

**CONSENT TO ASSIGNMENT OF THE AGREEMENT
FOR PROJECT SERVICES BETWEEN THE CITY OF REDONDO BEACH
AND SANCON TECHNOLOGIES, INC. TO VORTEX SERVICES, LLC DBA SANCON
TECHNOLOGIES**

THIS CONSENT TO ASSIGNMENT (this "Consent") is made by the City of Redondo Beach, a chartered municipal corporation ("City"), Sancon Technologies, Inc., a California corporation ("Assignor"), and Vortex Services, LLC, a Delaware limited liability company dba Sancon Technologies ("Assignee").

WHEREAS, on April 16, 2019, the City and Assignor originally entered into the Agreement for Project Services (the "Agreement");

WHEREAS on January 17, 2023, the City and Assignor entered into a First Amendment to the Agreement ("First Amendment");

WHEREAS on May 7, 2024, the City and Assignor entered into a Second Amendment to the Agreement ("Second Amendment");

WHEREAS, on January 2, 2025, Assignee executed an Asset Purchase Agreement with Assignor, pursuant to which Assignee acquired substantially all of the assets and ongoing operations of Assignor, including all of Assignor's rights, title, interests, and obligations under the Agreement (the "Transaction");

WHEREAS, Assignee filed a fictitious business name statement in California and is conducting business as Sancon Technologies to ensure continuity of services;

WHEREAS, for the purpose of this Consent, Assignor shall have the authority to assign the Agreement to Assignee;

WHEREAS, under Section 18 of the Agreement, Assignor is required to obtain the City's prior written consent to any assignment of its rights and obligations under the Agreement; and

WHEREAS, City wishes to provide its consent to the assignment of the Agreement from Assignor to Assignee, with such consent being retroactively effective as of January 2, 2025, the date the Transaction was executed.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound, the City hereby issues its approval and consent to said assignment of the Agreement subject to the following conditions:

1. **Consent to Assignment:** City consents to the assignment of the Agreement from Assignor to Assignee; provided, however, that this Consent shall not impose any additional obligations on the City or otherwise affect any of the rights of the City under the Agreement.
2. **Assignment and Delegation:** Under this Consent, Assignor hereby grants, conveys, transfers, assigns, and sets over its entire rights and delegates its

entire obligations under the Agreement, including without limitation, all rights, duties, and obligations arising therefrom or relating thereto.

3. **Assumption by Assignee:** Assignee accepts the assignment of the Agreement and acknowledges and represents to City that it will assume and perform each and every term, obligation, and condition as set forth in the Agreement, whether arising prior to, on, or subsequent to the date of this Consent, which is hereby assigned to Assignee.
4. **Retroactive Effect:** City's consent to the assignment of the Agreement from Assignor to Assignee, as provided herein, shall be retroactively effective as of January 2, 2025, the date on which the Transaction was executed by Assignor and Assignee. This Consent shall validate and ratify the assignment and all actions taken by the Assignee under the Agreement from that date forward, as if this Consent had been executed at the time of the original assignment.
5. **Remittance of Payments and Notice:** City will remit payments relating to Assignor's services and/or products covered under the Agreement to Assignee at the address outlined in the Notices section.
6. **Notices:** Written notices required under the Agreement, including those pertaining to this Consent, shall be delivered by registered or certified mail, postage prepaid, email, or personally or personally served, and addressed to the following parties.

City: City of Redondo Beach
Public Works, Engineering Division
415 Diamond Street
Redondo Beach, CA 90277
Attention: Lauren Sablan, City Engineer
Email: Lauren.sablan@redondo.org

Assignee: Vortex Services, LLC
5841 Engineer Drive
Huntington Beach, CA 92649
Attention: Ryan Helmuth, Vice President
Email: Ryan@sancon.com

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.

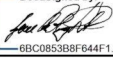
7. **Continuing Terms:** Except as otherwise set forth herein, the terms and conditions of the Agreement shall remain in full force and effect between the parties.

8. **Authority to Execute:** The individuals executing this Consent represent that they have full authority to execute this document on behalf of the entity for whom they are acting herein. In the event the parties for Assignor and Assignee are not duly authorized to enter into and execute this Consent, the parties shall be personally liable to City.
9. **Severability:** Should any provision of this Consent be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable to the fullest extent permitted by law.
10. **Amendment:** This Consent may be modified or amended only by a subsequent writing executed by all of the parties.
11. **Governing Law:** This Consent shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law.
12. **Venue:** In the event of any dispute arising hereunder, venue for any action shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.
13. **Attorney's Fees:** In the event of any dispute arising out of this Consent, the prevailing party shall be entitled to its reasonable attorney's fees and costs, including expert witness fees.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Consent in Redondo Beach, California, as of this 15th day of April, 2025.

CITY OF REDONDO BEACH,
a chartered municipal corporation

DocuSigned by:

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James A. Light, Mayor

ASSIGNOR
SANCON TECHNOLOGIES, INC.,
a California corporation

Signed by:

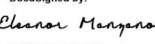
E6234AF77C5643C...
By: _____
Name: Ryan Helmuth
Title: Vice President

ASSIGNEE
VORTEX SERVICES, LLC, a Delaware
limited liability company dba Sancon
Technologies

Signed by:

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By: _____
Name: Ryan Helmuth
Title: Vice President

ATTEST:

DocuSigned by:

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Eleanor Manzano, City Clerk

APPROVED:

Signed by:


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Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

Signed by:

A5A27AAE40834DE...

Joy A. Ford, City Attorney

**SECOND AMENDMENT TO THE AGREEMENT FOR PROJECT SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND SANCON TECHNOLOGIES, INC.**

THIS SECOND AMENDMENT TO THE AGREEMENT FOR PROJECT SERVICES (“Second Amendment”) is made between the City of Redondo Beach, a chartered municipal corporation (“City”) and Sancon Technologies, Inc., a California corporation (“Contractor” or “Consultant”).

WHEREAS, on April 16, 2019, the parties hereto originally entered into the Agreement for Consulting Services between the City and Consultant (the “Agreement”); and

WHEREAS on January 17, 2023, the parties entered into a First Amendment (“First Amendment”) to modify the scope of services, extend the Agreement to January 17, 2025, and increase Consultant’s total compensation limit to \$2,870,00; and

WHEREAS, the Agreement is set to expire on January 17, 2025, and

WHEREAS, the parties hereto desire to amend the Agreement to increase the Consultant’s total compensation limit and extend the term of the Agreement to May 7, 2026.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound, the parties hereby agree to make the following amendments to the Agreement:


1. **TERM AND TIME OF COMPLETION.** Exhibits “B” and “B-1” of the Agreement are hereby amended to add Exhibit “B-2”, which extends the Agreement to May 7, 2026. Exhibit “B-2” is attached hereto and incorporated by this reference. Contractor shall commence and complete all services described in Exhibits “A” and “A-1” of the Agreement in accordance with the schedule set forth in Exhibit “B-2”.
2. **COMPENSATION.** Exhibits “C” and “C-1” of the Agreement are hereby amended to add Exhibit “C-2” to increase Contractor’s total compensation limit to \$3,570,000. Exhibit “C-2” is attached hereto and incorporated by this reference. Contractor shall be compensated for the services described in Exhibits “A” and “A-1” of the Agreement.
3. **INSURANCE.** Exhibit “D” of the Agreement is hereby amended to add Exhibit “D-1” to raise the Contractor’s general liability coverage from \$1 million to \$2 million dollars. Exhibit “D-1” is attached hereto and incorporated by this reference. Contractor shall comply with the insurance requirements in Exhibit “D-1”
4. **NO OTHER AMENDMENTS.** Except as expressly stated herein, the Agreement shall remain unchanged and in full force and effect. The Agreement, First Amendment, and this Second Amendment constitute the entire agreement between the parties and supersede any previous oral or written agreement with respect to the subject matter hereof. In the event of any inconsistency between the terms of the

Agreement, First Amendment, and this Second Amendment, the terms of this Second Amendment shall govern.

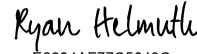
IN WITNESS WHEREOF, the parties have executed this Second Amendment in Redondo Beach, California, as of this 7th day of May, 2024.

CITY OF REDONDO BEACH,
a chartered municipal corporation

SANCON TECHNOLOGIES, INC.,
a California corporation

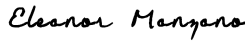
DocuSigned by:

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William C. Brand, Mayor
James A. Light, Mayor

DocuSigned by:

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By: _____
Name: Ryan Helmuth
Title: vice President

ATTEST:

APPROVED:

DocuSigned by:

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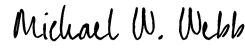
Eleanor Manzano, City Clerk

DocuSigned by:

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Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

DocuSigned by:

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Michael W. Webb, City Attorney

EXHIBIT "B-2"

SCHEDULE FOR COMPLETION

TERM. The term of this Agreement shall be extended to May 7, 2026, unless otherwise terminated as herein provided.

EXHIBIT "C-2"
COMPENSATION

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

- I. **NOT TO EXCEED AMOUNT.** In no event shall the total amount paid to Contractor, including reimbursable expenses, exceed \$3,570,000 during the term of the Agreement and any amendments thereto.

Budget	Wastewater NTE Funding	Stormdrain NTE Funding
FY 2022/ 2024	\$1,000,000	\$0
FY 2024/ 2026		\$700,000
Subtotals	\$1,000,000	\$700,000
Not to Exceed Amount Under Second Amendment		\$700,000
Not to Exceed Amount Under First Amendment		\$1,000,000
Not to Exceed Amount Under Agreement		\$1,870,000
Total Not to Exceed Amount		\$3,570,000

- II. **METHOD OF PAYMENT.** Contractor shall provide monthly invoices to City for approval and payment for those services performed in the month prior to invoice submission. Invoices must include the following information.

- A. Task number or Section number of Exhibits "A" to "A-1".
- B. All personnel who performed work.
- C. Description of the work performed.
- D. Number of hours worked
- E. Hourly rate.
- F. All City approved and documented subcontractor invoices.
- G. If applicable, expenses incurred.

Invoice must be itemized, adequately detailed, based on accurate records, in a form reasonably satisfactory to City, and attach the prior written authorization of the City and copies of receipts to substantiate expense requests. Contractor may be required to provide back-up material upon request. If no work is performed in a given month, no invoice is required.

- III. **SCHEDULE FOR PAYMENT.** City agrees to pay Contractor within thirty days of City's receipt of Contractor's monthly invoice; provided that services are completed to the City's reasonable satisfaction and there is no dispute over the amount.
- IV. **NOTICE.** Written notices to City and Contractor shall be given by registered or certified mail, postage prepaid and addressed to or personally served on the following parties

Contractor: Sancon Technologies, Inc.
5841 Engineer Drive
Huntington Beach, CA 92649
Attention: Chuck Parsons

City: City of Redondo Beach
Public Works Department, Engineering Division
415 Diamond Street
Redondo Beach, CA 90277
Attention: City Engineer

All notices, including notices of address changes, provided under this Agreement are deemed received 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-1"

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.

**FIRST AMENDMENT TO THE AGREEMENT FOR PROJECT SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND SANCON TECHNOLOGIES, INC.**

THIS FIRST AMENDMENT TO THE AGREEMENT FOR PROJECT SERVICES ("First Amendment") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and Sancon Technologies, Inc., a California corporation ("Contractor" or "Consultant").

WHEREAS, on April 16, 2019, the parties entered into the Agreement for Project Services between the City and Contractor (the "Agreement"); and

WHEREAS, the Agreement is set to expire on April 15, 2024 ; and

WHEREAS, the cost for certain services have increased; and

WHEREAS, the parties desire to amend the Agreement to extend the term of the Agreement and provide additional compensation.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound, the parties hereby agree to make the following amendments to the Agreement:

1. **SCOPE OF SERVICES.** Exhibit "A" of the Agreement is hereby amended to add Exhibit "A-1" to add Manhole and Structure Rehabilitation services. Exhibit "A-1" is attached hereto and incorporated by reference.
2. **SCHEDULE FOR COMPLETION.** Exhibit "B" of the Agreement is hereby amended to add Exhibit "B-1", which extends the Agreement to October 17, 2027. Exhibit "B-1" is attached hereto and incorporated by reference. Contractor shall commence and complete all services described in Exhibits "A" and "A-1" of the Agreement in accordance with the schedule set forth in Exhibit "B-1".
3. **COMPENSATION.** Exhibit "C" of the Agreement is hereby amended to add Exhibit "C-1" to increase the rates for CCIP installation and add rates for Manhole and Structure Rehabilitation, and related services; and increase Contractor's total compensation limit by \$1,000,000 for a total compensation limit of \$2,870,000. Exhibit "C-1" is attached hereto and incorporated by reference. Contractor shall be compensated for the services described in Exhibits "A" and "A-1" of the Agreement.
4. **NO OTHER AMENDMENTS.** Except as expressly stated herein, the Agreement shall remain unchanged and in full force and effect. The Agreement and this First Amendment constitute the entire agreement between the parties and supersede any previous oral or written agreement with respect to the subject matter hereof. In the event of any inconsistency between the terms of the Agreement and this First Amendment, the terms of this First Amendment shall govern.

IN WITNESS WHEREOF, the parties have executed this First Amendment in Redondo Beach, California, as of this 17th day of January, 2023.

CITY OF REDONDO BEACH,
a chartered municipal corporation

SANCON TECHNOLOGIES, INC.,
a California corporation

DocuSigned by:
William C. Brand
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William C. Brand, Mayor

DocuSigned by:
Ryan Helmuth
E6234AF77C5643C...
By: _____
Name: *Ryan Helmuth*

Title: *Vice President*

ATTEST:

APPROVED:

DocuSigned by:
Eleanor Manzano
72F2AC716C214CF...

Eleanor Manzano, City Clerk

DocuSigned by:
Diane Strickfaden
ABED8CF35EEF48C...

Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

DocuSigned by:
Michael W. Webb
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Michael W. Webb, City Attorney

EXHIBIT "A-1"

PROJECT DESCRIPTION AND SCOPE OF SERVICES

- I. **CONTRACTOR'S DUTIES.** Contractor shall perform on-call services for the maintenance and repair of the storm drain and wastewater conveyance Systems as set forth below.
- A. Manhole and Structure Rehabilitation
Contractor shall provide all labor, materials, and equipment as to complete, in its entirety, the tasks described herein.
1. Materials. Contractor shall:
- a. Provide lining material that is a two-component, 100% solid, non-solvent hybrid polyurethane coating, with a shore "D" hardness of 57 at 77 degrees Fahrenheit.
 - b. Ensure lining material shall meet or exceed the requirements of 210-2.3.3 and 500-2.4.10 of the Standard Specifications for Public Works Construction pertaining to Chemical Resistance and Physical Properties.
 - c. Ensure the material shall be the high-build type capable of application thickness, as specified, without runs or sags, and shall be capable of passing ASTM D-1737 for flexibility, using cylinder mandrel of 0.5 inch (12.7 millimeter). The flash point of the fluid mixture shall be 450 degrees Fahrenheit open Zahn cup.
 - d. Store and maintain all supplies in accordance with manufacturer's recommendations. Materials shall not be exposed to adverse conditions prior to the work. Keep all materials in a secured area and away from public access. Review and maintain all Safety Data Sheets (SDS formally known as MSDS), product labeling, and technical literature at the project site.
2. Surface Preparation. Contractor shall:
- a. Clean the floor and interior walls of the manholes and wet wells thoroughly and make them free of all foreign materials, including dirt, grit, roots, grease, sludge, and all debris or material that may be attached to the wall or floor of the manholes and wet wells.
 - b. Water blast all concrete surfaces to be coated to remove all deteriorated concrete.
 - c. Ensure water blasting equipment shall be a minimum pressure of 6,000 psi and not include detergent or other chemical cleaning solvents in the process.

- d. Remove all materials resulting from the cleaning of the manholes and wet wells prior to the application of the coating.
3. Leak Repair. Contractor shall:
- a. After surface preparation and prior to concrete repair, stop all leaks in the existing manholes/wet wells by the injection of chemical grout as determined necessary by the City.
 - b. Ensure chemical grout used shall be compatible with all other materials used in the rehabilitation process.
4. Coating. Contractor shall:
- a. Apply a recommended thickness of 1 to 3 mils of epoxy as the primer coat.
 - b. Apply a recommended minimum thickness of 80 mils of polyurethane shall be applied prior to the epoxy becoming tack free. The lining shall be applied over dry concrete to all interior surfaces as designated in the plans in one continuous coat, without seams, bubbles or pinholes.
5. Wet Well Rehabilitation. Contractor shall:
- a. Maintain flow through each wet well during the coating rehabilitation process always.
 - b. Protect existing level controls (floats and transducers) located in each wet well from damage by the contractor during the rehabilitation process. Ensure these level controls remain in operation throughout the coating process.
 - c. Report any damages done to the level controls immediately to the City and repair at no cost to the City.

EXHIBIT "B-1"

SCHEDULE FOR COMPLETION

TERM. The term of this Agreement shall be extended to January 17, 2025, unless otherwise terminated as herein provided.

EXHIBIT "C-1"
COMPENSATION

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

- I. **AMOUNT.** Contractor shall perform the work for City in accordance with the following rate schedule, which is hereby incorporated. The rate schedule includes the unit cost for CIPP liners and any related work, as described in Exhibits "A" and "A-1". There shall be no additional cost, except for the cost of mobilization, traffic control, and hourly rates for work not related to CIPP liners, as set forth below.

A. CIPP Installation

1. CIPP Installation Price Per Linear Foot – Storm drain Cost:

Description	Inches				
	12"	15"	18"	21"	24"
Repair Length					
0-100 feet	\$192	\$203	\$209	\$214	\$220
101-150 feet	\$132	\$143	\$157	\$159	\$165
151-200 Feet	\$110	\$121	\$132	\$137	\$143
201-250 Feet	\$88	\$104	\$126	\$132	\$137
250 + feet	\$66	\$77	\$82	\$88	\$110
Additional CCTV (As needed)	\$5	\$5	\$5	\$5	\$5
Cleaning (As needed)	\$15	\$15	\$25	\$25	\$25

2. CIPP Installation Price Per Linear Foot – Wastewater System Cost:

Description	Inches		
	8"	10"	12"
Repair Length			
0-100 feet	\$132	\$181	\$198
101-150 feet	\$115	\$137	\$143
151-200 Feet	\$77	\$110	\$121
201-250 Feet	\$55	\$82	\$99
250 + feet	\$33	\$55	\$82
Additional CCTV (As needed)	\$5	\$5	\$5
Heavy Cleaning (As needed)	\$10	\$10	\$10

3. Rehabilitation for Existing Manhole–StromDrain System Cost:

Description	Unit	Unit Cost
Rehabilitation of existing manholes, cementitious type	VF	\$250
Rehabilitation of existing manholes, Brick type	VF	\$300

4. Rehabilitation for Existing Manhole– Wastewater System Cost:

Description	Unit	Unit Cost
Rehabilitation of existing manholes, cementitious type	VF	\$400
Rehabilitation of existing manholes, Brick type	VF	\$500
Rehabilitation of existing manholes, Wet well (max 6' dia)	VF	\$2,000
Replacement of Manhole Frame & Cover (24" dia)	EA	F&C Cost + \$2,500
Bypass pumping 3-6-inch lay-flat hose	Per Hour	\$650
Bypass pumping 8-inch lay-flat hose	Per Hour	\$1000

B. Not Related to CIPP liner

1. Mobilization and Traffic Control

Description	Cost	Not to Exceed Amount (NTE)
Mobilization	Cost + 10%	\$2,750/service request)
Traffic Control Minor Street	Cost + 10%	\$2,050 Daily
Traffic Control Major Street	Cost + 10%	\$4,200 Daily
TC plans w/stamp for Major Streets	Cost + 10%	\$500/sheet

2. Hourly Rates for Work Not Related to CIPP Liners

Description	Hourly Rate
Normal Business Hours (M- F, 7AM:to 4PM)	\$220
After Hours Rate	\$245
Weekend Hourly Rate	\$245
Holiday Hourly Rate	\$245

C. Increase. Contractor may request an increase to the unit and hourly rates in accordance with the Consumer Price index for all urban consumers in the Los Angeles, Long Beach, and Anaheim as published by the Bureau of Labor Statistics. However, no increase shall be effective without the written approval of the City.

II. **NOT TO EXCEED AMOUNT.** In no event shall the total amount paid to Contractor, including reimbursable expenses, exceed \$2,870,000 during the term of the Agreement and any amendments thereto.

Budget	Wastewater NTE Funding	Stormdrain NTE Funding
FY 2022/ 2024	\$1,000,000	\$0
Subtotals	\$1,000,000	\$0
Not to Exceed Amount Under First Amendment		\$1,000,000
Not to Exceed Amount Under Agreement		\$1,870,000
Total Not to Exceed Amount		\$2,870,000

III. **METHOD OF PAYMENT.** Contractor shall provide monthly invoices to City for approval and payment for those services performed in the month prior to invoice submission. Invoices must include the following information.

- A. Task number or Section number of Exhibits "A" to "A-1".
- B. All personnel who performed work.
- C. Description of the work performed.
- D. Number of hours worked
- E. Hourly rate.
- F. All City approved and documented subcontractor invoices.
- G. If applicable, expenses incurred.

Invoice must be itemized, adequately detailed, based on accurate records, in a form reasonably satisfactory to City, and attach the prior written authorization of the City

and copies of receipts to substantiate expense requests. Contractor may be required to provide back-up material upon request. If no work is performed in a given month, no invoice is required.

IV. **SCHEDULE FOR PAYMENT.** City agrees to pay Contractor within thirty days of City's receipt of Contractor's monthly invoice; provided that services are completed to the City's reasonable satisfaction and there is no dispute over the amount.

V. **NOTICE.** Written notices to City and Contractor shall be given by registered or certified mail, postage prepaid and addressed to or personally served on the following parties

Contractor: Sancon Technologies, Inc.
5841 Engineer Drive
Huntington Beach, CA 92649
Attention: Chuck Parsons

City: City of Redondo Beach
Public Works Department, Engineering Division
415 Diamond Street
Redondo Beach, CA 90277
Attention: City Engineer

All notices, including notices of address changes, provided under this Agreement are deemed received 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.

**AGREEMENT FOR PROJECT SERVICES
BETWEEN THE CITY OF REDONDO BEACH
AND SANCON TECHNOLOGIES, INC.**

THIS AGREEMENT FOR PROJECT SERVICES (this "Agreement") is made between the City of Redondo Beach, a Chartered Municipal Corporation ("City") and Sancon Technologies, Inc., a California Corporation ("Contractor" or "Contractor").

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".

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. Acknowledgement. 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 1 1/2 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. 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



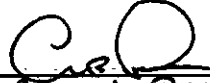
IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this 16th day of April, 2019.

CITY OF REDONDO BEACH

SANCON TECHNOLOGIES, INC.



William C. Brand, Mayor

By: 
Name: Chuck Parsons
Title: President

ATTEST:

APPROVED:



Eleanor Manzano, City Clerk



Jill Buchholz, Risk Manager

APPROVED AS TO FORM:



Michael W. Webb, City Attorney



EXHIBIT "A"
PROJECT DESCRIPTION AND SCOPE OF SERVICES

I. CONTRACTOR'S DUTIES

Contractor shall perform on-call services for the maintenance and repair of the stormdrain and wastewater conveyance systems.

A. General Duties

1. Contractor shall furnish all labor, equipment, and materials to install Cured in Place Pipe Lining ("CIPP"), in the City's storm drains and sewer pipes. Contractor shall supervise the installation. Prior to the CIPP installation, Contractor shall remove roots, silt, gravel and other debris from sewer or storm drain pipes in a manner that does not flush rocks, sand, sludge, dirt, grease or other solid or semi-solid material or debris into downstream sections of the sewer system, and/or storm drains.
2. In Contractor's discretion, Contractor will utilize high pressure hydro-vacuum cleaning, hydro-jetting cleaning, hydro excavation services, coring services, and similar related services.
3. Contractor shall use a video camera or other special pipe inspection equipment to video inspect sewer and storm drainage pipes to determine the interior condition and location of the pipeline.
4. Contractor shall provide video tape of pipe condition before and after the installation of CIPP in DVD-format to the City designated Project Manager or designee. Contractor shall deliver, store and handle CIPP products.
5. Contractor shall ensure that all work performed provides maximum safety to the public and comply with all safety standards required by CAL-OSHA.
6. Contractor shall conduct traffic control in accordance with the latest edition of the California Manual on Traffic Control Devices ("CAMUTCD"), and any amendments thereto.
7. Contractor shall maintain all work sites contain no hazards to persons and/or property. In the event there are any hazardous conditions, Contractor shall notify the City immediately.
8. Upon City's acceptance of work, Contractor shall restore the project area to a condition at least equal to that existing prior to the work, including removing debris.
9. Contractor shall maintain sewer flows during the installation of the CIPP liner. Contractor shall comply with the City's NPDES Storm Water Permit.



Contractor shall maintain the continuity of sanitary sewer service to each facility connected to the sewers. In the event that sewage backup or odors occur and enters dwellings, other structures, and/or affect the public, Contractor shall cleanup and repair, and pay for any costs, including without limitation, property damage, and fines imposed by jurisdictional authorities.

B. CIPP Resin and Tube Acceptance

Contractor shall ensure the CIPP liner is suitable for continuous service in sewerage environments with 1 N sulfuric acid at an average wastewater temperature of 80 degrees F and for intermittent exposure (at a frequency of 1-1/2 hours two times a week) to sewage with a pH of 11. Contractor shall ensure the tube is free of defects and subject to inspection prior to resin impregnation.

C. CIPP Installation

1. Contractor shall install the CIPP liner utilizing a felt tube having a nominal thickness as specified in the manufacturer's recommendations and pursuant to City's approval. Contractor shall install the CIPP liner with the specified nominal felt tube thickness regardless of the flexural retention value of the resin. The felt tube shall include a marking (stencil) indicating the diameter and nominal thickness of the tube on the coated side of the tube at 5-foot intervals to make the markings visible along its entire reach. In no event, shall Contractor install any liner without a properly marked felt tube.
2. Contractor shall install the liner within forty-eight (48) hours of cleaning the sewer. Contractor shall store the resin-impregnated tube under controlled temperature as recommended by the resin supplier. Contractor shall install the resin-impregnated tube either by (1) inversion under a sufficient hydrostatic head to fully fill and line the interior of the sewer; or (2) by pulling through the sewer and inflating through inverting a bladder inside the resin-impregnated tube under a sufficient hydrostatic head for expanding the bladder and tube against the sewer pipe wall.
3. Contractor shall ensure the outer layer of the pulled tube is perforated to allow surplus resin to press against the pipe wall.
4. Contractor shall closely regulate the hydrostatic head being applied. Contractor shall utilize either an end-stop or hold back mechanism to prevent the resin impregnated tube from protruding into the adjacent sections of sewer, which are not designated to be lined.

D. Service Connections and End Seals

1. Contractor shall reconnect existing sewer laterals. After CIPP installation, Contractor shall cut off flush of the ends of the liner with the main sewer pipe and seal the manhole walls. If a manhole has been lined through, cut the top half of the liner even with the top of the shelf. Contractor shall seal the ends of the liner with a material that will bond to both the liner and the host pipe.



2. Contractor shall ensure the sealant material is suitable for continuous immersion in water and shall be resistant to a corrosive sewer environment. Contractor shall ensure the sealant provides a smooth transition from the host pipe to the liner and does not reduce the inside diameter of the liner.

E. Repair and Rejection

Contractor shall perform a post CCTV inspection to review the finished liner for defects. Contractor shall repair all defects found in the finished liner, including core sample holes, foreign inclusions, dry spots, pinholes, wrinkles, fins, delamination, deflections, sags, and voids between the liner and pipe. Contractor shall perform other repairs, as determined by the City Engineer and include grinding, cutting, and removing the defective areas, relining, replacing with the same resin mixture, and filling voids by injecting the resin mixture.

F. Maintaining Service

1. Contractor shall maintain sewer service to all existing property.
2. Contractor may interrupt sewer service. However, the interruption shall only be for a maximum of six (6) hours to each property being served during the actual placing of the (CIPP) lining. Contractor shall minimize sewer service interruption to a single reach between two (2) adjacent manholes. In no event, shall there be multiple sewer service interruptions (more than one (1) reach at any giving time).
3. Contractor shall contact and notify each property with interrupted sewer service in person and in writing (telephone notice shall not be acceptable), at least four (4) working days prior to each actual interruption. Contractor shall include the actual hours that sewer service will be interrupted in the notice and provide a separate notice for each service interruption.

G. Cleaning, Root Removal, Preliminary Inspection and Closed-Circuit Television Inspection

1. Prior to fabricating the felt tube, Contractor shall conduct a field verification of the pipe diameter and length of the existing sewer to ensure that the tube will have sufficient wall thickness and length to cover the entire reach of lining operation via CCTV.
2. After cleaning and preliminary inspection of the number and location of the house connection laterals, Contractor shall perform a CCTV inspection to ensure that the sewer is ready to be lined and verify the number and location and status of all the existing connection laterals. In the event Contractor identifies root intrusion, Contractor shall remove roots prior to fabricating the felt tube.



H. Work Product

Contractor shall provide all work product for review and approval by the City. Contractor shall revise the work product until the City accepts it. This shall be done at no additional charge.

1. Upon the City's written approval of the Task Proposal, Contractor shall commence services for the task. Any language that does not pertain to the scope of work, compensation, or duration of agreement shall be deemed extraneous and not incorporated within this Agreement.
2. Contractor shall identify any subcontractor(s) and include the work of subcontractors in the proposed scope of work. Contractor shall not replace the subcontractor for the task without the prior written approval of the City.
3. Contractor shall provide a task number for the City approved task.
4. Contractor complete the task(s) and present all deliverables to the City by the completion date provided to City.
5. During performance of the services, Contractor shall provide a bi-weekly written summary of progress on all on-call services to keep the City updated as to the status of performance. Contractor shall either draft a report or deliver an email to the City's designated project manager.

I. Additional Services

Contractor shall perform duties associated with the maintenance of existing sewer and stormdrain pipes outside of the CIPP liner installation, which shall include, but not be limited to miscellaneous grouting of pipe voids, pipe slurry and abandonment, manhole and vault liner repair and maintenance, and lateral intrusion of CIPP liner removal items. The services shall be described Contractor's Task Proposal and billed in accordance with the hourly rates provided in Exhibit "C".

II. CITY'S DUTIES

City will perform the following services.

- A. City will provide a written task request with a description of the work to be performed for the task, and the time desired for completion.
- B. City, in its sole discretion, may approve, modify or reject the Contractor's Task Proposal.
- C. Notwithstanding anything described herein, in the event Article XIX of the City Charter and Chapters 6 and 6.1 of Title 2 of the Redondo Beach Municipal Code apply to the work described herein, the Contractor shall not be authorized to perform the subject work under this Agreement.



EXHIBIT "B"
SCHEDULE OF PERFORMANCE

TERM. The term of this Agreement shall commence on April 16, 2019 and continue through April 15, 2024 ("Term"), unless otherwise terminated as herein provided. Contractor shall perform the services in accordance with the schedule in each Task Proposal.



EXHIBIT "C"
COMPENSATION

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

I. **AMOUNT.** Contractor shall perform the work for all City approved Task Proposal(s) in accordance with the following rate schedule, which is hereby incorporated. The rate schedule includes the unit cost for CIPP liners and any related work, as described in Exhibit "A". There shall be no additional cost, except for the cost of mobilization, traffic control, and hourly rates for work not related to CIPP liners, as described below.

A. CIPP Installation

1. CIPP Installation Price Per Linear Foot – Stormdrain Cost

Description	Inches				
	12"	15"	18"	21"	24"
0-100 feet	\$175	\$185	\$190	\$195	\$200
101-150 feet	\$120	\$130	\$140	\$145	\$150
151-200 Feet	\$100	\$110	\$120	\$125	\$130
201-250 Feet	\$80	\$95	\$115	\$120	\$125
250 + feet	\$60	\$70	\$75	\$80	\$100

2. CIPP Installation Price Per Linear Foot – Wastewater System Cost

Description	Inches		
	8"	10"	12"
0-100 feet	\$120	\$165	\$180
101-150 feet	\$105	\$125	\$130
151-200 Feet	\$70	\$100	\$110
201-250 Feet	\$50	\$75	\$90
250 + feet	\$30	\$50	\$75

B. Not Related to CIPP Liners

1. Mobilization and Traffic Control

Description	Cost	Not to Exceed Amount ("NTE")
Mobilization	Cost plus 10%	\$2,500/service request
Traffic Control	Cost plus 10%	\$1,900/daily



2. Hourly Rates for Work Not Related to CIPP Liners

Description	Hourly Rate
Normal Business Hours (M-F, 7AM to 4PM)	\$200
After Hours Rate	\$225
Weekend Hourly Rate	\$225
Holiday Hourly Rate	\$250

C. Increase

Contractor may request an increase to the unit and hourly rates in accordance with the Consumer Price index for all urban consumers in the Los Angeles, Long Beach, and Anaheim as published by the Bureau of Labor Statistics. However, no increase shall be effective without the written approval of the City.

II. NOT TO EXCEED AMOUNT. In no event shall the total amount paid to Contractor, exceed \$ 1,870,000 during the term of this Agreement. Annual fiscal not to exceed amounts are as follows.

FY Budget	Wastewater NTE Funding	Stormdrain NTE Funding
FY 2018/2019	0	\$120,000
FY 2019/2020	\$150,000	\$200,000
FY 2020/2021	\$150,000	\$200,000
FY 2021/2022	\$150,000	\$200,000
FY 2022/2023	\$150,000	\$200,000
FY 2023/2024	\$150,000	\$200,000
Subtotals	\$750,000	\$1,120,000
Total NTE Amount	\$1,870,000	

III. METHOD OF PAYMENT. Contractor shall provide monthly invoices to City for approval and payment for those services performed in the month prior to invoice submission. Invoices must include the following information.

- A. Task number.
- B. All personnel who performed work on the Task Proposal.
- C. Description of the work performed.
- D. Number of hours worked.
- E. Hourly rate.
- F. All City approved and documented subcontractor invoices.
- G. If applicable, expenses incurred

Invoices must be itemized, adequately detailed, based on accurate records, in a form reasonably satisfactory to City, and attach the prior written authorization of the City and copies of receipts to substantiate expense requests. Contractor may be



required to provide back-up material upon request. If no work is performed in a given month, no invoice is required.

Within the approved amount for each City approved Task Proposal, a portion of the amount from the line item of the task may be allocated to another line item task so long as the total amount approved does not exceed the limits described in this Exhibit "C" and the City has provided written approval.

- IV. **SCHEDULE FOR PAYMENT.** City agrees to pay Contractor within thirty days of City's receipt of Contractor's monthly invoice; provided that services are completed to the City's reasonable satisfaction and the City does not dispute the amount.
- V. **NOTICE.** Written notices to City and Contractor shall be given by registered or certified mail, postage prepaid and addressed to or personally served on the following parties.

Contractor: Sancon Technologies, Inc.
5841 Engineer Drive
Huntington Beach, CA 92649
Attention: Chuck Parsons

City: City of Redondo Beach
Public Works Department, Engineering Division
415 Diamond Street
Redondo Beach, CA 90277
Attention: City Engineer

All notices, including notices of address changes, provided under this Agreement are deemed received 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: \$1,000,000 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.

