage. Coverage is extended up to a maximum of 180 days following acquisition or formation of the business entity. Coverage under this provision is afforded only until the end of the policy period. Coverage does not apply to an "accident" which occurred before you acquired or formed the organization.

II. EMPLOYEES AS INSURED

SECTION II - LIABILITY COVERAGE, A. Coverage, 1. Who Is An Insured, the following is added:

- e. Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

III. AUTOMATIC ADDITIONAL INSURED

SECTION II - LIABILITY COVERAGE, A. Coverage, 1. Who Is An Insured, the following is added:

- f. Any person or organization that you are required to include as additional insured on the Coverage Form in a written contract or agreement that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period is an "insured" for Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

IV. EMPLOYEE HIRED AUTO LIABILITY

SECTION II - LIABILITY COVERAGE, A. Coverage, 1. Who Is An Insured, the following is added:

- g. An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

V. SUPPLEMENTARY PAYMENTS

SECTION II - LIABILITY COVERAGE, A. Coverage, 2. Coverage Extensions, a. Supplementary Payments, Subparagraphs (2) and (4) are replaced by the following:

- (2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We are not obligated to furnish these bonds.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

VI. FELLOW EMPLOYEE COVERAGE:

SECTION II – LIABILITY COVERAGE, B. Exclusions, 5. Fellow Employee

This exclusion does not apply if you have workers' compensation insurance in-force covering all of your "employees". Coverage is excess over any other collectible insurance.

VII. ADDITIONAL TRANSPORTATION EXPENSE

SECTION III - PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions, a. Transportation Expenses, is replaced with the following:

We will pay up to \$50 per day to a maximum of \$1000 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss". If your business shown in the Declarations is other than an auto dealership, we will also pay up to \$1,000 for reasonable and necessary costs incurred by you to return a stolen covered auto from the place where it is recovered to its usual garaging location.

VIII. HIRED AUTO PHYSICAL DAMAGE COVERAGE

SECTION III – PHYSICAL DAMAGE COVERAGE, A. Coverage, 4. Coverage Extensions, the following is added:

- c. If Liability Coverage is provided in this policy on a Symbol 1 or a Symbol 8 basis and Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this coverage form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire, subject to the following limit:
- (1) The most we will pay for "loss" to any hired "auto" is \$50,000 or Actual Cash Value or Cost of Repair, whichever is less
 - (2) \$500 deductible will apply to any loss under this coverage extension, except that no deductible shall apply to "loss" caused by fire or lightning
- Subject to the above limit and deductible we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own of similar size and type. This coverage extension is excess coverage over any other collectible insurance.

IX. ACCIDENTAL AIRBAG DEPLOYMENT COVERAGE

SECTION III - PHYSICAL DAMAGE COVERAGE, B. Exclusions, 3.a., is amended to add the following:

This exclusion does not apply to the accidental discharge of an airbag.

X. LOAN/LEASE GAP COVERAGE

SECTION III - PHYSICAL DAMAGE COVERAGE C. Limit of Insurance, the following is added:

4. In the event of a "total loss" to a covered "auto" shown in the schedule or declarations for which Collision and Comprehensive Coverage apply, we will pay any unpaid amount due on the lease or loan for that covered "auto," less:
- a. The amount paid under the Physical Damage Coverage Section of the policy; and
 - b. Any:
 - (1) Overdue lease/loan payments at the time of the "loss";
 - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage.
 - (3) Security deposits not returned by the lessor;
 - (4) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and
 - (5) Carry-over balances from previous loans or leases.

The most we will pay under Auto Loan/Lease Gap Coverage for an insured auto is 25% of the actual cash value of that insured auto at the time of the loss.

XI. GLASS REPAIR – DEDUCTIBLE WAIVER

SECTION III - PHYSICAL DAMAGE COVERAGE, D. Deductible, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

XII. TWO OR MORE DEDUCTIBLES

SECTION III - PHYSICAL DAMAGE COVERAGE, D. Deductible, the following is added:

If two or more "company" policies or coverage forms apply to the same accident:

- 1. If the applicable Business Auto deductible is the smallest, it will be waived; or
- 2. If the applicable Business Auto deductible is not the smallest, it will be reduced by the amount of the smallest deductible; or
- 3. If the loss involves two or more Business Auto coverage forms or policies the smallest deductible will be waived.

For the purpose of this endorsement "company" means the company providing this insurance and any of the affiliated members of the Mercury Insurance Group of companies.

XIII. AMENDED DUTIES IN EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

The requirement in SECTION IV, BUSINESS AUTO CONDITIONS, A. Loss Conditions, 2. Duties In The Event Of Accident, Claim, Suit, Or Loss, a., In the event of "accident", you must notify us of an "accident" applies only when the "accident" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A member, if you are a limited liability company; or
- (4) An executive officer or insurance manager, if you are a corporation.

XIV. WAIVER OF SUBROGATION

SECTION IV - BUSINESS AUTO CONDITIONS, A. Loss Conditions, 5. Transfer of Rights Of Recovery Against Others To Us, section is replaced by the following:

5. Transfer Of Rights Of Recovery Against Others To Us
We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.

XV. UNINTENTIONAL ERROR, OMISSION, OR FAILURE TO DISCLOSE HAZARDS

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 2. Concealment, Misrepresentation, or Fraud, the following is added:

Any unintentional omission of or error in information given by you, or unintentional failure to disclose all exposures or hazards existing as of the effective date or at any time during the policy period shall not invalidate or adversely affect the coverage for such exposure or hazard or prejudice your rights under this insurance. However, you must report the undisclosed exposure or hazard to us as soon as reasonably possible after its discovery. This provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

XVI. EMPLOYEE HIRED AUTO PHYSICAL DAMAGE

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 5. Other Insurance, b. For Hired Auto Physical Damage Coverage, is replaced by the following:

- b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:
1. Any covered "auto" you lease, hire, rent or borrow; and
 2. Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

XVII. PRIMARY AND NONCONTRIBUTORY IF REQUIRED BY CONTRACT

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 5. Other Insurance, the following is added and supersedes any provision to the contrary:

- e. This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:
- (1) The additional insured is a Named Insured under such other insurance; and
 - (2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

XVIII. HIRED AUTO - COVERAGE TERRITORY

SECTION IV - BUSINESS AUTO CONDITIONS, B. General Conditions, 7. Policy Period, Coverage Territory, e. Anywhere in the world if:, is replaced by the following:

- e. Anywhere in the world if:
 - (1) A covered "auto" is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and
 - (2) The "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

XIX. BODILY INJURY REDEFINED TO INCLUDE RESULTANT MENTAL ANGUISH

SECTION V – DEFINITIONS, C. "Bodily Injury" is amended by adding the following:

"Bodily injury" also includes mental anguish but only when the mental anguish arises from other bodily injury, sickness, or disease.