

**SPECIAL
ENGINEERING, OPERATIONS, AND
WATER RESOURCES
COMMITTEE MEETING
OF THE BOARD OF DIRECTORS
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CALIFORNIA**

**WEDNESDAY, DECEMBER 12, 2018
9:00 A.M.**

CALL TO ORDER

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which is available on the table in the Board Room. Comments will be limited to three minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. ACTION ITEMS

A. MINUTES

The Committee will be asked to approve the Engineering, Operations, and Water Resources Committee meeting minutes of November 14, 2018.

B. RP-1 HEADWORKS UPGRADES PROJECT CONSTRUCTION CHANGE ORDER

Staff recommends that the Committee/Board:

1. Approve a construction change order for the RP-1 Headworks, Primary, and Secondary Upgrades, Project No. EN14019, to Myers & Sons, for a not-to-exceed amount of \$893,006; and
2. Authorize the General Manager to execute the change order, subject to non-substantive changes.

C. DOOR THRESHOLD AND RAILING CONSTRUCTION AWARD

Staff recommends that the Committee/Board:

1. Award a construction contract for the Door Threshold and Railing, Project No.'s EN19032.01/EN19040, to AToM Engineering Construction, Inc., in the amount of \$345,398;
2. Approve an increase in budget allocation for FY 2018/19 and total project budget for the RO Safety, Project No. EN19032, in the amount of \$100,000; and
3. Authorize the General Manager to execute the budget amendment and contract, subject to non-substantive changes.

D. AGENCY-WIDE HVAC EQUIPMENT SERVICE CONTRACT

Staff recommends that the Committee/Board:

1. Award a two-year service contract with three, one-year options to Carrier Corporation for an Agency-Wide HVAC Equipment Service Contract for a not-to-exceed amount of \$750,000; and
2. Authorize the General Manager to execute the service contract, subject to non-substantive changes.

E. MASTER SERVICES CONTRACT AMENDMENT FOR SUPERIOR ELECTRIC MOTOR SERVICE, INC.

Staff recommends that the Committee/Board:

1. Amend and increase the not-to-exceed amount of Contract No. 4600001868 to Superior Electric Motor Service, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of \$670,000 over the existing three-year period with a one-year option to extend; and
2. Authorize the General Manager to execute the amendment to the services contract.

F. PURCHASE OF NEW VEHICLES

Staff recommends that the Committee/Board:

1. Authorize the purchase of 13 new fleet vehicles from National Auto Fleet Group for a not-to-exceed amount of \$500,000 (including tax and delivery); and
2. Authorize the General Manager to execute the purchase.

G. CONTRACT AWARD FOR REGIONAL WATER RECYCLING PLANT NO. 1 INTERIOR/EXTERIOR BUILDINGS AND STRUCTURES PAINTING

Staff recommends that the Committee/Board:

1. Award a service contract for the RP-1 interior/exterior buildings and structures painting to Tony Painting, for a not-to-exceed amount of \$139,350;
2. Authorize the General Manager to execute the service contract.

H. CONTRACT AWARD FOR BULK SUPPLY OF ALUMINUM SULFATE

Staff recommends that the Committee/Board:

1. Approve Contract No. 4600002660 to Thatcher Company of California, establishing a two-year contract for the supply of Aluminum Sulfate with options for three additional one-year extensions, for a potential contract term of five-years; and
2. Authorize the General Manager to execute the contract with three potential contract extensions.

I. SAN SEVAINE BASIN IMPROVEMENTS – CONDUIT INSTALLATION CONTRACT AWARD

Staff recommends that the Committee/Board:

1. Award a construction contract for the San Sevaime Basin Improvement – Conduit Installation, Project No. EN13001, to W.A. Rasic with a bid of \$108,800; and
2. Authorize the General Manager to execute the construction contract, subject to non-substantive changes.

2. INFORMATION ITEM

A. OPERATIONS DIVISION UPDATE (POWERPOINT)

B. CHINO BASIN PROGRAM PROFESSIONAL CONSULTING SERVICES (ORAL)

C. PLANNING & ENVIRONMENTAL RESOURCES REPORT (ORAL)

RECEIVE AND FILE INFORMATION ITEM

D. ENGINEERING AND CONSTRUCTION MANAGEMENT PROJECT UPDATES (POWERPOINT)

3. GENERAL MANAGER'S COMMENTS

4. **COMMITTEE MEMBER COMMENTS**
5. **COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS**
6. **ADJOURN**

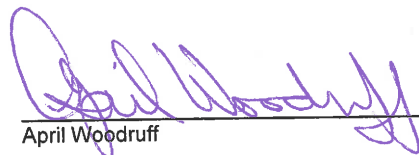
*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909-993-1736), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: jh

DECLARATION OF POSTING

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of the agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Ave., Building A, Chino, CA on Thursday, December 6, 2018.



April Woodruff

**ACTION
ITEM
1A**



MINUTES

**ENGINEERING, OPERATIONS, AND WATER RESOURCES
COMMITTEE MEETING
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CA**

**WEDNESDAY, NOVEMBER 14, 2018
9:45 A.M.**

COMMITTEE MEMBERS PRESENT

Michael Camacho, Chair
Kati Parker

COMMITTEE MEMBERS ABSENT

None

STAFF PRESENT

Halla Razak, General Manager
Chris Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Shaun Stone, Acting Executive Manager of Engineering/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Jerry Burke, Deputy Manager of Engineering
Andrea Carruthers, Senior External Affairs Specialist
Pietro Cambiaso, Environmental Compliance & Energy Supervisor
Michael Dias, Assistant Engineer
Warren Green, Manager of Contracts & Procurement
Jennifer Hy-Luk, Administrative Assistant I
Jason Marseilles, Senior Engineer
Lisa Morgan-Perales, Senior Water Resources Analyst
Kanes Pantayatiwong, Manager of Business Information Services
Sally Lee, Executive Assistant
James Spears, Associate Engineer
Travis Sprague, Senior Associate Engineer
Jamal Zughbi, Senior Engineer/Project Manager, P.E.
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

Jean Cihigoyenette, JC Law Firm
Orest Zacerkowny, Evoqua Water Technologies
Roger Antonie, Evoqua Water Technologies

The meeting was called to order at 9:46 a.m. The Committee Chair stated that members of the public may address the Board. Mr. Orest Zacerkowny, the Global Director of Sales of Evoqua Water Technologies addressed the Committee. Mr. Zacerkowny presented background on the company while highlighting the notable membrane systems they supply.

ACTION ITEMS

The Committee:

- ◆ Approved the Engineering, Operations, and Water Resources Committee meeting minutes of October 10, 2018.
- ◆ Recommended that the Board:
 1. Award a construction contract for the RP-1 1158 Recycled Water Pump Station Upgrades, Project No. EN14042, to Stanek Constructors, Inc., in the amount of \$4,430,000;
 2. Approve a contract amendment to Stantec Consulting Services Inc., for engineering services during construction for the not-to-exceed amount of \$356,000; and
 3. Authorize the General Manager to execute the contract and contract amendment, subject to non-substantive changes;

as an Action Item on the November 21, 2018 Board meeting agenda.

- ◆ Recommended that the Board:
 1. Award a construction contract for the RP-1 Digester 6 and 7 Roof Repairs, Project No. EN17042, to W.A. Rasic Construction, Inc., in the amount of \$1,788,000;
 2. Approve a consultant contract amendment for the RP-1 Digester 6 and 7 Roof Repairs, Project No. EN17042, to GHD Inc., for a not-to-exceed amount of \$69,627; and
 3. Authorize the General Manager to execute the contracts, subject to non-substantive changes;

as an Action Item on the November 21, 2018 Board meeting agenda.

- ◆ Recommended that the Board:
 1. Approve a consultant service contract amendment for the RW System Cathodic Protection Improvements, Project No. EN17080, to Corpro Companies Inc., for the not-to-exceed amount of \$560,670;
 2. Approve an increase in budget allocation for FY 2018/19 from the FY 2019/20 budget in the amount of \$195,000; and
 3. Authorize the General Manager to execute the contract amendment, subject to non-substantive changes;

as a Consent Calendar Item on the November 21, 2018 Board meeting agenda.

◆ Recommended that the Board:

1. Award a pre-selection agreement for the Membrane Bio-Reactor System for the RP-5 Liquids Treatment Expansion, Project No. EN19001, to Suez with a \$300,000 stipend for engineering services through design and a guaranteed price to be included in a future successful General Contractor's bid; and
2. Authorize the General Manager to execute the pre-selection agreement, subject to non-substantive changes;

as an Action Item on the November 21, 2018 Board meeting agenda.

◆ Recommended that the Board:

1. Approve a contract amendment for the RP-1 Mechanical Restoration and Improvements, Project No. EN17082, to Stantec Consulting Services, Inc., for the not-to-exceed amount of \$113,400; and
2. Authorize the General Manager to execute the contract amendment, subject to non-substantive changes;

as a Consent Calendar Item on the November 21, 2018 Board meeting agenda.

◆ Recommended that the Board:

1. Approve a on-call contract amendment for Gillis+Panichapan Architects, Inc., for a not-to-exceed amount of \$84,000 with a one-year term extension through November 2019; and
2. Authorize the General Manager to execute the contract, subject to non-substantive changes;

as a Consent Calendar Item on the November 21, 2018 Board meeting agenda.

◆ Recommended that the Board:

1. Adopt a finding pursuant to Public Contract Code 3400(b) that the use of A.R.I. combination air valves: 1) match existing valves on the recycled water lines use; 2) the valves are only available from A.R.I.; and
2. Authorize their procurement as a sole source for future O&M and capital projects for a duration of five years;

as a Consent Calendar Item on the November 21, 2018 Board meeting agenda.

INFORMATION ITEMS

The following information items were presented or received and filed by the Committee:

- ◆ Regional Water Use Efficiency Programs Annual Report – FY 2017/18
- ◆ Planning & Environmental Resources Report
- ◆ Engineering and Construction Management Project Updates

GENERAL MANAGER'S COMMENTS

There were no General Manager comments.

COMMITTEE MEMBER COMMENTS

There were no Committee member comments.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

There were no Committee member requests for future agenda items.

With no further business, Director Camacho adjourned the meeting at 10:31 a.m.

Respectfully submitted,

April Woodruff
Board Secretary/Office Manager
*A Municipal Water District

APPROVED: DECEMBER 12, 2018

**ACTION
ITEM
1B**



Date: December 19, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

HR

Committee: Engineering, Operations & Water Resources

12/12/18

Executive Contact: Shaun Stone, Acting Executive Manager of Engineering/AGM

Subject: RP-1 Headworks Upgrades Project Construction Change Order

Executive Summary:

On October 18, 2017, the Board of Directors awarded a construction contract to Myers & Sons Construction, LLC to perform rehabilitation within the headworks and primary influent channel. The rehabilitation work required a bypass pump system to convey all flow around the headworks to the primary settling tanks. During bypass operation, critical isolation gates were identified by the contractor to be leaking beyond reasonable expectations outlined in the contract documents.

This change order is the cost for maintaining the bypass pump system in stand-by while the leaking gates were being mitigated by the contractor and IEUA team. The mitigation allowed Myers and Sons to complete the rehabilitation of concrete surface affected by the leaking gates and proceed with the project.

Staff request approval of this construction change order with Myers & Sons in the amount of \$893,006, increasing the contract from \$5,827,984 to \$6,720,990.

Staff's Recommendation:

1. Approve a construction change order for the RP-1 Headworks, Primary, and Secondary Upgrades, Project No. EN14019, to Myers & Sons, for the not-to-exceed amount of \$893,006; and
2. Authorize the General Manager to execute the change order, subject to non-substantive changes.

Budget Impact *Budgeted (Y/N): Y* *Amendment (Y/N): N* *Amount for Requested Approval:*

Account/Project Name:

EN14019.00/RP-1 Headworks, Primary and Secondary Upgrades

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

On October 18, 2017, the Board of Directors awarded a construction contract to Myers & Sons for the not-to-exceed amount of \$5,690,000.

On January 18, 2017, the Board of Directors approved a contract amendment for additional engineering services to RMC for the not-to-exceed amount of \$68,204.

On January 20, 2016, the Board of Directors approved an engineering services contract to RMC for the not-to-exceed amount of \$723,151.

Environmental Determination:

Categorical Exemption

CEQA identifies certain categories of projects as exempt from more detailed environmental review because these categories have been deemed to have no potential for significant impact on the environment. This project qualifies for a Categorical Exemption Class 1 as defined in Section 15301(b) of the State CEQA Guidelines.

Business Goal:

The RP-1 Headworks, Primary and Secondary Upgrades Project is consistent with IEUA's Business Goal of Wastewater Management specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

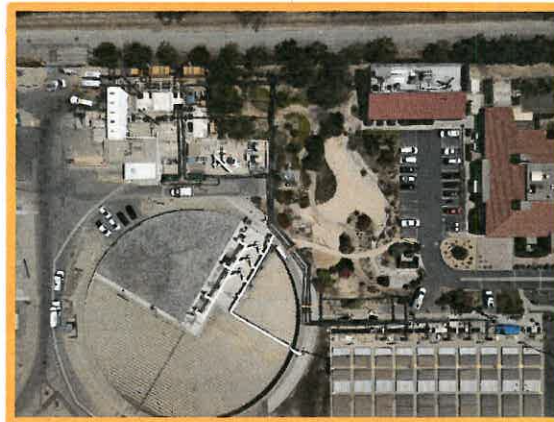
Attachments:

Attachment 1 - PowerPoint

Attachment 1

RP-1 Headworks Upgrades Construction Change Order

Project No. EN14019



Project Location



The Project

- Construction Contract Award on October 2017
 - Contractor: Myers & Sons Construction, LLC
 - Contract Value: \$5,690,000
- Current headworks was constructed in 1982
- Headworks channel was drained in May 2018
 - Contactor notified IEUA of excessive gate leakage
 - Installation of bulkheads (mitigation of leaks)
- Experienced delays due to leaking isolation gates and mitigation plan
 - Required extended bypass operation



Installation of Isolation Bulkhead



Contractor attempting to manage Leakage

Project Budget and Schedule

Description	Estimated Cost
Design Services	\$1,062,755
Design	\$832,939
IEUA Design Services	\$229,816
Construction Services	\$795,058
Engineering Services During Construction (~%)	\$510,558
IEUA Construction Services (~%)	\$284,500
Construction	\$7,151,006
Construction Cost	\$6,258,000
Change Order (this action)	\$893,006
Total Project Cost	\$9,008,819
Total Project Budget	\$9,750,000

Project Milestone	Date
Construction	
Construction Completion	February 2019

Recommendation

- Approve a construction change order for the RP-1 Headworks, Primary, and Secondary Upgrades, Project No. EN14019, to Myers & Sons., for the not-to-exceed amount of \$893,006; and
- Authorize the General Manager to execute the change order.

The RP-1 Headworks, Primary, and Secondary Upgrades Project is consistent with **IEUA's Business Goal of Wastewater Management**, specifically the Asset Management objective that IEUA will ensure the treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

**ACTION
ITEM
1C**



Date: December 19, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Engineering, Operations & Water Resources

HHR

12/12/18

Executive Contact: Shaun Stone, Acting Executive Manager of Engineering/AGM

Subject: Door Threshold and Railing Construction Contract Award

Executive Summary:

This construction award is for two safety related projects:

1. A tripping injury initiated an assessment of door thresholds throughout IEUA. The assessment identified over 30 doorways that needed work to meet Cal-OSHA requirements.
2. Operations requested hand railing placed around the catwalks at the RP-1 Aeration Basins to minimize a potential falling hazard.

On November 8, 2018, IEUA received two construction bids. AToM Engineering was deemed to be the lowest responsive, responsible bidder with a bid of \$345,398.

Staff's Recommendation:

1. Award a construction contract for the Door Threshold and Railing, Project No.'s EN19032.01/EN19040, to AToM Engineering Construction, Inc., in the amount of \$345,398;
2. Approve an increase in the budget allocation for FY 2018/19 and total project budget for the RO Safety, Project No. EN19032, in the amount of \$100,000; and
3. Authorize the General Manager to execute the Budget Amendment and contract, subject to non-substantive changes.

Budget Impact *Budgeted (Y/N): Y Amendment (Y/N): Y Amount for Requested Approval: \$ 100,000*

Account/Project Name:

EN19032.01/Agency-Wide Threshold Improvements
EN19040.00/RP-1 Aeration Basin Catwalk Safety Railing

Fiscal Impact *(explain if not budgeted):*

If approved, the RO Safety Improvements, Project No. EN19032, total project budget and FY 2018/19 budget allocation will increase from \$100,000 to \$350,000.

Prior Board Action:

None.

Environmental Determination:

Statutory Exemption

The project is statutorily exempt based on the CEQA General Rule found in Section 15061(b)(3) of the State CEQA Guidelines.

Business Goal:

The Door Threshold and Railing Project is consistent with IEUA's Business Goal of Wastewater Management and Work Environment specifically the Asset Management and Staff Safety objectives that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, can accommodate changes in regional water use, and will promote and ensure a safe and healthy work environment, exceeding industry best practices.

Attachments:

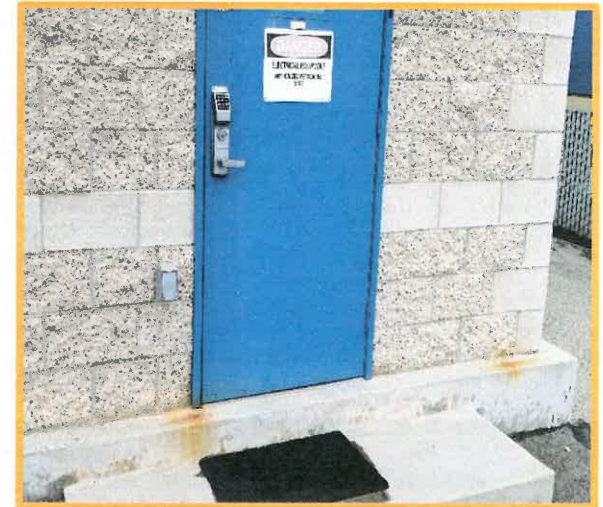
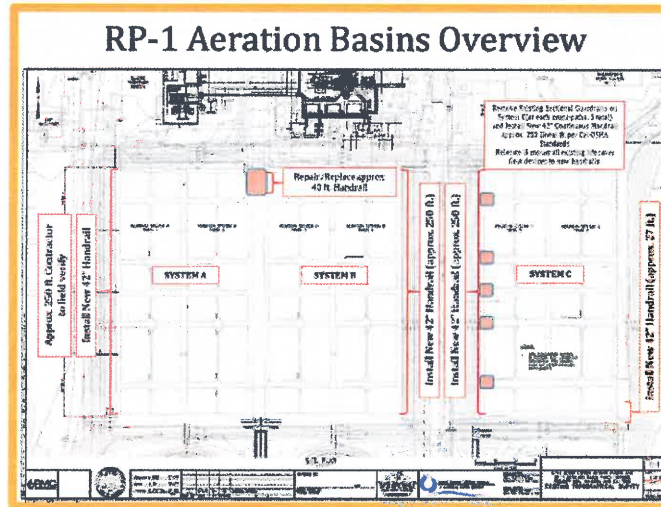
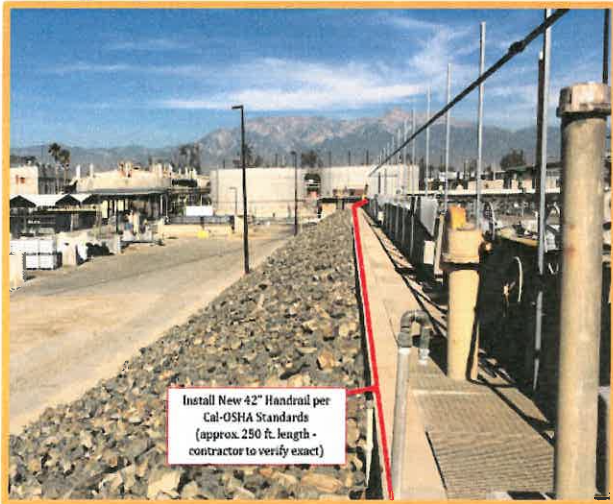
Attachment 1 - PowerPoint

Attachment 2 - Construction Contract

Attachment 1

Door Threshold and Railing

Project No. EN19032.01/EN19040



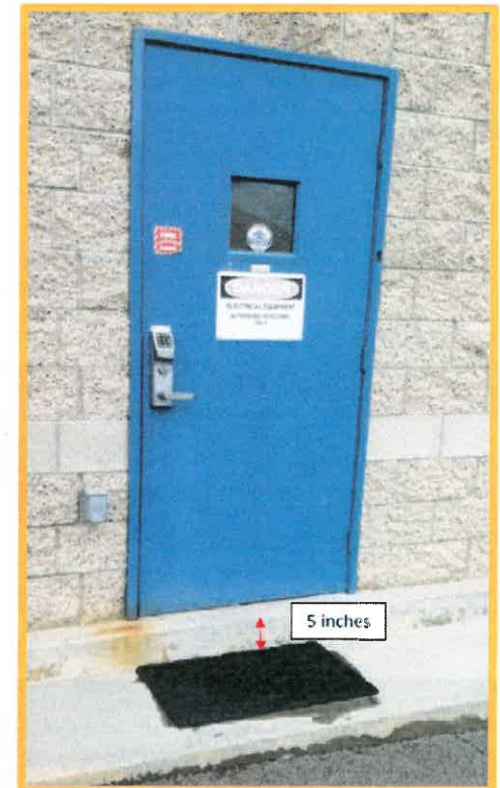
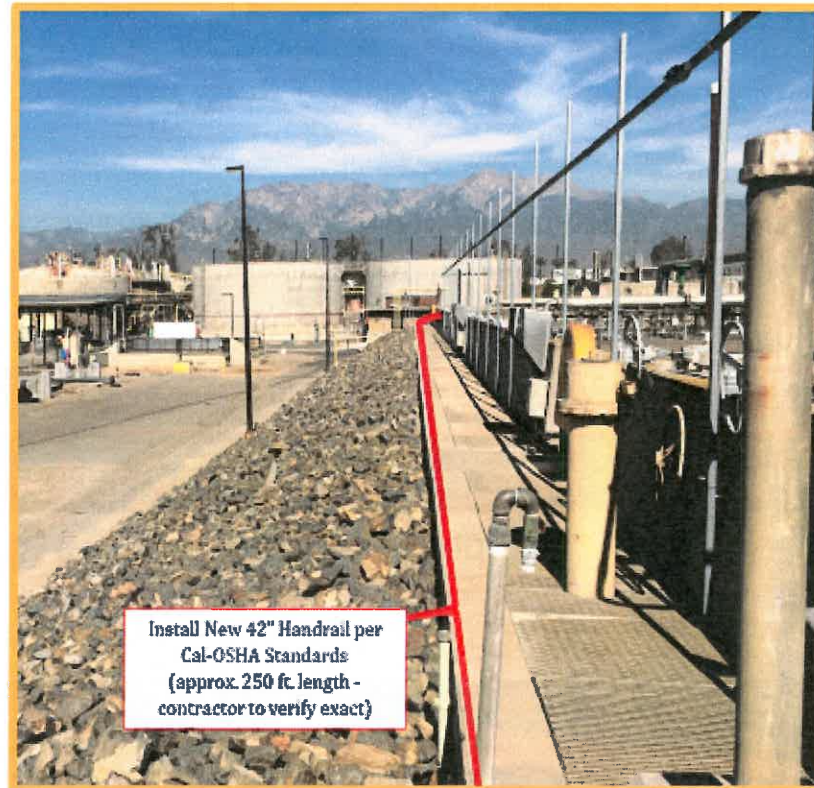
Project Location



RP-1 Safety Railing & Threshold Locations

The Project

- Safety Railing at Numerous Locations at RP-1
- Thresholds, Platforms, and Stairs at RP-1, RP-4, RP-5, and CCWRF
- Install Stair Safety Railing per Cal-OSHA



Example of Threshold

Contractor Selection

On November 8, 2018, two bids were received:

Bidder's Name	Bid Price
AToM Engineering Construction, Inc.	*\$345,398
DBA Golden Gate Construction	\$379,007
Engineer's (Non-Addendum 1) Estimate	\$208,000

*AToM Engineering corrected a mathematical error on their bid, taking it from \$348,398 to \$345,398

Project Budget and Schedule

Description	Estimated Cost
Design Services	\$6,000
Design	\$6,000
Construction Services	\$51,810
IEUA Construction Services (~15%)	\$51,810
Construction	\$397,208
Construction Contract (this action)	\$345,398
Contingency (~15%)	\$51,810
Total Combined Project Cost:	\$455,018
Total Combined Project Budget:	\$500,000

Project Milestone	Date
Construction	
Construction Contract Award	December 2018
Construction Completion	June 2019

Recommendation

- Award a construction contract for the Door Threshold Improvements and Railing, Project No.'s EN19032.01/EN19040, to AToM Engineering Construction, Inc., in the amount of \$345,398;
- Approve an increase in the budget allocation for FY 2018/19 and total project budget for the RO Safety, Project No. EN19032, in the amount of \$100,000; and
- Authorize the General Manager to execute the budget amendment and contract, subject to non-substantive changes.

The Door Threshold and Railing Project is consistent with the **IEUA's Business Goal of Wastewater Management and Work Environment** specifically the Asset Management and Staff Safety objectives that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, can accommodate changes in regional water use, and will promote and ensure a safe and healthy work environment, exceeding industry best practices.

Attachment 2



**CONTRACT NUMBER: 4600002655
FOR
AGENCY-WIDE THRESHOLD IMPROVEMENTS
AND RP-1 RAILING ADDITIONS**

THIS CONTRACT (the "Contract"), is made and entered into this ____ day of _____, 20____, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency" or "IEUA"), and AToM Engineering Construction, Inc., with offices located in Hemet, California (hereinafter referred to as "Contractor"), for construction services regarding project EN19032.01 Agency-Wide Threshold Improvements and RP-1 Railing Additions.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. **AGENCY PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

Project Manager: Matthew Poeske, Project Manager
Address: 6075 Kimball Avenue, Bldg. "B"
Chino, CA 91708
Telephone: 909-993-1723
Facsimile: 909-993-1982
Email: mpoeske@ieua.org

2. **CONTRACTOR ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Contractor: AToM Engineering Construction, Inc.
Shellbi Gallemore, Project Manager
Address: 40410 Vista Road
Hemet, CA 92544
Telephone: (951) 766-2806
Facsimile: (951) 658-4937
Email: estimating@atomengconst.com

3. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents; each of which is hereby incorporated as an integral part of this Contract. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
 1. Amendments to Contract Number 4600002655 and Approved Change Orders
 2. Contract Number 4600002655 General Terms and Conditions.
 3. Addendum No. 1 - Invitation for Bid Number IFB-SS-18-009 Exhibit B
 4. Agency's Invitation for Bid Number IFB-SS-18-009 Exhibit A
 5. Contractor's Best and Final Offer dated – Exhibit C
 6. Contractor's Original Proposal dated November 8, 2018 – Exhibit D

4. SCOPE OF WORK AND SERVICES: Contractor services and responsibilities shall include and be in accordance with the following:
 - A. Contractor shall install Agency-Wide Threshold Improvements and RP-1 Railing Additions per Agency's Invitation for Bid number IFB-SS-18-009 **Exhibit A and Addendum No. 1 Exhibit B**, and Contractor's Original Proposal **Exhibit D** dated November 8, 2018 and Contractor's Best and Final Offer Proposal **Exhibit C** dated November 14, 2018 which are incorporated herein, and made a part hereof by this reference.

 - B. Contractor shall provide Agency with a Schedule of Work and Services, documenting the anticipated completion of the work within the time-frame set forth in Subsection 4.A., above. The Schedule of Work and Services will be prepared and submitted, to the Project Manager, for review and approval.

 - C. Method of Inspection:
 1. Work performed under this Contract may be required to undergo monthly, weekly, or daily inspections.

 2. The Project Manager will be responsible for performance of the inspections.

 3. If Contractor fails an inspection, the Project Manager will be responsible for providing a written notice to the Contractor explaining the error and a determination of the urgency for the correction of the error (herein referred to as a "Cure Notice").

 - D. Cure Procedure:
 1. For a Cure Notice deemed by the Agency to be **urgent**, Contractor shall correct any error of the Work within three (3) calendar days after Contractor's receipt of a Cure Notice, as directed by the Project Manager.

2. For a Cure Notice deemed by the Agency to be **important**, Contractor shall correct any error of the Work within seven (7) calendar days after Contractor's receipt of a Cure Notice, as directed by the Project Manager.
 3. If the Project Manager rejects all, or any part of, the Work as unacceptable and agreement to correct such Work cannot be reached without modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and the reason(s) for the Contractor's position. Any dispute that cannot be resolved between the Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.
- E. The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions, and other alterations to any or all of the Work. However, such changes shall only be made via written amendment to this Contract. The Contract compensation and Schedule of Work and Services shall be equitably adjusted, if required, to account for such changes and shall be set forth within the mutually approved Contract Amendment.
5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed, and terminate upon completion of the Work, or August 30, 2019, whichever occurs first, unless agreed upon by both parties, reduced to writing, and amended to this Contract.
 6. **PAYMENT, INVOICING, AND COMPENSATION:**
 - A. The Contractor may submit an invoice not more than once per month during the term of this Contract to the Agency's Accounts Payable Department. Agency shall pay Contractor's properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice.
 - B. As compensation for the Work performed under this Contract, Agency shall pay Contractor's monthly invoice, for a total contract price **NOT-TO-EXCEED MAXIMUM OF \$345,398.00** for all services satisfactorily provided during the term of this Contract.
 1. Invoicing shall be submitted electronically to apgroup@ieua.org. Payment shall be withheld for any service which does not meet the requirements of this Contract or the associated Task Order, until such service is revised, the invoice resubmitted, and accepted by the Project Manager.

Contractor shall submit certified payroll records (CPR's) to the Labor Commissioner using DIR's electronic certified reporting system and provide with their invoice certified payroll verifying that Contractor has paid prevailing wage in accordance with the DIR requirements as

stipulated in California Senate Bills 854 and 96 (<http://www.dir.ca.gov/public-works/certified-payroll-reporting.html>).

- C. Concurrent with the submittal of the original invoice to the Agency's Accounts Payable Department, the Contractor shall forward (mail, fax, or email) a copy of the invoice to the designated Project Manager, identified in Section 1, on Page 1 of this Contract.
 - D. No Additional Compensation: Nothing set forth in this Contract shall be interpreted to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required by the Contract, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract, as approved by the Project Manager.
7. CONTROL OF THE WORK: The Contractor shall perform the Work in compliance with the Schedule of Work and Services. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Schedule of Work and Services as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Schedule of Work and Service.
8. INSURANCE: During the term of this Contract, the Contractor shall maintain, at Contractor's sole expense, the following insurance.
- A. Minimum Scope of Insurance: Coverage shall be at least as broad as:
 - 1. Commercial General Liability ("CGL"): Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
 - 2. Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
 - 3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
 - 4. Payment Bond and Performance Bond: Shall be in a sum equal to the contract price. If the Performance Bond provides for a one-year

warranty a separate Maintenance Bond is not necessary. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.

- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- C. Other Insurance Provisions: The insurance policies are to contain, or be endorsed to contain, the following provisions:
1. Commercial General Liability and Automobile Liability Coverage
 - a. Additional Insured Status: The Agency, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment supplied in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85; or **by either** CG 20 10, CG 20 26, CG 20 33, or CG 20 38 **and** CG 20 37 forms if later revisions are used).
 - b. Primary Coverage: The Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract with the Agency shall be excess of the Contractor's insurance and shall not contribute with it.
 - c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
 - d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any additional policies written as

excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

Contractor hereby grants to Agency a waiver of any right to subrogation which any insurer of the Contractor may acquire against the Agency by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Agency pursuant to Section 14, page 12 of this Contract.

D. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A minus: VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: Contractor shall provide the Agency with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Agency before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

F. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency
Attn: Angela Witte, Risk Specialist
P.O. Box 9020
Chino Hills, CA 91709
Email: AWitte@ieua.org

9. FITNESS FOR DUTY:

A. Fitness: Contractor and its Subcontractor personnel on the Jobsite:

1. Shall report to work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of the Agency.

10. LEGAL RELATIONS AND RESPONSIBILITIES:

- A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of providing the services described herein, and is not an employee of the Agency.
- C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor, its employees, or subcontractors.
- D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager and shall comply with State of California, Department of Industrial Relations, SB 854 requirements.
- E. Hours of Labor: The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1815 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the completion of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty

(40) hours in any one calendar week in violation of the provisions of the Labor Code.

- F. Travel and Subsistence Pay: The Contractor shall make payment to each worker for travel and subsistence payments which are needed to complete the work and/or service, as such travel and subsistence payments are defined in an applicable collective bargaining agreements with the worker.
- G. Liens: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment provided to Contractor on account of said services to be rendered or said materials to be provided under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- H. Indemnification: Contractor shall indemnify the Agency, its directors, employees, and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of, or are related to, the negligence, recklessness or willful misconduct of the Contractor, its directors, employees, agents, and assigns, in the performance of work under this contract.
- I. Conflict of Interest: No official of the Agency, who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- J. Equal Opportunity: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination.
- K. Disputes:
 - 1. All disputes arising out of or in relation to this Contract shall be resolved in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of a dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein,

arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et seq., or their successor.

2. Any and all disputes prior to the work starting shall be subject to resolution by the Agency's Project Manager; and the Contractor shall comply, with the Agency Project Manager instructions. If the Contractor is not satisfied with the resolution directed by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written directive of the Project Manager's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Project Manager's resolution. The Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of the protest-related documents. The General Manager shall make his or her determination with respect to each protest filed with the Project Manager within ten (10) calendar days after receipt of the protest-related documents. If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.
3. In the event of arbitration, the parties to this contract agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.
 - b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
 - c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but

not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

4. **Association in Mediation/Arbitration:** The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such association shall be initiated by written notice from the Agency's representative to the Contractor.

- L. **Workers' Legal Status:** For performance against this Contract, Contractor shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

- M. **Prevailing Wage Requirements:** Pursuant to Section 1770 and following, of the California Labor Code, the Contractor shall not pay less than the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work contemplated under the Contract. The Contractor or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor.

11. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any, and all, partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver them to the Agency whenever requested to do so by the Project Manager and/or Agency representative. The Contractor agrees that all documents shall not be made available to any individual or organization, private or public, without the prior written consent of an Agency representative.

12. TITLE AND RISK OF LOSS:

- A. Documentation: Title to the Documentation shall pass to the Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display, or disclose the contents of the Documentation to others without the prior written authorization of the Agency or for the performance of Work related to the Scope of Work described in this Contract.
- B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to the Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Contractor shall dispose of items to which the Agency has title as directed, in writing, by the Project Manager and/or an Agency representative.

13. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
 - 1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.
 - 2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work, or are necessary for Agency to have complete control of the Work, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and grant sublicenses to others with respect to the Work.
 - 3. If the Work includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete

control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy, or dispose of any or all of the Work; and to grant sublicenses to others with respect to the Work. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

14. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green
Manager of Contracts and Procurement
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, CA 91709

Contractor: Shellbi Gallemore
AToM Engineering Construction, Inc.
40410 Vista Road
Hemet, CA 92544

Any notice given pursuant to this section shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission through the United States Postal Service.

15. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall take effect to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. No assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred, or otherwise disposed of, without the prior written consent of the Agency; and any such purported or attempted assignment, transfer, or disposal without the prior written consent of the Agency shall be null, void, and of no legal effect whatsoever.
16. PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to this work. In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, in any action or proceeding arising under the Public Records Act.

17. RIGHT TO AUDIT: The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to the Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
18. INTEGRATION: The Contract Documents represent the entire Contract made and entered into by and between the Agency and the Contractor as to those matters contained in this contract. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered, or amended except by written mutual agreement by the Agency and the Contractor.
19. GOVERNING LAW: This Contract is to be governed by and constructed in accordance with the laws of the State of California, in the County of San Bernardino.
20. TERMINATION FOR CONVENIENCE: The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination, as approved by the Project Manager.
21. FORCE MAJEURE: Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
22. NOTICE TO PROCEED: No services shall be performed or provided under this Contract unless and until this document has been properly signed by all responsible parties and a notice to proceed has been issued to the Contractor by the Project Manager.
23. AUTHORITY TO EXECUTE CONTRACT: The Signatories, below, each represent, warrant, and covenant that they have the full authority and right to enter into this Contract on behalf of the separate entities shown below.
24. DELIVERY OF DOCUMENTS: The Parties to this Contract and the individuals named to facilitate the realization of its intent, with the execution of the Contract, authorize the delivery of documents via facsimile, via email, and via portable document format (PDF) and covenant agreement to be bound by such electronic versions.

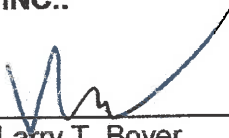
The parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:
**A MUNICIPAL WATER DISTRICT*

**ATOM ENGINEERING CONSTRUCTION,
INC.:**

Halla Razak
General Manager

(Date)



Larry T. Boyer
Owner

11/29/18

(Date)

**ACTION
ITEM
1D**



Date: December 19, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

HR

Committee: Engineering, Operations & Water Resources

12/12/18

Executive Contact: Randy Lee, Executive Manager of Operations/AGM

Subject: Agency-Wide HVAC Equipment Service Contract

Executive Summary:

Heating, ventilation, and air conditioning (HVAC) systems are required to heat or cool the buildings to provide staff and visitors a safe and comfortable work environment. HVAC is also critically important to a reliable operation of the Agency's electrical intensive assets such as motor control centers and other industrial applications. The Agency currently owns and maintains approximately 172 HVAC equipment such as air handlers, system air conditioning units, package air conditioning units, and evaporator coolers that periodically require maintenance such as inspections, coil cleaning, filter and fan belt replacements, etc. Having a contract with a reputable and highly qualified service provider ensures that the majority of the contract terms are established up front, which will ensure timely service and repair process.

The Agency has elected to participate in the national cooperative contract purchasing program with Sourcewell (formerly National Joint Powers Alliance) that will provide the Agency the best overall supplier government pricing. All contracts available have been competitively solicited.

The Agency Wide HVAC Equipment Service Contract Number 460002664 to Carrier Corporation will be for a not-to-exceed amount of \$750,000.

Staff's Recommendation:

1. Award a two-year service contract with three, one-year options to Carrier Corporation, for an Agency-Wide HVAC Equipment Service Contract for a not-to-exceed amount of \$750,000; and
2. Authorize the General Manager to execute the service contract, subject to non-substantive changes.

Budget Impact *Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval:*

Account/Project Name:

Regional Operations and Maintenance Fund, Professional Fees & Services for IEUA, Inland Empire Regional Composting Facility (IERCF), and Chino Desalter Authority (CDA)

Fiscal Impact (explain if not budgeted):

Prior Board Action:

April 15, 2015 - Board approved an Agency-Wide HVAC Equipment Service Contract to AMP Mechanical Inc.

Environmental Determination:

Statutory Exemption

The project is statutorily exempt based on the CEQA General Rule found in Section 15061(b)(3) of the State CEQA Guidelines.

Business Goal:

The Agency-Wide HVAC Equipment Service Contract is consistent with IEUA's Business Goal of Wastewater Management, specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

Attachments:

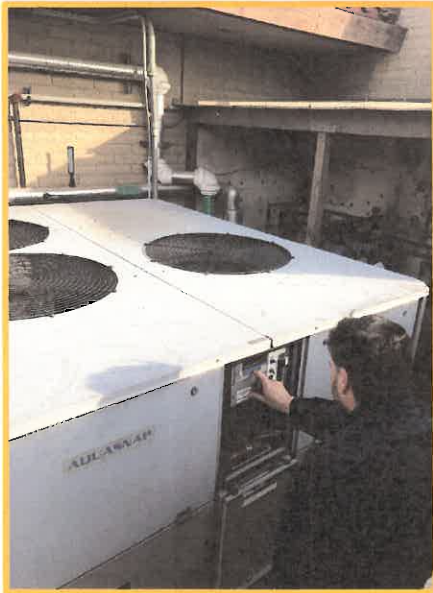
Attachment 1: Agency-Wide HVAC Equipment Service Contract, PowerPoint
Attachment 2: Sourcewell's Carrier Corporation Contract 030817-CAR
Attachment 3: Contract No. 4600002664 to Carrier Corporation

Attachment 1

Agency Wide HVAC Equipment Service Contract



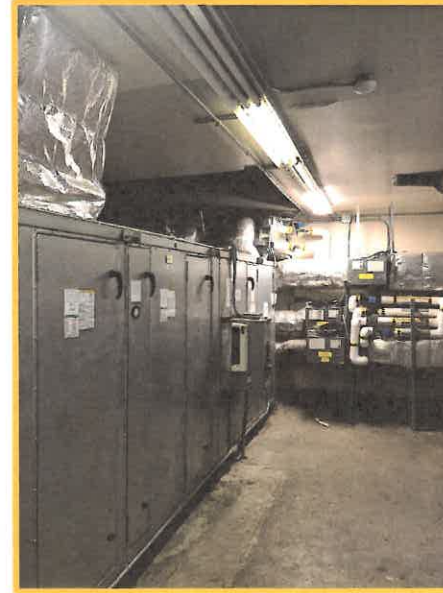
Agency-Wide HVAC Equipment



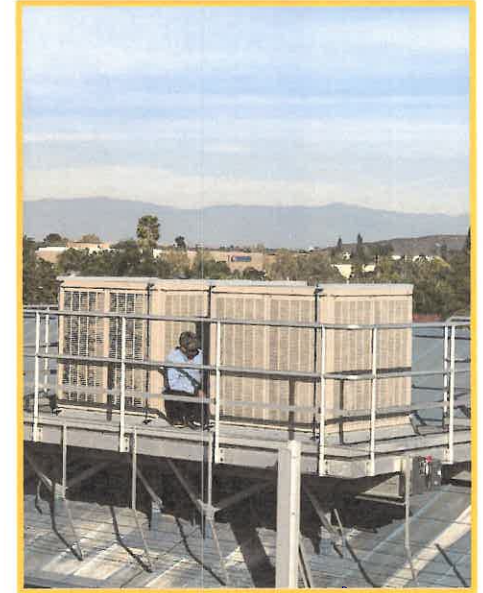
Chiller



Boiler



Air Handler



Evaporative Coolers

Agency-Wide HVAC Equipment

Major HVAC Equipment by Type and Facility

Major Equipment	RP-1	RP-2	RP-4	RP-5	CCWRF	HQ	TOTAL
Package A/C Units	35	9	15	11	10	9	89
Split System A/C Units	12	2	6	1	3	2	26
Cabinet A/C Units	13	4	7	1	2		27
Evaporative Coolers	8		2		3		13
Chillers	2	1			1		4
Cooling Tower	3	1					4
Air Dyer			1	1	1		3
Air Handler	2				2	2	6
Total Equipment	75	17	31	14	22	13	172

HVAC Maintenance

- HVAC equipment provides environmental and temperature control for critical electronic equipment across all Agency facilities
- Maintenance includes:
 - Operating inspections
 - Unit coil cleaning
 - Change out of filters
 - Change out of fan belts



Package A/C unit

Sourcewell

- Participating in the national cooperative contract purchasing program
- Formerly National Joint Powers Alliance (NJPA)
- Contracts available have been competitively solicited
- IEUA is a member
 - No fees to use contracts
 - No obligation
 - No commitment



Package Unit

Recommendation

- Award a two-year service contract with three, one-year options to Carrier Corporation, for an Agency-Wide HVAC Equipment Service Contract for a not-to-exceed amount of \$750,000; and
- Authorize the General Manager to execute the service contract, subject to non-substantive changes.

The Agency Wide HVAC Equipment Service Contract, is consistent with **IEUA's Business Goal of Wastewater Management** specifically the Asset Management objective that IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

Attachment 2

Form C

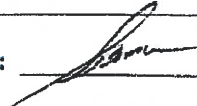
**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**



Company Name: Carrier Corporation

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA or included in the final contract. NJPA will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS
6.26	Subcontractors	Remove entire section	See below.
7.5	Performance Bond	Remove entire section	See below.
6.23.1.2	Each Occurance	Replace 1,500,000 with 1,000,000	See below.

Proposer's Signature:  Date: 3-7-17

NJPA's clarification on exceptions listed above:

6.26: Exception not accepted. Per Form D, awarded vendors assume full responsibility for any subcontractor used to fulfill the obligations agreed upon in the vendor's proposal including insurance coverage requirements.

7.5: Exception is not accepted. NJPA seeks to retain the option for Members to request performance bonds as may be desired or required per the Member's needs.

6.23.1.2: Exception is not accepted. The per occurrence liability amount of \$1,500,000.00 corresponds with the statutory limitations of liability applicable to NJPA as a Minnesota entity.



Contract Award
RFP #03080





FORM D

Formal Offering of Proposal
(To be completed only by the Proposer)

HVAC SYSTEMS, INSTALLATION, AND SERVICE WITH RELATED PRODUCTS AND SUPPLIES

In compliance with the Request for Proposal (RFP) for HVAC SYSTEMS, INSTALLATION, AND SERVICE WITH RELATED PRODUCTS AND SUPPLIES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: Carrier Corporation Date: 3-6-2017
Company Address: 5900-B Northwoods Business Pkwy
City: Charlotte State: NC Zip: 28269
Contact Person: Alex Relf Title: National Accounts Manager
Authorized Signature:  
(Name printed or typed)

FORM E
CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by NJPA if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

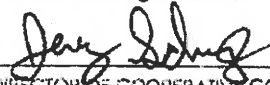
NJPA Contract #: 030817-CAR

Proposer's full legal name: Carrier Corporation

Based on NJPA's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by NJPA.

The effective date of the Contract will be May 8, 2017 and will expire on May 8, 2021 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the NJPA Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at NJPA's discretion.

NJPA Authorized Signatures:



NJPA DIRECTOR OF COOPERATIVE CONTRACTS
AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)



NJPA EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coquette
(NAME PRINTED OR TYPED)

Awarded on May 8, 2017


NJPA Contract # 030817-CAR

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name Carrier Corporation

Authorized Signatory's Title Director of Sales



VENDOR AUTHORIZED SIGNATURE

SCOTT W. MOORE

(NAME PRINTED OR TYPED)

Executed on 5/15, 2017

NJPA Contract # 030817-CAR

PROPOSER ASSURANCE OF COMPLIANCE



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to NJPA members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of NJPA, or any person, firm, or corporation under contract with NJPA, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to NJPA Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to NJPA Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to NJPA Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that NJPA will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify NJPA for reasonable measures that NJPA takes to uphold such a data designation.

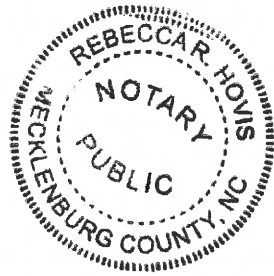
[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: Carrier Corporation
Address: 5900-B Northwoods Business Pkwy
City/State/Zip: Charlotte, N.C. 28269
Telephone Number: 888-535-7278
E-mail Address: Alex.l.relf@carrier.utc.com
Authorized Signature: [Signature]
Authorized Name (printed): Scott H. Moore
Title: National Sales Lead
Date: 3-7-17

Notarized

Subscribed and sworn to before me this 7 day of March, 20 17
Notary Public in and for the County of Mecklenburg State of N.C.
My commission expires: 3.23.2021
Signature: Rebecca R. Hansi



Form P



PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Proposer Name: Carrier Corporation

Questionnaire completed by: Alex Relf

Payment Terms and Financing Options

- 1) What are your payment terms (e.g., net 10, net 30)? **Net 30.**
- 2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions? **No.**
- 3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to NJPA. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the NJPA Members' purchase orders.

Rather than utilize a dealer network, Carrier Corp directly employs its sales and service force. Carrier will custom tailor reporting data to the needs of the customer. Monthly, quarterly or yearly reporting is available, or as requested by the customer.

- 4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to NJPA Members for using this process? **Yes, and at no additional costs.**

Warranty

- 5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.

- Do your warranties cover all products, parts, and labor?

Carrier warrants that all equipment manufactured by Carrier Corporation and all Carrier equipment, parts or components supplied hereunder will be free from defects in material and workmanship. Carrier shall at its option repair or replace, F.O.B. point of sale, any equipment, part or component sold by Carrier and determined to be defective within one (1) year from the date of initial operation or eighteen (18) months from date of shipment, whichever is earlier. Carrier does not warrant products not manufactured by Carrier Corporation, but it does pass on to Customer any available **manufacturer's warranty for those products. Carrier warrants that all service provided by Carrier hereunder shall be performed** in a workmanlike manner. In the event any such service is determined to be defective within ninety (90) days of completion of that service, Carrier shall at its option re-perform or issue a credit for such service, **Carrier's obligation to repair or replace any defective equipment, parts or components during the warranty period shall be Customer's exclusive remedy. Carrier shall not be responsible for labor charges** for removal or reinstallation of defective equipment, parts or components, for charges for transportation, handling and shipping or refrigerant loss, or for repairs or replacement of such equipment, parts or components, required as a consequence of faulty installation, misapplication, vandalism, abuse, exposure to chemicals, improper servicing, unauthorized alteration or improper operation by persons other than Carrier.

- Do your warranties impose usage restrictions or other limitations that adversely affect coverage? No
- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs? Yes
- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will NJPA Members in these regions be provided service for warranty repair? No
- Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer? Carrier will warranty products per the manufacturer's guidelines.
- What are your proposed exchange and return programs and policies?

No items will be accepted for return without prior written authorization. Returned goods may be subject to a restocking charge. Special order and non-stock items cannot be returned.

6) Describe any service contract options for the items included in your proposal.

Carrier offers its customers long-term service agreements providing them with knowledge on new cost-saving and environmental technologies, preventive maintenance, and recommendations on current controls systems. In addition, Carrier has a unique remote diagnostic monitoring tool that can detect potential service problems before they occur.

Carrier seeks to reduce the clients operating costs through equipment optimization, equipment baseline analysis, building management solutions, energy savings solutions, equipment modernization, including: retrofit and upgrades and turnkey replacement solutions. Other key resources include: Field service engineers, standard work instructions, expedited parts availability and CarrierROLE®, remote online experts

Pricing, Delivery, Audits, and Administrative Fee

7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

Carrier Corporation is a provider of HVAC Equipment, Preventative Maintenance, Repair Services, Replacement Installation, Controls, Energy Management (NORESKO), Chiller Rentals (Carrier Rental Systems, Inc.).

8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the NJPA discounted price) on all of the items that you want NJPA to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.) See pricing appendix.

9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list. See pricing appendix.

10) The pricing offered in this proposal is

- a. the same as the Proposer typically offers to an individual municipality, university, or school district.
- b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- d. other than what the Proposer typically offers (please describe).

11) Describe any quantity or volume discounts or rebate programs that you offer. **None**

12) Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request. **Sourced Parts are generally marked up using a pre-negotiated Markup schedule**

13) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer. **Trip charges and consumable charges apply to every visit.**

14) If delivery or shipping is an additional cost to the NJPA Member, describe in detail the complete shipping and delivery program. **All shipping is handled FOB.**

All shipments shall be F.O.B. shipping point, freight prepaid and allowed to the job site. Shipment dates quoted are approximate. Carrier does not guarantee a particular date for shipment or delivery.

Carrier shall have the right to ship any portion of the equipment included in this Agreement and invoice Customer for such partial shipment.

15) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Same as above.

16) Describe any unique distribution and/or delivery methods or options offered in your proposal.

Any Unique requirements will be discussed on a customer by customer basis.

17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with NJPA. This process includes ensuring that NJPA Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to NJPA.

Carrier Corporation utilizes a pricing tool that is pre-loaded with NJPA's pre-negotiated rates, and markups. This ensures that users are compliant while creating competitive bids for NJPA members. A National Account Manager will review all bids prior to submission to ensure consistency, and correctness.

18) Identify a proposed administrative fee that you will pay to NJPA for facilitating, managing, and promoting the NJPA Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See RFP Section 6.29 and following for details.) **2%**

Industry-Specific Questions

- 19) For the solutions that you are proposing in your response, what is your market share relating to NJPA's specific member sectors (i.e., governmental, educational, or not-for-profit entities)? If you are unable to cite reasonably accurate data or credible estimates, please state this.

Carrier is a leading manufacturer of HVAC equipment in both North America and globally. Specific market share information is confidential. Please refer to our website for HVAC applications and installation.

- 20) Detail your ongoing training programs for your service/installation technicians, including the training frequency and time requirements.

Our technicians are certified as Carrier Specialists or Masters - each trained on our products, customer service, and thoroughly tested to our standards. Carrier's Tech360 Certification Program is the most progressive learning program in the industry. As Carrier's own servicing entity, we have access to the latest engineering advancements and the most advanced technical servicing tools. Minimum Training Requirements for Service Technicians include completing a 5-year apprentice school with the United Association of Steamfitters and Pipefitters. This training provides each journeyman technician with a strong educational learning experience in HVAC installation, troubleshooting, maintenance and repair of equipment and controls (both theoretical and hands on experience).

- 21) Describe and demonstrate what specifically differentiates you from your key competitors in the areas of organizational structure and product/service offerings.

Carrier, the world leader in heating, air-conditioning and refrigeration solutions, is part of UTC Climate, Controls & Security, and a unit of United Technologies Corporation (UTC). UTC is a diversified company that provides a broad range of high-technology products and services to the global aerospace and building systems industries. Ensuring your equipment's peak performance and longevity dictates a commitment to preventive, predictive and proactive maintenance programs. Making that commitment now to safeguard your equipment by choosing Carrier, brings with it the security of having forged a true partnership with the HVAC industry's foremost servicing and technology leader. Your investment has brought you over 110 years of Carrier innovation and with it our extraordinary culture of values and ethics. No one knows more about air conditioning than we do.

- 22) In addition to the general narrative of equipment/products and related services requested in Form P, question 7, describe in detail what is included within your response in terms of installation, maintenance, and turn-key services.

With the largest "factory owned" HVAC service organization in the U.S. and over 400 domestic parts outlets, Carrier becomes uniquely qualified to deal with any HVAC need from the installation to service to replacement. Each of our sales and service locations deals with retail facilities every day. They are knowledgeable of all aspects of HVAC indoor air quality, environmental and hazardous waste related issues. They are well equipped to provide facility HVAC total system solutions, including: system analysis, improvement recommendations, engineering design, project financing solutions, turnkey project management and installation services, equipment/system commissioning, warranty support, maintenance and repair services. Carrier is positioned, and committed, with personnel resources across the U.S. to support any type or size customer, for any number of individual locations.

23) Which industry-specific quality management system certifications (if any) does your company hold? You may also include applicable ISO certifications in your answer.

Key certifications held by Carrier Corp include ISO 9001:2000, cULus listed (UL 1995), (UL compliant for both U.S. and Canada), GAMA listed (gas-fired equipment), ASHRAE, ARI certified, and ETL, in addition to Carrier's own ACE (Achieving Competitive Excellence) quality program.

Signature: _____



Date: _____

3-7-17

Attachment 3



**CONTRACT NUMBER: 4600002664
(NJPA Contract # 030817 – CAR)
FOR
HVAC MAINTENANCE AND REPAIR SERVICES
SERVICES AT IEUA**

THIS CONTRACT (the "Contract"), is made and entered into this ____ day of _____, 2018__, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency" or "IEUA"), and Carrier Commercial Service with an office located in the City of Industry, CA existing in Los Angeles County (hereinafter referred to as "Contractor"), for provision of HVAC maintenance and repair Services.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. **AGENCY PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

Project Manager: Dan Erro
Inland Empire Utilities Agency
Address: 6075 Kimball Avenue
Chino, CA 91708
Telephone: (909) 993-1600
Facsimile:
Email: derro@ieua.org
Cell: (909) 229-2730

2. **CONTRACTOR ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Contractor: Joel Martinez
Carrier Commercial Service
Address: 2478 Peck Road
City of Industry, CA 90601
Telephone: (800) 942-1844
Facsimile: (860) 660-6338
Email: joel.martinez@carrier.utc.com
Cell: (818) 652-9184

3. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions the governing order of precedence shall be as follows:
1. Amendments to Contract Number 4600002664.
 2. Contract Number 4600002664 General Terms and Conditions including Exhibit A – Statement of Work and Attachment A – List of Equipment
 3. NJPA Contract Number 030817-CAR
 4. Contractor's Proposal dated November 8, 2018
4. SCOPE OF WORK AND SERVICES: Contractor services and responsibilities shall include and be in accordance with the following:
- A. Agency Scope of Work and Technical Specifications, Exhibit A
- B. Method of Inspection:
1. Work performed under this Contract may be required to undergo monthly, weekly, or daily inspections.
 2. The Project Manager will be responsible for performance of the inspections.
 3. If Contractor fails an inspection, the Project Manager will be responsible for providing a written notice to the Contractor explaining the error and a determination of the urgency for the correction of the error (herein referred to as a "Cure Notice").
- C. Cure Procedure:
1. For a Cure Notice deemed by the Agency to be **urgent**, Contractor shall correct any error of the Work within three (03) calendar days after Contractor's receipt of a Cure Notice, as directed by the Project Manager.
 2. For a Cure Notice deemed by the Agency to be **important**, Contractor shall correct any error of the Work within ten (10) calendar days after Contractor's receipt of a Cure Notice, as directed by the Project Manager.
 3. If the Project Manager rejects all, or any part of, the Work as unacceptable and agreement to correct such Work cannot be reached without modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and the reason(s) for the Contractor's position. Any dispute that cannot be resolved between the

Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.

- D. The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions, and other alterations to any or all of the Work. However, such changes shall only be made via written amendment to this Contract. The Contract compensation and Schedule of Work and Services shall be equitably adjusted, if required, to account for such changes and shall be set forth within the mutually approved Contract Amendment.
5. TERM: The term of this Contract shall extend from January 01, 2019 and terminate December 31, 2021, or until services are completed whichever occurs first, unless agreed upon by both parties, reduced to writing, and amended to this Contract. This contract may be extended for a total of Thirty-Six (36) months in three (3) twelve (12) month increments for a total of five (5) years.
6. PAYMENT, INVOICING, AND COMPENSATION:
- A. The Contractor may submit an invoice not more than once per month during the term of this Contract to the Agency's Accounts Payable Department. Agency shall pay Contractor's properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice. **The Total Not-To-Exceed amount is \$750,000.00.**
- B. Contractor's invoices shall be formulated consistent with the below-listed sites
- Administrative Headquarters
 - Carbon Canyon
 - RP - 1
 - RP - 2
 - RP - 4
 - RP - 5
- C. Additionally, to qualify for payment, the Contractor shall prominently display, on the first page of the invoice, both:
1. The Contract Number – 4600002664, and;
 2. The Contract Release Purchase Order Number – TBD

If Contractor submits invoice by email, such invoice shall be submitted as follows:

APGroup@ieua.org
Scan the invoice as a PDF file.
Attach the scanned file to an email.

If Contractor submits invoice by mail, such invoice shall be submitted as follows:

Inland Empire Utilities Agency
Re: Contract Number: 4600002664
P.O. Box 9020
Chino Hills, CA 91709

- D. Concurrent with the submittal of the original invoice to the Agency's Accounts Payable Department, the Contractor shall forward (mail, fax, or email) a copy of the invoice to the designated Project Manager, identified in Section 1, on Page 1 of this Contract.
 - E. No Additional Compensation: Nothing set forth in this Contract shall be interpreted to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required by the Contract, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract, as approved by the Project Manager.
 - F. Contractor may request taking advantage of the Agency's practice of offering an expedited payment protocol to a Contractor who has proposed accepting an invoice amount reduction in exchange for early payment.
7. **CONTROL OF THE WORK:** The Contractor shall perform the Work in compliance with the Schedule of Work and Services. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Schedule of Work and Services as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Schedule of Work and Services.
8. **PRICE ADJUSTMENT:** In the event the Agency exercises any of the Contract extensions provided for in Section E above, the pricing for said extension shall be calculated as follows:

Commencing on January 1, 2019 and continuing on each January 1 thereafter, those prices provided for in the Proposed Price Schedule of this Request for Proposal shall be adjusted plus or minus by a sum equal to the percentage change in the Consumer Price Index (CPI) for All Urban Consumers, in the Los Angeles-Anaheim-Riverside,

California index area as provided for in this section. The bases for computing the adjustment to those prices provided for in the Proposed Price Schedule of this Request for Proposal shall be the percentage change for the twelve month period from January to January, starting with the period of January 2019 to January 2020, and continuing every twelve months thereafter. Despite any changes in the CPI for any given twelve month adjustment period, adjustments to those prices as provided for in the Proposed Price Schedule of this Request for Proposal shall increase or decrease more than 3 percent during any single twelve month adjustment period.

In the event the CPI is changed so that the base period differs from 1982-84=100, then the index applied as provided for above shall be corrected in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, or their successor. If the CPI is discontinued or revised, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would have obtained if the CPI had not been discontinued or revised.

9. **INSURANCE:** During the term of this Contract, the Contractor shall maintain, at Contractor's sole expense, the following insurance.

A. **Minimum Scope of Insurance:** Coverage shall be at least as broad as:

1. **Commercial General Liability ("CGL"):** Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions):** Insurance appropriate to the Contractor's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- C. Other Insurance Provisions: The insurance policies are to contain, or be endorsed to contain, the following provisions:
1. Commercial General Liability and Automobile Liability Coverage
 - a. Additional Insured Status: The Agency, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment supplied in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85; or **by either** CG 20 10, CG 20 26, CG 20 33, or CG 20 38 **and** CG 20 37 forms if later revisions are used).
 - b. Primary Coverage: The Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract with the Agency shall be excess of the Contractor's insurance and shall not contribute with it.
 - c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
 - d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.
 2. Workers' Compensation and Employers Liability Coverage

Contractor hereby grants to Agency a waiver of any right to subrogation which any insurer of the Contractor may acquire against the Agency by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Agency pursuant to Section 14, page 12 of this Contract.

- D. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Contractor shall provide the Agency with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Agency before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- F. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency
Attn: Angela Witte
P.O. Box 9020
Chino Hills, CA 91709

10. FITNESS FOR DUTY:

- A. Fitness: Contractor and its Subcontractor personnel on the Jobsite:
1. Shall report to work in a manner fit to do their job;
 2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled

substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and

3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of the Agency.

B. Compliance: Contractor shall advise all personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Contractor shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Contractor violates these Fitness for Duty Requirements.

11. LEGAL RELATIONS AND RESPONSIBILITIES:

A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.

B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of providing the services described herein, and is not an employee of the Agency.

C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor, its employees, or subcontractors.

D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager and shall comply with State of California, Department of Industrial Relations, SB 854 requirements.

E. Grant Funded Projects: This is/is not a grant funded project.

F. Hours of Labor: The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1815 relating to working hours. The

Contractor shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the completion of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.

- G. Travel and Subsistence Pay: The Contractor shall make payment to each worker for travel and subsistence payments which are needed to complete the work and/or service, as such travel and subsistence payments are defined in an applicable collective bargaining agreements with the worker.
- H. Liens: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment provided to Contractor on account of said services to be rendered or said materials to be provided under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- I. Indemnification: Contractor shall indemnify the Agency, its directors, employees, and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of, or are related to, the negligence, recklessness or willful misconduct of the Contractor, its directors, employees, agents, and assigns, in the performance of work under this contract.
- J. Conflict of Interest: No official of the Agency, who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- K. Equal Opportunity: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination.
- L. Disputes:
 - 1. All disputes arising out of or in relation to this Contract shall be resolved in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of a dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit

all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et seq., or their successor.

2. Any and all disputes prior to the work starting shall be subject to resolution by the Agency's Project Manager; and the Contractor shall comply, with the Agency Project Manager instructions. If the Contractor is not satisfied with the resolution directed by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written directive of the Project Manager's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Project Manager's resolution. The Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of the protest-related documents. The General Manager shall make his or her determination with respect to each protest filed with the Project Manager within ten (10) calendar days after receipt of the protest-related documents. If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.
3. In the event of arbitration, the parties to this contract agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.
 - b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
 - c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an

Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

4. **Association in Mediation/Arbitration:** The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such association shall be initiated by written notice from the Agency's representative to the Contractor.

- M. **Workers' Legal Status:** For performance against this Contract, Contractor shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

- N. **Prevailing Wage Requirements:** Pursuant to Section 1770 and following, of the California Labor Code, the Contractor shall not pay less than the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work contemplated under the Contract. The Contractor or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor.

- O. Contractor shall provide with their invoice certified payroll verifying that Contractor has paid prevailing wage requirements as stipulated in SB-854 (<http://www.dir.ca.gov/DIRNews/2014/2014-55.pdf>).

12. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any, and all, partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver them to the Agency whenever requested to do so by the Project

Manager and/or Agency representative. The Contractor agrees that all documents shall not be made available to any individual or organization, private or public, without the prior written consent of an Agency representative.

13. TITLE AND RISK OF LOSS:

- A. Documentation: Title to the Documentation shall pass to the Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display, or disclose the contents of the Documentation to others without the prior written authorization of the Agency or for the performance of Work related to the Scope of Work described in this Contract.
- B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to the Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.
- C. Disposition: Contractor shall dispose of items to which the Agency has title as directed, in writing, by the Project Manager and/or an Agency representative.

14. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
 - 1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.
 - 2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work, or are necessary for Agency to have complete control of the Work, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and grant sublicenses to others with respect to the Work.

3. If the Work includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy, or dispose of any or all of the Work; and to grant sublicenses to others with respect to the Work. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.
 4. Contractor's intellectual property includes, but is not limited to, pre-existing methodologies, processes, techniques, ideas, concepts, trade secrets, trade secrets and know-how including, but not limited to, patent, copyright, trademark and other intellectual property rights, including derivatives thereto. The parties acknowledge that performance of this Agreement will not result in any transfer of Contractor's or others' Proprietary Rights, nor in the discovery, creation or development of drawings, designs, combinations, machines, methods, formulae, techniques, processes, improvements, derivatives, software designs, computer programs, strategies, patents, copyrights, trademarks, customer specific know-how, data and original works of authorship ("Work Product"). The parties acknowledge Contractor's intellectual property may not be distributed or licensed for use by others, and may not be used by the Agency on other projects".
15. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green
Manager of Contracts and Procurement
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, CA 91709

Contractor: Joel Martinez
Carrier Commercial Services
2478 Peck Road
City of Industry, CA 90601

Any notice given pursuant to this section shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission through the United States Postal Service.

16. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall take effect to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. No assignment of the

duties or benefits of the Contractor under this Contract may be assigned, transferred, or otherwise disposed of, without the prior written consent of the Agency; and any such purported or attempted assignment, transfer, or disposal without the prior written consent of the Agency shall be null, void, and of no legal effect whatsoever.

17. PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to this work. In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, in any action or proceeding arising under the Public Records Act.
18. RIGHT TO AUDIT: The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to the Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
19. INTEGRATION: The Contract Documents represent the entire Contract made and entered into by and between the Agency and the Contractor as to those matters contained in this contract. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered, or amended except by written mutual agreement by the Agency and the Contractor.
20. GOVERNING LAW: This Contract is to be governed by and constructed in accordance with the laws of the State of California, in the County of San Bernardino.
21. TERMINATION FOR CONVENIENCE: The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination, as approved by the Project Manager.
22. FORCE MAJEURE: Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.

23. LIQUIDATED DAMAGES: There are no liquidated damages.
24. NOTICE TO PROCEED: No services shall be performed or provided under this Contract unless and until this document has been properly signed by all responsible parties and a notice to proceed has been issued to the Contractor by the Project Manager.
25. AUTHORITY TO EXECUTE CONTRACT: The Signatories, below, each represent, warrant, and covenant that they have the full authority and right to enter into this Contract on behalf of the separate entities shown below.
26. DELIVERY OF DOCUMENTS: The Parties to this Contract and the individuals named to facilitate the realization of its intent, with the execution of the Contract, authorize the delivery of documents via facsimile, via email, and via portable document format (PDF) and covenant agreement to be bound by such electronic versions.

The parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:
**A MUNICIPAL WATER DISTRICT*

Carrier Commercial Services:

 Halla Razak
 General Manager

 (Date)

 Joel Martinez
 General Manager

 (Date)

**ACTION
ITEM
1E**



Date: December 19, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

HHR

Committee: Engineering, Operations & Water Resources

12/12/18

Executive Contact: Randy Lee, Executive Manager of Operations/AGM

Subject: Master Services Contract Amendment for Superior Electric Motor Service, Inc.

Executive Summary:

Equipment reliability is critical for the safe, compliant, and efficient operations of Agency facilities. To provide the required reliability, the Maintenance Department (MD) routinely sends out motors to a local shop for rebuild and repairs. These motors drive pumps, blowers, compressors, mixers, and other rotating equipment throughout the facilities. The Agency is currently under contract with Superior Electric Motor Service, Inc. (Superior) to provide motor rebuild and repair since 2015 through a competitive bid process. Staff has been satisfied with their service and has exercised the option to increase the contract amount and extend the services contract through June 30, 2019.

Since the beginning of the contract, the Agency has utilized Superior to rebuild more motors than it was first anticipated. As the MD reprioritized the preventive maintenance program and reinitiated the condition-based motoring (CBM) program, it is pro-actively monitoring motor conditions and preventing catastrophic motor failures. This effort reduces overall cost from purchasing replacement motors, damage to associated equipment, staff overtime, and equipment downtime. When MD staff determines a motor rebuild is necessary through CBM, the effort is planned and coordinated with Operations and Superior. Due to this pro-active approach, the contract requires an additional \$150,000, with a new not-to-exceed amount of \$670,000.

Staff's Recommendation:

1. Amend and increase the not-to-exceed amount of Contract No. 4600001868 to Superior Electric Motor Service, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of \$670,000 over the existing three-year period with a one-year option to extend; and
2. Authorize the General Manager to execute the amendment to the services contract.

Budget Impact *Budgeted (Y/N): Y* *Amendment (Y/N): Y* *Amount for Requested Approval:*

Account/Project Name:

Regional Operations and Maintenance (RO), Recycled Water (WC), and Non-Reclaimable Wastewater (NC) Funds, Professional Fees and Services Budget.

Fiscal Impact (explain if not budgeted):

Prior Board Action:

1. May 20, 2015 - Awarded Contract No. 4600001868 to Superior Electric Motor Service, Inc.
 2. March 15, 2017 - Approved amendment to Contract No. 4600001868 for an aggregate not-to-exceed amount of \$440,000.
 3. August 6, 2018 and October 15, 2018 - As allowed per Procurement Ordinance 101, Amendment #003 and #004 to Contract No. 4600001868 for a not-to exceed amount of \$480,000 and \$520,000 respectively were approved by the Manager of Contracts.
-

Environmental Determination:

Statutory Exemption

CEQA exempts a variety of projects from compliance with the statute. This amendment qualifies for a Statutory Exemption as defined in Section 15262 of the State CEQA Guidelines. When the project is implemented, it will be subject to environmental evaluation.

Business Goal:

IEUA is committed to safeguarding the Agency's fiscal health to effectively support short term and long term needs, while providing the best value for our customers.

Attachments:

Attachment 1 - Contract 4600001868 Amendment #005

Attachment 1



Inland Empire Utilities Agency
 A MUNICIPAL WATER DISTRICT

CONTRACT AMENDMENT NUMBER: 4600001868-005
TO
MASTER CONTRACT NUMBER 4600001868
FOR PROVISION OF
AS-NEEDED MECHANICAL EQUIPMENT REPAIR SERVICES

THIS AMENDMENT, Number 4600001868-005, to Contract Number 4600001868 between the Inland Empire Utilities Agency and Superior Electric Motor Service, Inc., of Los Angeles, California, for as - needed provision of mechanical equipment repair services, revises the Contract as follows:

Within the last paragraph of **Article 6, PAYMENT, INVOICING, AND COMPENSATION**, replace the existing call-out of this Contract's "total-aggregate price not-to-exceed \$520,000.00 with the superseding call-out of **"total aggregate price not-to-exceed \$670,000.00."** (This action represents a \$150,000.00 incremental increase to the not-to-exceed price limit of this Contract.)

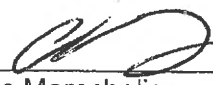
ALL OTHER PROVISIONS OF CONTRACT NUMBER 4600001868 REMAIN UNCHANGED.

WITNESSETH, that the parties hereto have mutually covenanted and agreed as per the above amendment item(s), and in doing so have caused this document to become incorporated into the Contract Documents.

INLAND EMPIRE UTILITIES AGENCY: SUPERIOR ELECTRIC MOTOR SERVICE, Inc:

 Halla Razak
 General Manager

(Date)



 Chris Marachelian
 Vice President

11/13/18
 (Date)

**ACTION
ITEM
1F**



Date: December 19, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

HHR

Committee: Engineering, Operations & Water Resources

12/12/18

Executive Contact: Randy Lee, Executive Manager of Operations/AGM

Subject: Purchase of New Vehicles

Executive Summary:

The Agency's 111 fleet vehicles and rolling equipment are required for staff to conduct Agency-related business. To ensure Agency employee safety, fleet reliability, and the timely phase-in of replacement vehicles, the Agency's vehicle policy provides (as a guideline) for the replacement of vehicles after ten years or 100,000 miles of service. In accordance with this policy, staff has recommended that 13 Agency vehicles be replaced. The vehicles proposed to be replaced are mostly utility trucks and are between 12 to 16 years old.

The Agency has elected to participate in the national cooperative contract purchasing program with Sourcewell (formerly the National Joint Powers Alliance (NJPA)) for the National Auto Fleet Group that will provide the Agency the best overall supplier government pricing.

Staff's Recommendation:

1. Authorize the purchase of 13 new fleet vehicles from National Auto Fleet Group for a not-to-exceed amount of \$500,000 (including tax and delivery); and
2. Authorize the General Manager to execute the purchase.

Budget Impact *Budgeted* (Y/N): Y *Amendment* (Y/N): N *Amount for Requested Approval:*

Account/Project Name:

Project No. EP19004 Agency Wide Vehicle Replacement.

Fiscal Impact (explain if not budgeted):

Prior Board Action:

March 21, 2018 Board approved the purchase of 13 new fleet vehicles from National Auto Fleet Group for a not-to-exceed amount of \$500,000.

June 21, 2017 Board approved Project EP18004 Agency-wide Vehicle Replacement authorizing the purchase of replacement Agency vehicles through the standard procurement process.

Environmental Determination:

Not Applicable

Business Goal:

The purchase of the new vehicles aligns with the Agency's environmental stewardship goal to enhance and promote environmental sustainability.

Attachments:

Attachment 1: PowerPoint

Attachment 1: Sourcewell's National Auto Fleet Group agreement

Attachment 1

Purchase of New Vehicles

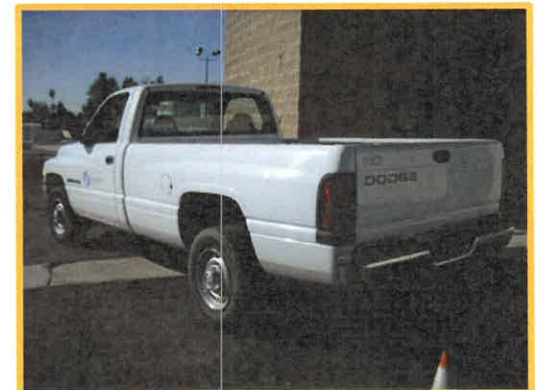


Agency Fleet

- Fleet vehicles are required for staff to conduct Agency-related business
- Vehicles proposed to be replaced are 12 to 16 years old
 - 13 vehicles (F150 / F250 / Van / SUV)

Current Fleet Inventory

Vehicles (Type)	Sedans	SUV	Trucks	Van	Total
Total # of each	9	7	87	8	111



Sourcewell

- Participating in the national cooperative contract purchasing program
 - National Auto Fleet Group
 - Best overall supplier government pricing
 - Overall reduction of 20% to 25% in price
- Formerly National Joint Powers Alliance



Recommendation

- Authorize the purchase of 13 new fleet vehicles from National Auto Fleet Group for a not-to-exceed amount of \$500,000 (including tax and delivery); and
- Authorize the General Manager to execute the purchase.

The purchase of the new vehicles aligns with the Agency's environmental stewardship goal to enhance and promote environmental sustainability.



Attachment 2

Form C


**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**



Company Name: 72 Hoot LLC, DBA National Auto Fleet Group

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA or included in the final contract. NJPA will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS
N/A		None taken	

Proposer's Signature: 

Date: 12-5-16

NJPA's clarification on exceptions listed above:



Contract Award
RFP #120716

FORM D



Formal Offering of Proposal
(To be completed only by the Proposer)

VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES

In compliance with the Request for Proposal (RFP) for VEHICLES, CARS, VANS, SUVs, AND LIGHT TRUCKS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

72 HOCH LLC, DBA
Company Name: NATIONAL AUTO FLEET GROUP Date: 12-5-16
Company Address: 490 AUTO CENTER DRIVE
City: WATSONVILLE State: CA Zip: 95076
Contact Person: JESSE COOPER Title: FLEET MANAGER
Authorized Signature: [Signature] JESSE COOPER
(Name printed or typed)

FORM E
CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by NJPA if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

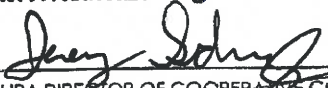
NJPA Contract #: 120716-NAF

Proposer's full legal name: 72 Hour LLC, dba National Auto Fleet Group

Based on NJPA's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by NJPA.

The effective date of the Contract will be January 17, 2017 and will expire on January 17, 2021 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the NJPA Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at NJPA's discretion.

NJPA Authorized Signatures:


NJPA DIRECTOR OF COOPERATIVE CONTRACTS
AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)


NJPA EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coquette
(NAME PRINTED OR TYPED)

Awarded on January 16, 2017

NJPA Contract # 120716-NAF

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name 72 Hour LLC, National Auto Fleet Group

Authorized Signatory's Title Fleet Manager


VENDOR AUTHORIZED SIGNATURE

Jesse Colette
(NAME PRINTED OR TYPED)

Executed on 1-16, 2017

NJPA Contract # 120716-NAF

PROPOSER ASSURANCE OF COMPLIANCE



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to NJPA members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of NJPA, or any person, firm, or corporation under contract with NJPA, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to NJPA Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to NJPA Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to NJPA Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that NJPA will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify NJPA for reasonable measures that NJPA takes to uphold such a data designation.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: 72 HOOT LLC, DBA NATIONAL AUTO FLEET GROUP

Address: 490 AUTO CENTER DRIVE

City/State/Zip: WATSONVILLE, CA 95076

Telephone Number: 855-789-6572

E-mail Address: JCOOPER@NATIONALAUTOFLEETGROUP.COM

Authorized Signature: *Jesse Cooper*

Authorized Name (printed): JESSE COOPER

Title: FLEET MANAGER

Date: 12-2-16

Notarized

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Subscribed and sworn to before me this 2 day of December, 2016

Notary Public in and for the County of Los Angeles State of California

My commission expires: July 30, 2019

Signature: *[Signature]*





Form P

PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Proposer Name: National Auto Fleet Group _____

Questionnaire completed by: Jesse Cooper _____

Payment Terms and Financing Options

1) What are your payment terms (e.g., net 10, net 30)?

Net 30

2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?

Absolutely. We provide both municipal financing and municipal leasing available to all NJPA members in every state. We use National Cooperative Leasing, Diversified Leasing and NAFG Provided leasing options to all NJPA Members.

3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to NJPA. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the NJPA Members' purchase orders.

There are two methods. One is the electronic ordering process, where the member logs into our website located at www.nationalautofleetgroup.com, builds their desired vehicle to their specifications, and then electronically sends us a purchase order. The vehicle is delivered directly to the user's specified end-user address, then we FedEx the customer all the appropriate documentations.

The other method, should the customer not be comfortable with internet or the use of our website, is where the member calls our toll-free number at 1-855-289-6572 and is greeted by one of our sales associates, who then creates a quotation based on the customer's needs and either emails, faxes, or physically mails it to the customer. The customer then sends us a purchase order. We then process the purchase order and deliver the vehicle to the customer's specified location.

We have reported directly to NJPA for the last 22 consecutive quarters.

4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to NJPA Members for using this process?

Yes, we do accept the P-card procurement and payment process, and there is no additional cost for using it.

Warranty

- 5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.
- Do your warranties cover all products, parts, and labor?
 - Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
 - Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
 - Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will NJPA Members in these regions be provided service for warranty repair?
 - Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?
 - What are your proposed exchange and return programs and policies?

The manufacturer's warranties are all written between the manufacturer and the NJPA member. Therefore, should a warranty repair be required, the member merely needs to take the vehicle to the closest manufacturer franchise (i.e. Ford, Toyota etc.) If the vehicle is not drivable, the customer can notify us through our toll-free number at 1-855-289-6572 and we will have it towed to the nearest facility. All this is done at no cost to the member. There are no conditions to qualify. Any new vehicle qualifies. The manufacturer's warranty does include labor and parts. Other than abuse, there are no restrictions or limitations that affect coverage. All warranty repairs are done in the manufacturer's facilities, thus there is no travel time for technicians. Warranty repairs are all performed in all 50 states, regardless of location. Any after-market accessories installed under our contract are covered by the written warranty for both parts and labor for the after-market installer, who provided them. There is no return policy. If a vehicle is no longer needed by the member, a 25% restocking charge can be imposed.

- 6) Describe any service contract options for the items included in your proposal.

We offer a multitude of service contracts and extended warranties, running all the way up to 250,000 miles. The cost, term, and coverage are determined by the mileage and term. Contact us directly for a quote.

Pricing, Delivery, Audits, and Administrative Fee

- 7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

All of our pricing, by manufacturer, is listed in the attached books 1-18, outlined in our price summary along with our after market equipment categories.

- 8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the NJPA discounted price) on all of the items that you want NJPA to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

Utilizing a Percentage Off MSRP / LIST method, NAFG can offer NJPA members discounts ranging from 25.86% down to 1% across the 15 manufacturers depending on model. Please

see Tab 2 as well as Attachment Book 2-18 for "Pricing." We detail the addition of All Factory Options and After Market Equipment.

- 9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

The percentage will vary on the very same product from state to state as the discount structure passed onto us by the manufacturers can vary from state to state. Therefore, we have included in the 18 attachment A's / Books the exact manufacturer's list price and our price side by side. This fixed pricing makes it easy to do price validations. In addition, all factory installed options can be added at factory invoice + 3% and all after-market accessories are offered at the up fitter's municipal pricing level which varies from 1-30% off of retail prices.

All of our pricing is based on 2017 year model. Any subsequent year model in the contract will be a maximum of 3% more + any required governmental, safety, emissions requirement as mandated by the federal or Canadian government.

- 10) The pricing offered in this proposal is

- a. the same as the Proposer typically offers to an individual municipality, university, or school district.
- b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- d. other than what the Proposer typically offers (please describe).

Our bid price is the most competitive price on the marketplace. It is far lower than any individual or other cooperatives have available to them. We leverage our entire company-wide purchasing power to the benefit to the NJPA member. Last year alone, company-wide, we delivered over 34,000 vehicles, which is the driving force that allows us to obtain deep discounts from all original equipment manufacturers and deliver the savings to the NJPA member. We don't think any other vendor can do that.

- 11) Describe any quantity or volume discounts or rebate programs that you offer.

They are all included in our bid price.

- 12) Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.

Included in our bid are the base prices for all vehicles. Factory options can be added at +10%. All sourced goods are offered at the up fitter's municipal pricing level which varies from 1-30% off of retail prices.

- 13) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.

There are no hidden or undisclosed costs in our proposal. All costs are legitimate and fully disclosed to the NJPA member.

- 14) If delivery or shipping is an additional cost to the NJPA Member, describe in detail the complete shipping and delivery program.

There is no additional cost. All shipping is included in the original quote to the member.

- 15) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Shipping to Alaska or Hawaii can be one of two ways. Either from the assembly point directly to the franchise dealer in Alaska or Hawaii, or if the NJPA member requires a lower 48 state specialized body installation, then freight is calculated from the Port of Long Beach, Port of Los Angeles, or the Port of Seattle, Washington. It is included in the original NJPA member quote.

- 16) Describe any unique distribution and/or delivery methods or options offered in your proposal.

To us, these are not unique. We have been doing this for years, and we continue to do this every day. Our competitors do not have that advantage.

- 17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with NJPA. This process includes ensuring that NJPA Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to NJPA.

We have an in-house financial administrator who monitors that on a daily basis. In addition, we bring in twice a year, Polmaris and Associates (an independent certified public accountant from Sacramento, California) to review all payments and disbursements.

- 18) Identify a proposed administrative fee that you will pay to NJPA for facilitating, managing, and promoting the NJPA Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See RFP Section 6.29 and following for details.)

- 1) 1% of the unit price is up to \$700.00 other than "related equipment" pass through items
- 2) Total amount in any 12-month period will not exceed \$4,500,000.00 in Administration Fees
- 3) NAFG reserves the right to waive all or in part the Admin Fee when faced with a large county of State competition and or faced with unusable circumstances.

Industry-Specific Questions

- 19) Identify any features in your response that are different from your standard vehicle offering or that are unique to your proposal.

Our proposal is unique primarily in the fact that we are the only ones that have the order to deliver online system available exclusively for your members. None of the other bids you are reviewing today can state that.

- 20) Demonstrate your processes to handle vehicles on order with NJPA members that are subject to a recall or that have open service campaigns.

Our staff keeps a running list of open recalls by manufacturer. We cross check it on a weekly basis to try and ensure that none of your members receive a vehicle with an open our outstanding recall or campaign.

- 21) Demonstrate your NJPA member communication processes from P.O. generation to the delivery of vehicle in order to meet member expectations.

After the PO is issued to NAFG we send our client an order confirmation with an estimated time of arrival for the purchase. We give members the option of how frequently they would like updates on their vehicles, as well as communicating any complications along the way. Our staff communicates through any form that customers feel comfortable with, whether it is faxes, calls, or emails. When the vehicle is ready to be delivered, we give the customers advance notice to ensure they are ready to receive the vehicle. All vehicle paperwork documents are sent out via UPS, and tracking numbers are provided to the client.

Signature: _____



Date: _____

12-6-16

**ACTION
ITEM
1G**



Date: December 19, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager ^{HR}

Committee: Engineering, Operations & Water Resources

12/12/18

Executive Contact: Randy Lee, Executive Manager of Operations/AGM

Subject: Contract Award for Regional Water Recycling Plant No. 1 Interior/Exterior Buildings and Structures Painting.

Executive Summary:

The Agency owns numerous buildings and structures throughout our facilities that require protective coatings. Every five years these facilities and process areas require repainting to preserve aesthetics and prevent damage from environmental exposure. On October 10, 2018, a competitive Request for Proposal (RFP-SM-18-023) was issued to 46 prospective contractors through the PlanetBids Network to provide painting services at Regional Water Recycling Plant No. 1 (RP-1). This includes exterior painting to 38 building/structures and interior painting to two administrative buildings. Out of 15 potential contractors who participated in the mandatory job-walk, nine submitted proposals. The lowest, most comprehensive, and best value proposal was determined to be Tony Painting. They had the lowest bid, have been contracted with the Agency for three years performing similar work and continue to meet all Agency expectations.

The RP-1 Interior/Exterior Buildings and Structures Painting Contract No. 4600002659 to Tony Painting will be for a not-to-exceed amount of \$139,350.

Staff's Recommendation:

1. Award a service contract for the RP-1 interior/exterior buildings and structures painting to Tony Painting, for a not-to-exceed amount of \$139,350; and
2. Authorize the General Manager to execute the service contract.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

Funds from Project No. FM19001, Agency Wide Roofing are not required for this fiscal year. These funds will be absorbed for the RP-1 Interior/Exterior Buildings and Structures Painting Project.

Fiscal Impact (explain if not budgeted):

Prior Board Action:

July 18, 2018 - Contract Award for Regional Water Recycling Plant No. 4 Process Painting.

August 16, 2017 - Contract Award for Process Painting for Regional Water Recycling Plant No. 5 (RP-5).

Environmental Determination:

Statutory Exemption

The project is statutorily exempt on the CEQA General Rule found in Section 15061(b)(3) of the State CEQA Guidelines.

Business Goal:

Asset Management - IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

Attachments:

Attachment 1 - PowerPoint

Attachment 2 - Contract No. 4600002659 to Tony Painting

Attachment 1

Contract Award for RP-1 Interior/Exterior Buildings and Structures Painting



Project Scope

- Facilities require repainting to preserve the aesthetics and functionality.
- Painting requirements will be evaluated every five years
- Paint 38 buildings/structures exteriors, metal roof, exterior doors, roll-up doors, etc.
- Paint two building interiors areas, offices, and rooms



Westside of Cucamonga Creek Channel
Admin/Lab Building letter "A"



Westside of Cucamonga Creek Channel
Admin/Lab Building letter "A"

Contractor Selection

Nine proposals were received on October 30, 2018:

Bidder's Name	Total
Tony Painting, Inc.	\$ 139,350
Anemos Enterprises, Inc.	\$ 160,000
Polychrome	\$ 196,000
Astro Painting Company, Inc.	\$ 229,700
AJ Fistes Corporation	\$ 249,060
ISR Painting & Wallcovering	\$ 310,000
CTG Construction, Inc.	\$ 412,000
Color New Company	\$ 421,000
Signature Painting, Inc.	\$ 430,000

Project Schedule

Project Milestone	Date
<i>Painting</i>	
Contract Award	December 2018
Completion	March 2019



Eastside of Cucamonga Creek Channel
Warehouse Building letter "R"



Recommendation

- Award a service contract for the RP-1 interior/exterior buildings and structures painting to Tony Painting for a not-to-exceed amount of \$139,350; and
- Authorize the General Manager to execute the service contract.

Asset Management – IEUA will ensure the regional sewer system and treatment facilities are well maintained, upgraded to meet evolving requirements, sustainably managed, and can accommodate changes in regional water use.

Attachment 2



CONTRACT NUMBER: 4600002659

FOR CONTRACTOR SERVICES

RP1 Interior/Exterior Buildings and Structures Painting

THIS CONTRACT (the "Contract"), is made and entered into this ____ day of _____, 2018, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency" or "IEUA"), and Tony Painting Inc., located in Garden Grove, CA (hereinafter referred to as "Contractor"), for RP1 Interior/Exterior Buildings and Structures Painting.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. AGENCY PROJECT MANAGER ASSIGNMENT: All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

Project Manager: Lucia Diaz

Address: 6075 Kimball Ave
CHINO, CA 92880

Telephone: (909) 993-1631

Facsimile: (909) 993-1987

Email: ldiaz@ieua.org

2. CONTRACTOR ASSIGNMENT: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Contractor: Tony Painting Inc.

Address: 7291 Garden Grove Blvd Suite A.
Garden Grove, CA 92841

Telephone: (714) 899-5303

Facsimile: (714) 899-5305

Email: tonypaintingsb@yahoo.com

3. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions the governing order of precedence shall be as follows:
1. Amendments to Contract Number 4600002659
 2. Contract Number 4600002659 General Terms and Conditions.
 3. Agency Request For Proposal RFP-SM-18-023
 4. Contractor's Bid dated October 22, 2018 Exhibit A and mathematical error calculation dated November 6, 2018
4. SCOPE OF WORK AND SERVICES: Contractor services and responsibilities shall include and be in accordance with the following:
- A. The Scope of Work and Technical Specifications in accordance with Exhibit A.
 - B. Contractor shall provide Agency with a Schedule of Work and Services, documenting the anticipated completion of the work within the time-frame set forth in Subsection 4.A., above. The Schedule of Work and Services will be prepared and submitted, to the Project Manager, for review and approval.
 - C. Method of Inspection:
 1. Work performed under this Contract may be required to undergo inspections.
 2. The Project Manager will be responsible for performance of the inspections.
 3. If Contractor fails an inspection, the Project Manager will be responsible for providing a written notice to the Contractor explaining the error and a determination of the urgency for the correction of the error (herein referred to as a "Cure Notice").
 - D. Cure Procedure:
 1. For a Cure Notice deemed by the Agency to be **urgent**, Contractor shall correct any error of the Work within 3 calendar days after Contractor's receipt of a Cure Notice, as directed by the Project Manager.
 2. For a Cure Notice deemed by the Agency to be **important**, Contractor shall correct any error of the Work within 10 calendar days after Contractor's receipt of a Cure Notice, as directed by the Project Manager.
 3. If the Project Manager rejects all, or any part of, the Work as unacceptable and agreement to correct such Work cannot be

reached without modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and the reason(s) for the Contractor's position. Any dispute that cannot be resolved between the Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.

E. The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions, and other alterations to any or all of the Work. However, such changes shall only be made via written amendment to this Contract. The Contract compensation and Schedule of Work and Services shall be equitably adjusted, if required, to account for such changes and shall be set forth within the mutually approved Contract Amendment.

5. TERM: The term of this Contract shall extend from date of Notice to Proceed, and terminate 03/31/2019 or until services are complete, whichever occurs first, unless agreed upon by both parties, reduced to writing, and amended to this Contract.

6. PAYMENT, INVOICING, AND COMPENSATION:

A. The Contractor may submit an invoice not more than once per month during the term of this Contract to the Agency's Accounts Payable Department. Agency shall pay Contractor's properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice.

B. As compensation for the Work performed under this Contract, Agency shall pay Contractor's monthly invoice, for a total contract price NOT-TO-EXCEED **\$139,350.00** for all services satisfactorily provided during the term of this Contract.

C. Additionally, to qualify for payment, the Contractor shall prominently display, on the first page of the invoice, both:

1. The Contract Number – 4600002659, and;
2. The Contract Release Purchase Order Number – TBD

If Contractor submits invoice by email, such invoice shall be submitted as follows:

APGroup@ieua.org
Scan the invoice as a PDF file.
Attach the scanned file to an email.

If Contractor submits invoice by mail, such invoice shall be submitted as follows:

Inland Empire Utilities Agency
Re: Contract Number: 4600002367
P.O. Box 9020
Chino Hills, CA 91709

- D. Concurrent with the submittal of the original invoice to the Agency's Accounts Payable Department, the Contractor shall forward (mail, fax, or email) a copy of the invoice to the designated Project Manager, identified in Section 1, on Page 1 of this Contract.
 - E. No Additional Compensation: Nothing set forth in this Contract shall be interpreted to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required by the Contract, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract, as approved by the Project Manager.
 - F. Contractor may request taking advantage of the Agency's practice of offering an expedited payment protocol to a Contractor who has proposed accepting an invoice amount reduction in exchange for early payment; (CONTRACTOR) has proposed, and the Agency has accepted, applying a (1%, 2%, or 5%) discount (invoice amount reduction) to monthly invoices in exchange for payment of all invoices within (20, 15, or 10) days, respectively, of the date the invoice is received at the Agency's APGroup@ieua.org email address.
7. CONTROL OF THE WORK: The Contractor shall perform the Work in compliance with the Schedule of Work and Services. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Schedule of Work and Services as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Schedule of Work and Services.
8. INSURANCE: During the term of this Contract, the Contractor shall maintain, at Contractor's sole expense, the following insurance.
- A. Minimum Scope of Insurance: Coverage shall be at least as broad as:
 - 1. Commercial General Liability ("CGL"): Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit

applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
 3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
 4. Payment Bond and Performance Bond: If Applicable, Shall be in a sum equal to the contract price. If the Performance Bond provides for a one-year warranty a separate Maintenance Bond is not necessary. Bonds shall be duly executed by a responsible corporate surety, authorized to issue such bonds in the State of California and secured through an authorized agent with an office in California.
- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- C. Other Insurance Provisions: The insurance policies are to contain, or be endorsed to contain, the following provisions:
1. Commercial General Liability and Automobile Liability Coverage
 - a. Additional Insured Status: The Agency, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment supplied in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85; or **by either** CG 20 10, CG 20 26, CG 20 33, or CG 20 38 **and** CG 20 37 forms if later revisions are used).

- b. Primary Coverage: The Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract with the Agency shall be excess of the Contractor's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

Contractor hereby grants to Agency a waiver of any right to subrogation which any insurer of the Contractor may acquire against the Agency by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Agency pursuant to Section 14, page 12 of this Contract.

- D. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Contractor shall provide the Agency with original certificates and amendatory endorsements or copies of the applicable policy

language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Agency before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

- F. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency
Attn: Angela Witte
P.O. Box 9020
Chino Hills, CA 91709

9. FITNESS FOR DUTY:

- A. Fitness: Contractor and its Subcontractor personnel on the Jobsite:

1. Shall report to work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of the Agency.

- B. Compliance: Contractor shall advise all personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Contractor shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Contractor violates these Fitness for Duty Requirements.

10. LEGAL RELATIONS AND RESPONSIBILITIES:

- A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.

- B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of providing the services described herein, and is not an employee of the Agency.
- C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor, its employees, or subcontractors.
- D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager and shall comply with State of California, Department of Industrial Relations, SB 854 requirements.
- E. Hours of Labor: The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1815 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit \$25.00 for each worker employed in the completion of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.
- F. Travel and Subsistence Pay: The Contractor shall make payment to each worker for travel and subsistence payments which are needed to complete the work and/or service, as such travel and subsistence payments are defined in an applicable collective bargaining agreements with the worker.
- G. Liens: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment provided to Contractor on account of said services to be rendered or said materials to be provided under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- H. Indemnification: Contractor shall indemnify the Agency, its directors, employees, and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of, or are related to, the

negligence, recklessness or willful misconduct of the Contractor, its directors, employees, agents, and assigns, in the performance of work under this contract.

- I. Conflict of Interest: No official of the Agency, who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.

- J. Equal Opportunity: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination.

- K. Disputes:
 1. All disputes arising out of or in relation to this Contract shall be resolved in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of a dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et seq., or their successor.

 2. Any and all disputes prior to the work starting shall be subject to resolution by the Agency's Project Manager; and the Contractor shall comply, with the Agency Project Manager instructions. If the Contractor is not satisfied with the resolution directed by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written directive of the Project Manager's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Project Manager's resolution. The Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of the protest-related documents. The General Manager shall make his or her determination with respect to each protest filed with the Project Manager within ten (10) calendar days after receipt of the protest-related documents. If Contractor is

not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties to this contract agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.
 - b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
 - c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.
4. Association in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such association shall be initiated by written notice from the Agency's representative to the Contractor.
- L. Workers' Legal Status: For performance against this Contract, Contractor shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

- M. Prevailing Wage Requirements: Pursuant to Section 1770 and following, of the California Labor Code, the Contractor shall not pay less than the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed and for each craft or type of worker needed to execute the work contemplated under the Contract. The Contractor or any subcontractor performing part of said work shall strictly adhere to all provisions of the Labor Code, including, but not limited to, minimum wages, work days, nondiscrimination, apprentices, maintenance and availability of accurate payroll records and any other matters required under all Federal, State and local laws related to labor.
- N. Contractor shall provide with their invoice certified payroll verifying that Contractor has paid prevailing wage requirements as stipulated in SB-854 (<http://www.dir.ca.gov/DIRNews/2014/2014-55.pdf>).
11. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: The Agency retains ownership of any, and all, partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver them to the Agency whenever requested to do so by the Project Manager and/or Agency representative. The Contractor agrees that all documents shall not be made available to any individual or organization, private or public, without the prior written consent of an Agency representative.
12. TITLE AND RISK OF LOSS:
- A. Documentation: Title to the Documentation shall pass to the Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display, or disclose the contents of the Documentation to others without the prior written authorization of the Agency or for the performance of Work related to the Scope of Work described in this Contract.
- B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to the Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.

- C. Disposition: Contractor shall dispose of items to which the Agency has title as directed, in writing, by the Project Manager and/or an Agency representative.

13. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:

1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.
2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work, or are necessary for Agency to have complete control of the Work, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and grant sublicenses to others with respect to the Work.
3. If the Work includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete control of the Work, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy, or dispose of any or all of the Work; and to grant sublicenses to others with respect to the Work. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

14. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green
Manager of Contracts and Procurement
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, CA 91709

Contractor: Ante Marijanovic
Tony Painting
7291 Garden Grove Blvd
Garden Grove, CA 92841

Any notice given pursuant to this section shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission through the United States Postal Service.

15. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall take effect to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. No assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred, or otherwise disposed of, without the prior written consent of the Agency; and any such purported or attempted assignment, transfer, or disposal without the prior written consent of the Agency shall be null, void, and of no legal effect whatsoever.
16. PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to this work. In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, in any action or proceeding arising under the Public Records Act.
17. RIGHT TO AUDIT: The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to the Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.
18. INTEGRATION: The Contract Documents represent the entire Contract made and entered into by and between the Agency and the Contractor as to those matters contained in this contract. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered, or amended except by written mutual agreement by the Agency and the Contractor.

19. GOVERNING LAW: This Contract is to be governed by and constructed in accordance with the laws of the State of California, in the County of San Bernardino.
20. TERMINATION FOR CONVENIENCE: The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination, as approved by the Project Manager.
21. FORCE MAJEURE: Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
22. NOTICE TO PROCEED: No services shall be performed or provided under this Contract unless and until this document has been properly signed by all responsible parties and a notice to proceed has been issued to the Contractor by the Project Manager.
23. AUTHORITY TO EXECUTE CONTRACT: The Signatories, below, each represent, warrant, and covenant that they have the full authority and right to enter into this Contract on behalf of the separate entities shown below.
24. DELIVERY OF DOCUMENTS: The Parties to this Contract and the individuals named to facilitate the realization of its intent, with the execution of the Contract, authorize the delivery of documents via facsimile, via email, and via portable document format (PDF) and covenant agreement to be bound by such electronic versions.

The parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:
**A MUNICIPAL WATER DISTRICT*

TONY PAINTING, INC:

 Halla Razak (Date)
 General Manager

 Ante Marijanovic (Date)
 President/CEO

**ACTION
ITEM
1H**

Date: December 19, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

Committee: Engineering, Operations & Water Resources

HR

12/12/18

Executive Contact: Randy Lee, Executive Manager of Operations/AGM

Subject: Contract Award for Bulk Supply of Aluminum Sulfate

Executive Summary:

Aluminum Sulfate is used during the wastewater treatment process to assist with coagulation of solids in the water prior to filtration. Coagulation of the solids causes the small particles to stick together resulting in larger particles that are easier to separate from the process stream. The addition of a coagulant prior to filtration is required per Title 22 regulation.

The current supply contract with Chemtrade Corporation, will expire on December 31, 2018.

Thatcher Company of California has proposed a price of \$336.64 per dry ton which is 3.5% more than the current contract price. Thatcher Company of California supplied our aluminum sulfate prior to Chemtrade and met all Agency expectations. Therefore, staff recommends that the Board approve the issuance of a two-year contract to Thatcher Company of California. Under the proposed contract, pricing will be fixed at the aforementioned rate for an initial two-year period. Three potential one-year options are also provided for under the contract, provided that both parties can reach mutual agreement on option pricing.

Staff's Recommendation:

1. Approve Contract No. 4600002660 to Thatcher Company of California, establishing a two-year contract for the supply of Aluminum Sulfate with options for three additional one-year extensions, for a potential contract term of five years; and
2. Authorize the General Manager to execute the contract with three potential contract extensions.

Budget Impact Budgeted (Y/N): Y Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

Aluminum Sulfate expenditures will be funded from fiscal year Regional Wastewater Operations and Maintenance chemical budget for each individual water recycling facility.

Fiscal Impact (explain if not budgeted):

Prior Board Action:

On November 16, 2016, the Board of Directors awarded a two-year contract to Chemtrade with options for three additional one-year extensions.

On October 19, 2011, the Board of Directors awarded a five-year contract to Thatcher Company of California.

Environmental Determination:

Not Applicable

Business Goal:

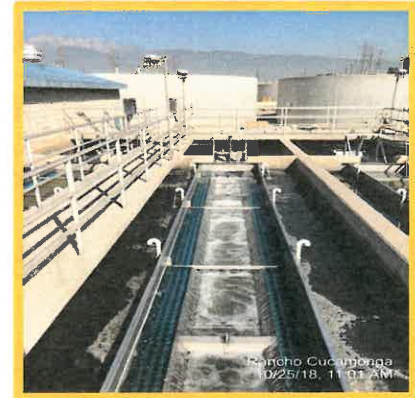
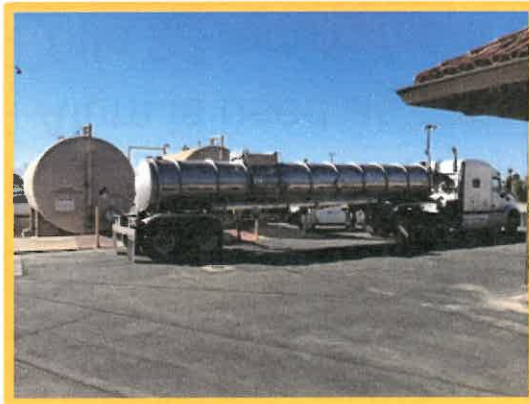
The contract supports the IEUA's Business Goal of Wastewater Management specifically the Water Quality Asset Management that IEUA will ensure that Agency systems are planned, constructed and managed to protect public health, the environment, and meet anticipated regulatory requirements.

Attachments:

Attachment 1 - Contract No. 4600002660

Attachment 1

Contract Award for Aluminum Sulfate



Filtration



- IEUA uses Aluminum Sulfate (Alum) to improve the efficiency of Tertiary filtration.
 - Alum is used as coagulation prior to Tertiary filtration.
 - Title 22 requirement for recycled water.
- The current contract expires in December 2018

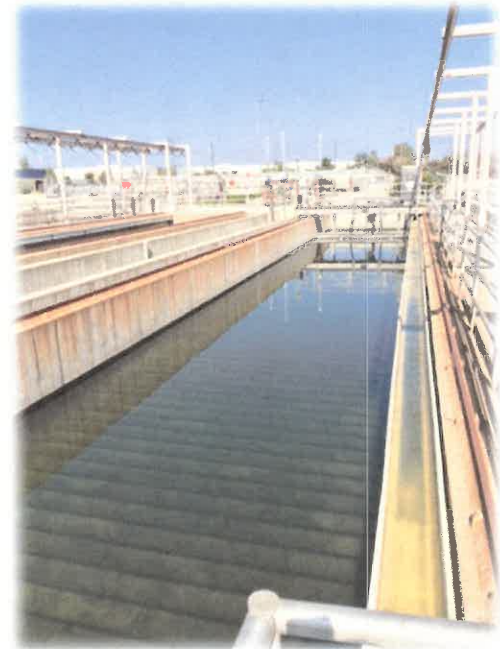
Solicitation Process

- Request for Proposals were issued on November 5, 2018.
 - 39 Vendors were contacted
 - 2 bidders
 - 1 “No Bid” letter
- RFPs were evaluated on:
 - Proposed Price
 - Timely Delivery
 - Past Performance
 - Exceptions to the RFP
 - Proposal accuracy and completeness
- Thatcher Company of California was determined to provide the best value to the Agency



Bid Results

Name	Price (\$\$/dry ton)
Thatcher Co.	\$336.64
Chemtrade	\$485.00
Univar	Submitted a "No Bid" letter



Recommendation

- Approve Contract No. 4600002660 to Thatcher Company of California, establishing a two-year contract for the supply of Aluminum Sulfate with options for extensions up to three additional years, for a potential contract term of five years; and
- Authorize the General Manager to execute the contract with potential contract extensions.

The supply of Aluminum Sulfate aligns with the Agency's Wastewater Management goal to maximize recycled water use and meeting Basin Plan and regulatory water quality standards in a fiscally prudent and environmentally sustainable manner.

Attachment 2



**CONTRACT NUMBER: 4600002660
FOR
SUPPLY OF ALUMINUM SULFATE**

This CONTRACT (Contract), is made and entered into this ____ day of _____, 2018, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as Agency), and Thatcher Company of California of Sacramento, CA, (hereinafter referred to as Supplier), for supply of Aluminum Sulfate.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

- A. **PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are as follows, or as provided to the Supplier in writing at a future date:

Project Manager: Scott Oakden
Deputy Manager of Operations
Location: 6075 Kimball Avenue
Chino, CA 91708
Telephone: (909) 993-1922
Fax: (909) 993-1987
Email: soakden@ieua.org

- B. **SUPPLIER ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

Supplier Representative: Michael Walker
Address: 8625 Unsworth Avenue
Sacramento, CA 95828
Telephone: (916) 389-2517
Facsimile: (916) 389-2516
E-mail: Michael.walker@tchem.com

- C. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the general terms and conditions, addenda, attachment(s), or other contractual documents, the governing order of precedence shall be as follows:

1. Amendment(s) to Contract No. 4600002660.
2. Contract No. 4600002660 General Terms and Conditions.
3. Agency Request for Proposal No. RFP-SM-18-028
4. Supplier's Proposal dated November 14, 2018.

D. SCOPE OF WORK:

Supplier product, services, and responsibilities shall include and be in accordance with the following:

PRODUCT REQUIREMENTS: All aluminum sulfate supplied against this contract shall be of a minimum 48% solution. Additionally, all product delivered shall meet American Water Works Association (AWWA) standard specifications for Purified Liquid Aluminum Sulfate AWWA No. B403- 70 for wastewater treatment and shall comply in all respects with Federal, State, and local rules and regulations in effect at the time of delivery.

ESTIMATED QUANTITIES: The Supplier shall supply bulk aluminum sulfate to be used by the Agency during the term of any Contract entered into. The Agency estimates its aggregate annual usage of aluminum sulfate to be approximately 400 dry tons. Regardless, the Agency shall not be obligated to purchase any specific quantities and reserves the right to purchase either more or less product at the fixed unit price quoted.

SHIPPING INSTRUCTIONS: Shipments shall be made within three calendar days subsequent to receipt of either a verbal or written (e-mailed) shipping order from the Agency. Orders will be placed on an as-needed basis to suit the Agency's requirements throughout the Contract period. It is anticipated that deliveries will be made in loads ranging between 2 to 28 tons. The Agency may request to have loads split between Tertiary Treatment Plant No. 1 and Tertiary Treatment Plant No.4, as well as between Carbon Canyon Wastewater Facility and Regional Plant No. 5.

DELIVERY LOCATIONS: Aluminum Sulfate shall be delivered to the following locations:

<u>LOCATION</u>	<u>ESTIMATED ANNUAL USAGE</u>
Tertiary Plant No. 1 2662 E. Walnut Avenue Ontario, California 91761	260 Tons
Carbon Canyon Wastewater Recycling Facility 14950 Telephone Avenue Chino, CA 91708	35 Tons

Tertiary Plant No. 4
12811 Sixth Street
Rancho Cucamonga, California 91729

100 Tons

Regional Plant No. 5
6063 Kimball Avenue
Chino, CA 91708

5 Tons

The Agency reserves the right to add any additional locations as may be required. Any additional location shall receive the same product, service, pricing, etc. as required by this Contract.

LOADING AND UNLOADING: Upon arrival the delivery person will report to the Operations building receptionist, upon notification, an Agency operator will observe and approve all loading and unloading of shipments. The Supplier shall allow a reasonable period of time up to one-half hour, between notification of clerk and approval by Agency operators to unload shipment. Procedures for loading and unloading of all shipments shall comply with Cal-OSHA and AWWA Standards. Loading and unloading of all shipments will not commence without a Agency Operator present. The Supplier's delivery equipment must be fully compatible with Agency facilities and equipment. Deliveries shall be executed without any spillage of material. Any spilled material; however, minor, shall immediately be contained and properly removed by the Supplier. Any damage or disfigurement to Agency property caused by a spill shall be corrected by the Supplier immediately.

PRODUCT SAMPLE: The Agency will require, on an as-needed basis, that a sample of the product be collected by Agency personnel prior to unloading. The amount of sample required will be approximately one quart. Suppliers equipment must accommodate for the collection of the sample without causing the spilling or splashing of product.

TERMINATION: The Agency may reject delivery or terminate the Contract if the quality of the delivered aluminum sulfate does not meet the product specifications. In the event delivered product is rejected for failure to meet the product specifications, it shall be the sole responsibility of the Supplier to immediately remove said product and provide acceptable replacement product at the sole expense of the Supplier. The Agency may terminate the Contract should two or more deliveries of aluminum sulfate be rejected in a one-year period.

EMERGENCY TELEPHONE NUMBER: The Supplier shall provide a telephone number(s) where a representative may be contacted 24 hours a day, seven days a week in the event of an emergency.

SAFETY DATA SHEETS: The Supplier shall provide a copy of their product's Safety Data Sheet (SDS) to the Agency's Contract Administrator upon execution of any Contract entered into and whenever said document is revised or updated. Additionally, a copy of the product's SDS shall be submitted to the Agency's Operator that is present at the time of delivery.

SAFETY TRAINING: The selected Supplier may be requested to provide training in the safe and proper handling procedures for their product. If requested, training may be provided once per calendar year at each of the Agency's delivery destinations. This training shall be provided at no additional expense to the Agency.

- E. **TERM OF CONTRACT / OPTIONS:** The initial term of this Contract shall run from January 1, 2019 through December 31, 2021 or as mutually agreed to between the Supplier and Agency in any written extension to said Contract. Additionally, upon both Parties reaching mutual agreement as to a revised unit price, this Contract may be extended in twelve month increments, for an additional period not-to-exceed 24 months; resulting in a total Contract term of five years. In the event the Agency desires to exercise one or both of the Contract extension options provided for in this Section, the Agency shall provide written notice of its desire to do so to the Supplier prior to the expiration of the original Contract term, or any extension thereof.
- F. **PAYMENT, INVOICING AND COMPENSATION:** The Agency shall pay Supplier's properly executed invoice(s) within thirty (30) calendar days following receipt of the invoice. Payment will be withheld for any product which does not meet the requirements of this Contract or has proven unacceptable until such product is replaced and accepted by the Project Manager.

To expedite the payment of invoices email to apgroup@ieua.org with a copy to the Agency's Project Manager.

As compensation for product provided under this Contract, the Agency shall pay the Supplier in accordance with the following price schedule:

Full Load	
PRODUCT PRICE/GALLON (Delivered)	\$ 336.64/dry ton
Net Weight that constitutes full truck-load	46,000 Lbs
SALES TAX EXEMPT	

Less than Full Load	
PRODUCT PRICE/GALLON (Delivered)	\$ 860.00/dry ton
Freight Surcharge for Less than Full Load	\$125/Stop
SALES TAX EXEMPT	

Aluminum Sulfate Product Weight Per Gallon: 11.09 Lbs/Gal

G. **FITNESS FOR DUTY:**

1. **Fitness:** Supplier and its Subcontract personnel on Agency property:
 - a. shall report for work in a manner fit to do their job;
 - b. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the work is not affected thereby); and
 - c. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of the Agency.

2. **Compliance:** Supplier shall advise all supplier and subcontractor personnel and associated third parties of the requirements of the Contract ("Fitness for Duty Requirements") before they enter on Agency property and shall immediately remove from Agency property any employee determined to be in violation of these requirements. Supplier shall impose these requirements on its Subcontractors. The Agency may cancel the Contract if Supplier violates these Fitness for Duty Requirements.

H. **REQUIRED INSURANCE:** During the term of this Contract, the Supplier shall maintain at the Supplier's sole expense, the following insurance.

1. **Minimum Scope of Insurance:** Coverage shall be at least as broad as:
 - a) Commercial General Liability ("CGL"): Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

If the Supplier utilizes a claims made policy they agree to maintain said policy or a tail on said policy, at the same limits of coverage as required pursuant to this document, for a period of three years after the expiration of, or any extensions to the Contract.

- b) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.

- c) **Workers' Compensation and Employers Liability:** Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
2. **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
3. **Other Insurance Provisions:** The insurance policies are to contain, or be endorsed to contain, the following provisions:
1. **Commercial General Liability and Automobile Liability Coverage**
 - a. **Additional Insured Status:** The Agency, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment supplied in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85; or **by either** CG 20 10, CG 20 26, CG 20 33, or CG 20 38 **and** CG 20 37 forms if later revisions are used).
 - b. **Primary Coverage:** The Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, volunteers, property owners or engineers under contract with the Agency shall be excess of the Contractor's insurance and shall not contribute with it.
 - c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
 - d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

- e. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

Contractor hereby grants to Agency a waiver of any right to subrogation which any insurer of the Contractor may acquire against the Agency by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Agency pursuant to Section 14, page 12 of this Contract.

4. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California.
5. Verification of Coverage: Contractor shall provide the Agency with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Agency before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
6. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Utilities Agency
Attn: Angela Witte
P.O. Box 9020
Chino Hills, CA 91709

I. **LEGAL RELATIONS AND RESPONSIBILITIES:**

1. **Status Of Supplier:** The Supplier is retained as an independent Supplier only, for the sole purpose of providing product as described herein, and not an employee of the Agency.
2. **Observing Laws And Ordinances:** The Supplier or any Subcontractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the supply of any product, conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Supplier or any Subcontractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Supplier or its employees.
3. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Contract Administrator.
4. **Indemnification:** Consultant shall indemnify the Agency, its directors, employees and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the Consultant, its directors, employees, agents and assigns, in the performance of work under this contract.
5. **Conflict Of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
6. **Equal Opportunity:** During the performance of this contract the Agency, the Supplier and any Subcontractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status, national origin, or physical handicap.
7. **Disputes:**

- a. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Counsel shall pursue the work to completion in accordance with the instruction of the Agency's Contract Administrator notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq., or their successor.

- b. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Contract Administrator and the Counsel shall comply, pursuant to the Agency Contract Administrator instructions. If the Counsel is not satisfied with any such resolution by the Agency Contract Administrator, they may file a written protest with the Agency Contract Administrator within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Counsel to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Contract Administrator's resolution. The Agency's Contract Administrator shall submit the Counsel's written protests to the Chief Executive Officer/General Manager (CEO/GM), together with a copy of the Agency Contract Administrator's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The CEO/GM shall make his or her determination with respect to each protest filed with the Agency Contract Administrator within ten (10) calendar days after receipt of said protest(s). If Counsel is not satisfied with any such resolution by the CEO/GM, they may file a written request for arbitration with the Contract Administrator within seven (7) calendar days after receiving written notice of the CEO/GM's decision.

- c. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
 - (1) The Demand for Arbitration shall include a list of five names of persons acceptable to the Counsel to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Counsel are acceptable and, if so, such person will be designated as Arbitrator.

 - (2) In the event that none of the names submitted by Counsel are acceptable to the Agency, or if for any reason the Arbitrator

selected in Step (a) is unable to serve, the Agency shall submit to Counsel a list of five names of persons acceptable to the Agency for appointment as Arbitrator. The Counsel shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

(3) If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

d. Joinder in Mediation/Arbitration: The Agency may join the Counsel in mediation or arbitration commenced by a Counsel on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Counsel.

J. **INFRINGEMENT:** Supplier represents and warrants that Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violation of any Proprietary Rights of any person.

Supplier shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorneys' fees and expenses arising out of any claim that use of the Work or Documentation, to replace or modify the Work and Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Supplier shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

K. **TAXES, FEES, AND CHARGES:** The Supplier, and any of its Subcontractors, shall pay all sales, consumer, use and other similar taxes, and pay all charges and fees required to be paid by the Supplier, or any of its Subcontractors, in accordance with state, county, and local laws and ordinances.

L. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green
Contracts & Procurement Manager
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, CA 91700

Supplier: Craig Thatcher
President
Thatcher Company of California
8625 Unsworth Avenue
Sacramento, CA 95828

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

M. **INTEGRATION:** The Contract Documents represent the entire agreement between the Agency and the Supplier as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered, or amended except by written mutual agreement by the Agency and the Supplier. (Government Code Section 4154)

N. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.

O. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Supplier, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Supplier under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Contract Administrator and/or Agency; and any such purported or attempted assignment, transfer, or disposal without the prior written consent of the Contract Administrator and/or Agency shall be null, void, and of no legal effect whatsoever.

P. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, acts of nature, etc.

- Q. **TERMINATION**: The Agency reserves the right to suspend, cancel, or terminate this Contract at any time upon ten calendar days written notice to the Supplier. In the event of such termination, the Agency shall pay Supplier for all authorized and Supplier-invoiced product, approved by the Contract Administrator, up to the date of such termination. (Government Code Section 4154).
- R. **CHANGES**: The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions, and other alterations to any or all of the work. However, such changes shall only be made via written, bi-laterally signed amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such change and shall be set forth within the Contract Amendment.
- S. **FOB POINT**: The FOB point for all product delivered against this contract shall be destination.
- T. **PRICE ADJUSTMENT**: In the event the Agency exercises any of the Contract extensions provided for in Section E above, the pricing for said extension shall be calculated as follows:

Commencing on January 1, 2019 and continuing on each September 1 thereafter, those prices provided for in the Proposed Price Schedule of this Request for Proposal shall be adjusted plus or minus by a sum equal to the percentage change in the Consumer Price Index (CPI) for All Urban Consumers, in the Los Angeles-Anaheim-Riverside, California index area as provided for in this section. The bases for computing the adjustment to those prices provided for in the Proposed Price Schedule of this Request for Proposal shall be the percentage change for the twelve month period from January to January, starting with the period of January 2019 to January 2020, and continuing every twelve months thereafter. Despite any changes in the CPI for any given twelve month adjustment period, adjustments to those prices as provided for in the Proposed Price Schedule of this Request for Proposal shall increase or decrease more than 5 percent during any single twelve month adjustment period.

In the event the CPI is changed so that the base period differs from 1982-84=100, then the index applied as provided for above shall be corrected in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics, or their successor. If the CPI is discontinued or revised, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same results as would have obtained if the CPI had not been discontinued or revised.

U. **NOTICE TO PROCEED**: No services shall be performed or furnished under this Contract unless and until a fully executed Contract has been completed by all responsible parties and a Notice to Proceed has been issued by the Agency.

(Remainder of Page Intentionally Left Blank)

AS WITNESS HEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

INLAND EMPIRE UTILITIES AGENCY:

THATCHER COMPANY OF CALIFORNIA, INC:

Halla Razak
General Manager

Date

Craig Thatcher
President

Date

**ACTION
ITEM
11**



Date: December 19, 2018

To: The Honorable Board of Directors

From: Halla Razak, General Manager

HR

Committee: Engineering, Operations & Water Resources

12/12/18

Executive Contact: Shaun Stone, Acting Executive Manager of Engineering/AGM

Subject: San Sevaine Basin Improvement - Conduit Installation Contract Award

Executive Summary:

The Conduit Installation Project is part of the San Sevaine Basin Improvements which is funded equally with Chino Basin Watermaster. The basin improvements, which is a part of the Recharge Master Plan Update, will increase groundwater recharge with approximately 600 acre-feet of storm water and 4,100 acre-feet of recycled water.

The new conduit provides the required infrastructure for Southern California Edison to deliver power to the recently constructed basin pump station. The construction is within the Flood Control District's property and connects to Southern California Edison's system on Banyan Street in Rancho Cucamonga. Originally, the existing General Contractor for the San Sevaine Project was to provide the installation services, but during construction Southern California Edison modified their design which resulted into a significant change. As a result, IEUA separated the work and sought competitive bids for the altered scope to ensure fair pricing for the project.

On November 15, 2018, IEUA received seven construction bids. The lowest, responsive and responsible was W.A. Rasic with a bid of \$108,800.

Staff's Recommendation:

1. Award a construction contract for the San Sevaine Basin Improvement - Conduit Installation, Project No. EN13001, to W.A. Rasic Construction Co. Inc., in the amount of \$108,800; and
2. Authorize the General Manager to execute the construction contract, subject to non-substantive changes.

Budget Impact *Budgeted* (Y/N): Y *Amendment* (Y/N): N *Amount for Requested Approval:*

Account/Project Name:

EN13001/San Sevaine Basin Improvement

Fiscal Impact (explain if not budgeted):

None.

Prior Board Action:

On September 20, 2017, the Board of Directors approved the construction contract for the basin improvements and the construction contract for the monitoring well installation to Gwinco Construction & Engineering, Inc. for \$3,873,029 and Yellow Jacket Drilling for \$607,470, respectively.

On May 20, 2015, the Board of Directors approved the consulting engineering services contract to Dudek for the not-to-exceed amount of \$358,828.

Environmental Determination:

Negative Declaration

IEUA processed a Mitigated Negative Declaration for the San Sevaine Basin Improvement and a copy of the Initial Study's Environmental Checklist Form is attached for information. Mitigation measures were identified and must be implemented under the attached Mitigation Monitoring and Reporting Program.

Business Goal:

The San Sevaine Improvements Project is consistent with the IEUA's Business Goal of Water Reliability specifically the Groundwater Recharge objective that IEUA will maximize groundwater recharge projects in the region through strategic, cost-effective partnerships, and development.

Attachments:

Attachment 1 - PowerPoint

Attachment 2 - Construction Contract

Attachment 1

San Sevaine Improvement- Conduit Installation Construction Contract Award Project No. EN13001



Project Location



Basin Locations:
City of Rancho Cucamonga
North 15 and 210 Freeways



Modified Recycled Water Turnout



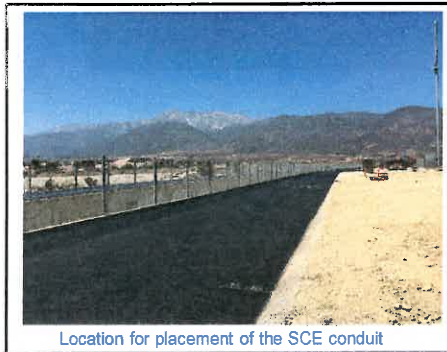
New Stormwater Inlet – Concrete Structure



New Storm Water Pump – Buried Vaults

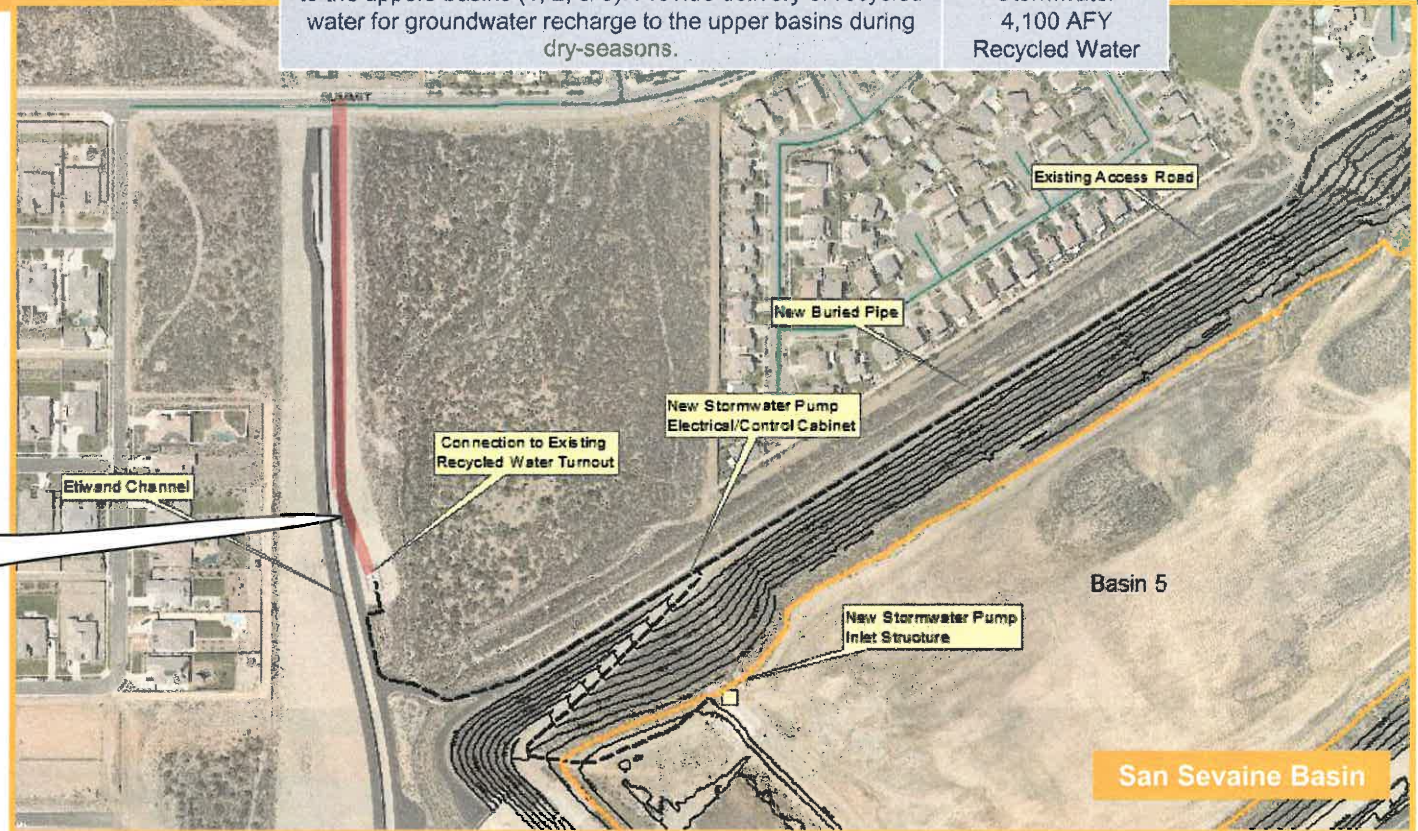
Project Scope

- Conduit Installation:
 - Provides infrastructure for Southern California Edison (SCE) to deliver power to new pump station



Location for placement of the SCE conduit

Key Design Improvements	Benefits
Convey captured stormwater from the lower basin (Basin 5) to the uppers basins (1, 2, & 3). Provide delivery of recycled water for groundwater recharge to the upper basins during dry-seasons.	600 AFY Stormwater 4,100 AFY Recycled Water



Contractor Selection

On November 15, 2018, seven bids were received:

Bidder's Name	Bid Amount
W.A. Rasic Construction Co. Inc.	\$ 108,800
M Brey Electric, Inc.	\$ 122,660
Power Pro Plus, Inc.	\$ 140,000
AToM, Engineering Construction, Inc.	\$ 176,398
Hot Line Const. Inc.	\$ 184,031
Gwinco Construction & Engineering, Inc.	\$ 277,500
Herman Weissker, Inc.	Non-Responsive
Engineer's Estimate	\$140,000

Project Budget and Schedule

Description	Estimated Cost	Project Milestone	Date
Design Services (Conduit)	\$4,000	Construction Contract Award	December 2018
Edison Design Services	\$4,000	Construction Completion	May 2019
Construction Services (Conduit)	\$14,400		
IEUA Construction Services	\$14,400		
Construction (Conduit)	\$118,800		
Construction Contract	\$108,800		
Contingency (10%)	\$10,000		
Conduit Installation	\$137,200		
Basin Monitoring Wells	\$456,823		
Basin Improvement	\$5,865,977		
Total Project Cost	\$6,460,000		
Total Project Budget	\$6,460,000		
Total Awarded Grant Funding	\$3,625,000		
IEUA/Watermaster Cost	\$2,835,000		

Recommendation

- Award the construction contract for the San Sevaine Basin Improvement – Conduit Installation, Project No. EN13001, to W.A. Rasic Co. Company Inc., in the amount of \$108,800; and
- Authorize the General Manager to execute the construction contract, subject to non-substantive changes.

The San Sevaine improvements is consistent with the IEUA's Business Goal of **Water Reliability** specifically the Groundwater Recharge objective that IEUA will maximize groundwater recharge projects in the region through strategic, cost-effective partnerships, and development.

Attachment 2

CONTRACT

THIS CONTRACT, made and entered into this ____ day of December 2018, by and between W.A. Rasic Construction Company, Inc., hereinafter referred to as "CONTRACTOR," and The Inland Empire Utilities Agency, a Municipal Water District, located in San Bernardino County, California, hereinafter referred to as "IEUA".

WITNESSETH:

That for and in consideration of the promises and agreements hereinafter made and exchanged, IEUA and the CONTRACTOR agree as follows:

- A. CONTRACTOR agrees to perform and complete in a workmanlike manner, all Work required under these Bid Documents FOR San Sevaine Basin – Edison Conduit Installation Project No. EN13001, in accordance with the Bid Documents, and to furnish at their own expense, all labor, materials, equipment, tools, and services necessary, except such materials, equipment, and services as may be stipulated in said Bid Documents to be furnished by IEUA, and to do everything required by this Contract and the said Bid Documents.**

- B. For furnishing all said labor, materials, equipment, tools, and services, furnishing and removing all plant, temporary structures, tools and equipment, and doing everything required by this Contract and said Bid Documents; also for all loss and damage arising out of the nature of the Work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise during the prosecution of the Work until its acceptance by IEUA, and for all risks of every description connected with the Work; also for all expenses resulting from the suspension or discontinuance of Work, except as in the said Bid Documents are expressly stipulated to be borne by IEUA; and for completing the Work in accordance with the requirements of said Bid Documents, IEUA will pay and said CONTRACTOR shall receive, in full compensation therefore, the price(s) set forth in this Contract.**

- C. That IEUA will pay the CONTRACTOR progress payments and the final payment, in accordance with the provisions of the Contract Documents, with warrants drawn on the appropriate fund or funds as required, at the prices bid in the Bidding and Contract Requirements, Section C - Bid Forms and accepted by IEUA, and set forth in this below.**

Total Bid Price \$108,800.00

One Hundred Eight Thousand Eight Hundred Dollars and Zero Cents.

- D. IEUA hereby employs the CONTRACTOR to perform the Work according to the terms of this Contract for the above-mentioned price(s), and agrees to pay the**

same at the time, in the manner, and upon the conditions stipulated in the said Bid Documents; and the said parties for themselves, their heirs, executors, administrators, successors, and assigns, do hereby agree to the full performance of the covenants herein contained.

- E. The Notice Inviting Bids, Instructions to Bidders, Bid Forms, Information Required of Bidder, Performance Bond, Payment Bond, Contractor's License Declaration, Specifications, Drawings, all General Conditions Special Conditions and all Project Requirements, and all Addenda issued by IEUA with respect to the foregoing prior to the opening of bids, are hereby incorporated in and made part of this Contract, as if fully set forth.
- F. The CONTRACTOR agrees to commence Work under this Contract on or before the date to be specified in a written "Notice To Proceed" and to complete said Work to the satisfaction of IEUA one hundred twenty (120) calendar days after award of the Contract. All Work shall be completed before final payment is made.
- G. Time is of the essence on this Contract.
- H. CONTRACTOR agrees that in case the Work is not completed before or upon the expiration of the Contract Time, damage will be sustained by IEUA, and that it is and will be impracticable to determine the actual damage which IEUA will sustain in the event and by reason of such delay, and it is therefore agreed that the CONTRACTOR shall pay to IEUA the amounts as set forth in General Conditions, Section C – Changes to the Contract for each day of delay, which shall be the period between the expiration of the Contract Time and the date of final acceptance by IEUA, as liquidated damages and not as a penalty. It is further agreed that the amount stipulated for liquidated damages per day of delay is a reasonable estimate of the damages that would be sustained by IEUA, and the CONTRACTOR agrees to pay such liquidated damages as herein provided. In case the liquidated damages are not paid, the CONTRACTOR agrees that IEUA may deduct the amount thereof from any money due or that may become due to the CONTRACTOR by progress payments or otherwise under the Contract, or if said amount is not sufficient, recover the total amount.
- I. In addition to the liquidated damages, which may be imposed if the CONTRACTOR fails to complete the Work within the time agreed upon, IEUA may also deduct from any sums due or to become due to the CONTRACTOR, penalties and fines for violations of applicable local, state, and federal law.
- J. That the CONTRACTOR shall carry Workers' Compensation Insurance and require all subcontractors to carry Workers' Compensation Insurance as required by the California Labor Code.
- K. That the CONTRACTOR shall have furnished, prior to execution of the Contract, two bonds approved by IEUA, one in the amount of one hundred (100) percent of

the Contract Price, to guarantee the faithful performance of the Work, and one in the amount of one hundred (100) percent of the Contract Price to guarantee payment of all claims for labor and materials furnished.

- L. The CONTRACTOR hereby agrees to protect, defend, indemnify and hold IEUA and its employees, agents, officers, directors, servants and volunteers free and harmless from any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (including employees of IEUA and the CONTRACTOR) and damage to property, arising directly or indirectly out of the obligation herein undertaken or out of the operations conducted by the CONTRACTOR, its employees agents, representatives or subcontractors under or in connection with this Contract to the extent permitted by law.

The CONTRACTOR further agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands or suit at the sole expense of the CONTRACTOR


IN WITNESS WHEREOF, The CONTRACTOR and the General Manager of Inland Empire Utilities Agency*, thereunto duly authorized, have caused the names of said parties to be affixed hereto, each in duplicate, the day and year first above written.

- M. The CONTRACTOR, by signing the contract does swear under penalty of perjury that no more than one final unappeasable finding of contempt of court by a Federal court has been issued against the CONTRACTOR within the immediately preceding two year period because of the CONTRACTOR's failure to comply with an order of a Federal court which orders the CONTRACTOR to comply with an order of the National Labor Relations Board (Public Contract Code 10296).

Inland Empire Utilities Agency*,
San Bernardino County, California.

By _____
General Manager

CONTRACTOR

By 
28 NOV 2018 2018-74
Peter L. Rasic, President
Title

* A Municipal Water District

INFORMATION
ITEM
2A

Operations Division Update



Safety

Recordable Injuries by Location

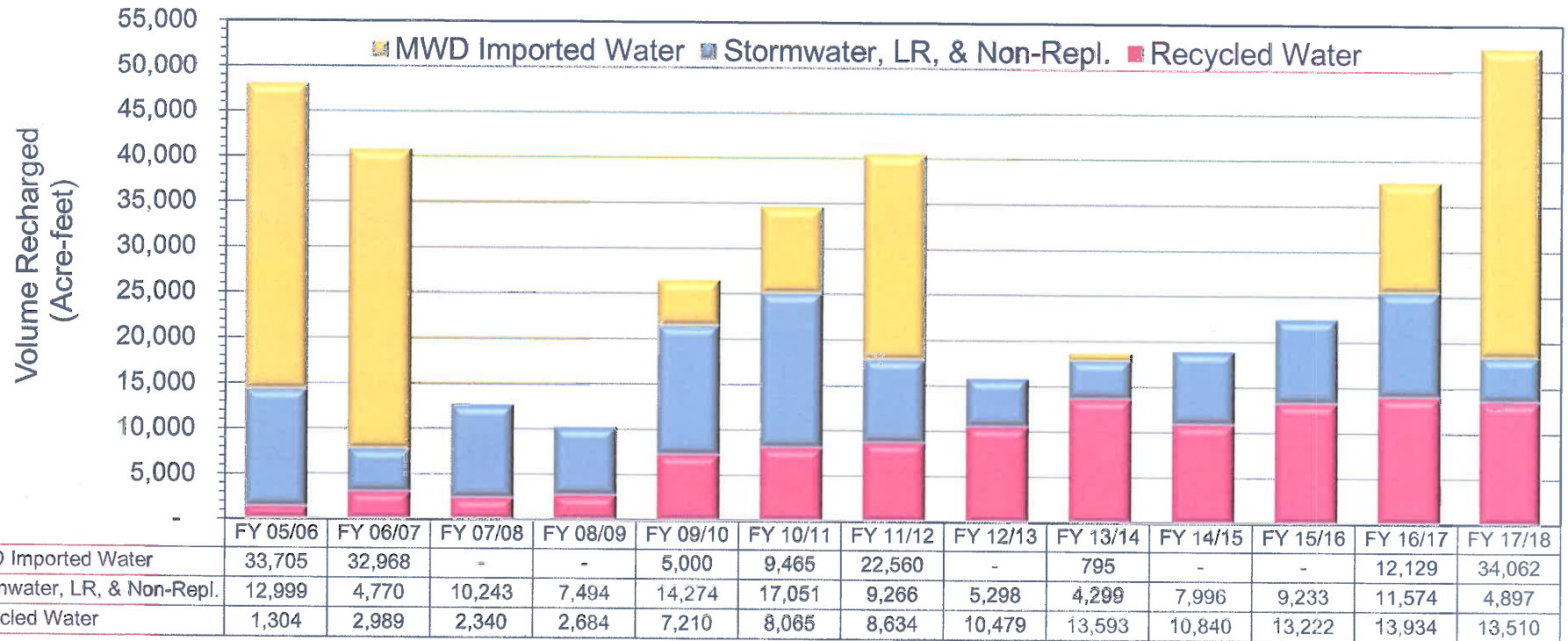


Compliance

- Effluent Toxicity
 - Intermittent in 2018
 - Prado Lake Discharge
 - RP-5 Creek Discharge
 - Consultant Hired to Identify and Resolve
- Coliform
 - November 2018
- RP-1 Flare
 - In Need of Replacing Existing Flare
 - Replacement Project is Currently in Design Phase
 - Air Quality Management District is Developing New Flare Rule

Groundwater Recharge

New Record!!!



IERCF Projects

IERCF/RP-4 Energy Project

- 1.5 MW Battery at RP-4
- 1.5 MW Additional Solar at IERCF
- Project Start-up in December 2018

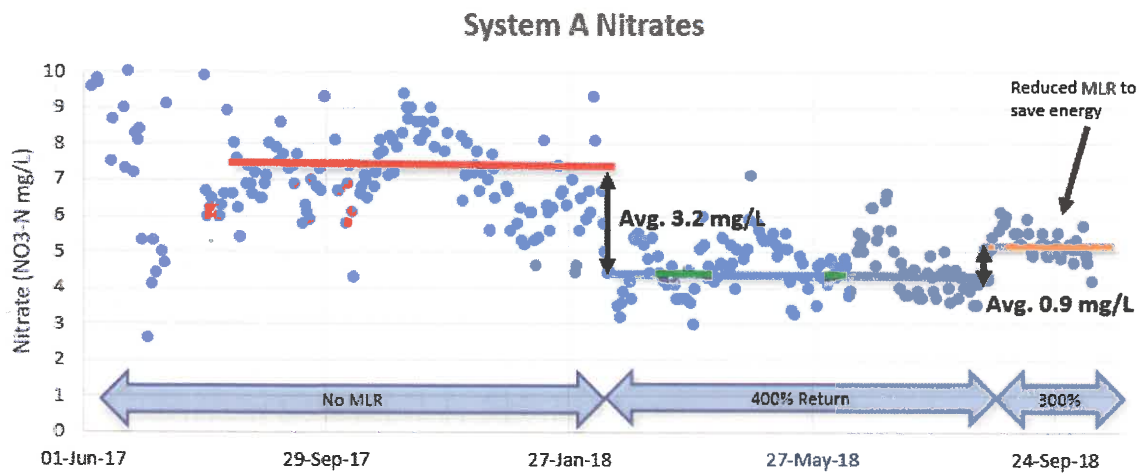


Trommel Screen Replacement Project



Project Update

East Basin Waste Wash Water

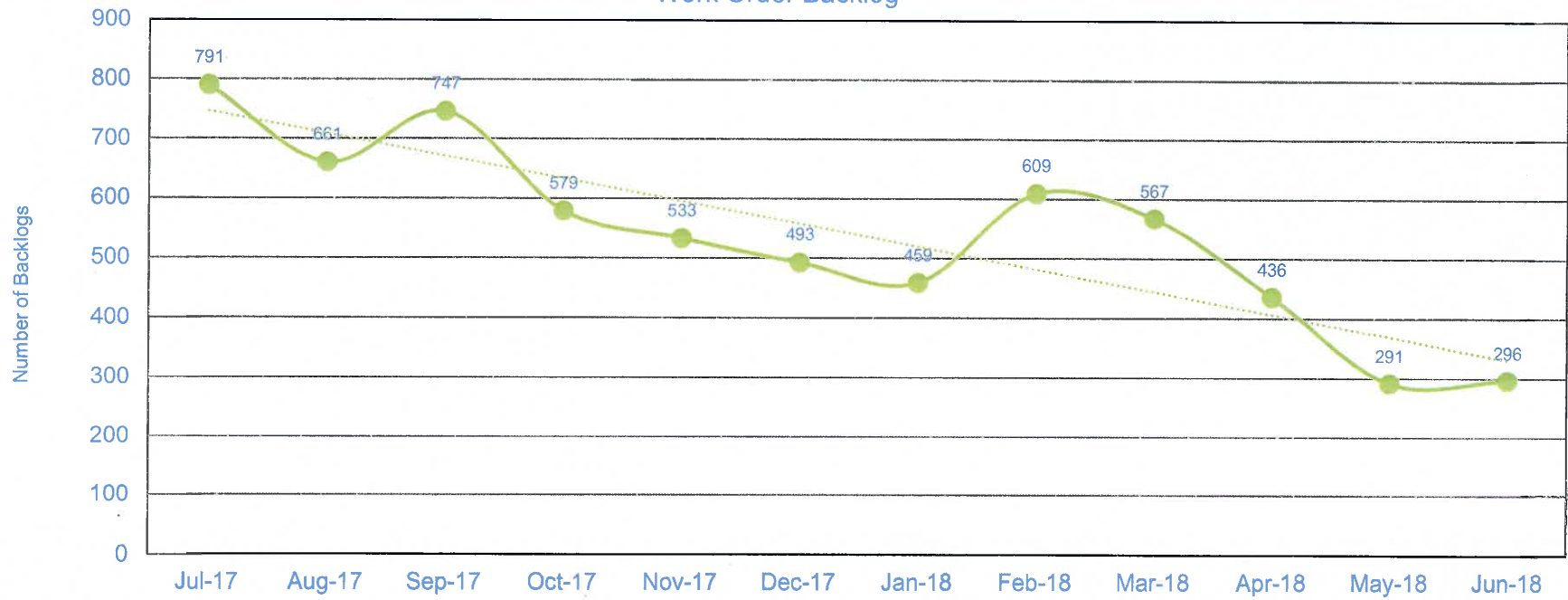


Mix Liquor Return Project



O&M—Maintenance

Agency Wide Maintenance
Work Order Backlog



Integrated Systems Services (ISS) Cybersecurity

IEUA Phishing Report



UNCLASSIFIED // FOR OFFICIAL USE ONLY

TLP:AMBER



Inland Empire Utilities Agency Assessment Report

UNCLASSIFIED // FOR OFFICIAL USE ONLY

TLP:AMBER

Outreach

Community Action Partnership of San Bernardino County



- Food Bank Packing Party
 - About 100 employees and their families volunteered for the event
 - Packed 1,004 boxes for distribution to food insecure families in our service area



**INFORMATION
ITEM
2D**

Engineering and Construction Management Project Updates



Jerry Burke, P.E.
December 2018

EN13016.04 – SCADA Enterprise System (RP5)

Project Goal: Enhance Reliability

Design-Build

Total Project Budget: \$3.0M

Project Completion: December 2018

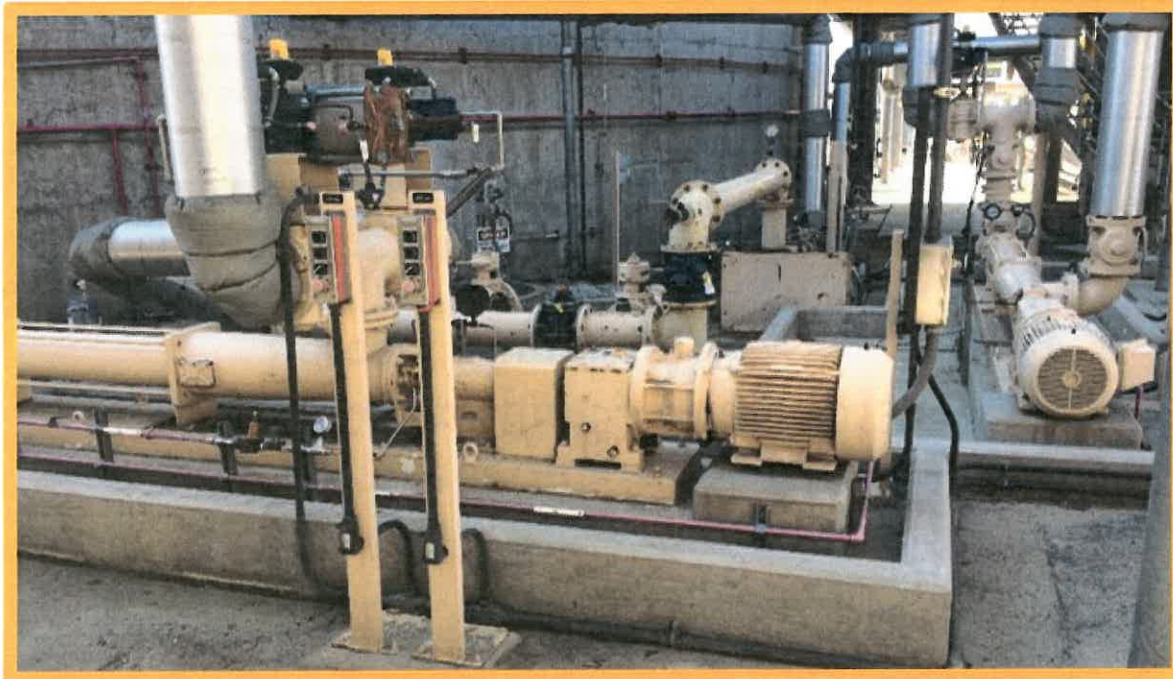
Overall Percent Complete: 90%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	CDM Constructors	\$271 K	0.56%
Construction (Current)	CDM Constructors	\$2.7 M	5.51%



EN17082 – RP-1 Mechanical Restoration and Upgrades

Project Goal: Improve efficiency



Total Project Budget: \$8.0 M
Project Completion: July 2020
Overall Percent Complete: 40%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design (Current)	Stantec	\$572 K	24.7%
Construction	-	\$0	0.0%

EN17110.01 – RP4 Trident Filters Rehabilitation & Replacement

Project Goal: Improve Reliability

Total Project Budget: \$4.8 M
Project Completion: January 2019
Percent Complete: 95%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	Carollo	\$455 K	0.0%
Construction (Current)	J.F. Shea	\$4 M	6.58%



EN18039 – Agency-Wide Lighting Pole Replacements and Upgrades

Project Goal: Replace light poles at RP-1, CCWRF, and RP-4



Total Project Budget: \$342 K
Project Completion: January 2019
Overall Percent Complete: 70%

Phase	Consultant/Contractor	Current Contract	Amendments/Change Orders
Design	In-House	\$0	0.0%
Construction (Current)	Southern Contracting	\$237 K	0.0%

EN18057 – NRW Manhole Cover Removal

Project Goal: Improve Safety and Access

Total Project Budget: \$170 K
Project Completion: February 2019
Overall Percent Complete: 50%

Phase	Consultant/Contractor	Current Contract	Amendments/Change Orders
Design	In-House	\$0	0.0%
Construction (Current)	Sancon	\$31 K	0.0%



EN19022.01 – RP-4 Wet Well Cleaning Support

Project Goal: Improve Reliability



Total Project Budget: \$192 K
Project Completion: November 2018
Percent Complete: 100%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	In-House	\$0	0.0%
Construction (Current)	Xylem/KVAC/ HDR/Downs Chemical	\$192 K	0.0%