Summary Title: Track-type Dozer Rental

Title: Approval of a Contract with Ferma Corporation in the amount of $159,002 for the Long-term Rental of a Track-Type Bulldozer for a Period of up to 12 (Twelve) Months

From: City Manager

Lead Department: Public Works

Recommendation
Staff recommends that Council approve and authorize the City Manager or his designee to execute a contract with Ferma Corporation in the amount of $159,002 for the rental of a Caterpillar Model D8T, D9R, or D9T track-type bulldozer for a period of up to 12 (twelve) months.

Discussion
The City of Palo Alto owns and operates a Refuse Disposal Facility that consists of an active municipal solid waste landfill, an active landfill gas collection system, a landfill gas control system and a greenwaste composting operation. The facility utilizes several pieces of heavy equipment, including a bulldozer, refuse compactor, wheel loaders and water trucks. The bulldozer is the primary piece of equipment used to move trash, compost and dirt at the landfill; therefore it is essential to daily operations.

At Council's earlier directions, staff has been “fast filling” the landfill and as a result the landfill is currently scheduled to stop receiving trash in late July 2011. The landfill will continue to accept compostable materials and concrete and asphalt (from City crews) until the end of 2011 and will accept clean soil for closure through mid 2012.

On February 17, 2011, the city-owned 2005 Caterpillar D8T bulldozer (Unit #4208) suffered substantial fire damage to the engine compartment and cab, and has not been operable since that date. The fire started spontaneously in the early morning hours of February 17th, and was extinguished by the Palo Alto Fire Department at approximately 5:00 a.m. The fire was ruled accidental and the investigator was not able to pinpoint a specific cause given the extent of the damage. The dozer had not been operated for a period of twelve consecutive hours at the time the fire was reported.

The estimate to repair the fire damage exceeds $300,000 and the repairs would take a
minimum of four months to complete. The City's insurance carrier was notified of the loss and the claims process is currently in progress. Due to the cost of the repairs and the down time that would be incurred, staff determined that a long-term rental would be the most cost-effective means of providing a bulldozer to the landfill operation. Even with the fire damage, the bulldozer has significant, but as yet, undetermined residual value.

A Caterpillar D9R bulldozer was acquired on a short-term rental basis on February 18, 2011 in order to allow the landfill operations to continue uninterrupted while bids were solicited.

A Request for Quotation (RFQ) for a track-type dozer, Caterpillar Model D8T, D9R, or D9T was sent to three vendors on March 22, 2011. Bids were received from two qualified bidders on April 5, 2011, as listed on the attached bid summary (Attachment A). Bids ranged from a high of $159,002 to a low bid of $153,387. The bid submitted by ECCO Equipment Corp. did not meet the City's requirements, so it could not be considered for award.

Staff has reviewed all bids submitted and recommends that the bid submitted by Ferma Corporation be accepted and that Ferma Corporation be declared the lowest responsible bidder.

Staff has checked references supplied by the vendor for previous contracts and has found no significant complaints.

**Resource Impact**
Funds are available in the Fiscal Year 2011 Refuse Fund operating budget.

**Policy Implications**
Authorization of the contract does not represent any change to the existing policy.

**Environmental Review**
This work is exempt from the Comprehensive Environmental Quality Act (CEQA) under Class 1 categorical exemption, Article 19, Section 15301.

**Attachments:**
- A - Bid Summary (DOC)
- B - General Services Contract (PDF)

Prepared By: John Moran, Assistant Fleet Manager
BID SUMMARY

D8T/D9R Dozer
RFQ140833

Ferma Corporation  Bid Total $159,002
Ecco Equipment Corporation  Bid Total $153,387*

*Proposal did not meet specifications
GENERAL SERVICES AGREEMENT

THIS AGREEMENT made and entered into on the _____ day of May, 2011, by and between the CITY OF PALO ALTO, a California Chartered Municipal Corporation ("CITY"), and FERMA CORPORATION, a California corporation, with offices located at 1265 Montecito Avenue, Suite 200, Mountain View, CA 94043, Telephone Number: 650-961-2742 ("CONTRACTOR"). In consideration of their mutual covenants, the parties hereto agree as follows:

1. SERVICES. CONTRACTOR shall provide or furnish the services ("Services") described in the Scope of Services, attached as Exhibit A.

2. EXHIBITS. The following exhibits are attached to and made a part of this Agreement:
   - "A" - Scope of Services
   - "B" - Schedule of Performance
   - "C" - Compensation
   - "D" - Insurance Requirements
   - "E" - Performance and/or Payment Bond
   - "F" - Liquidated Damages

   CONTRACT IS NOT COMPLETE UNLESS ALL EXHIBITS ARE ATTACHED.

3. TERM. The term of this Agreement is from the date of its full execution, based on a month to month rental for a period of up to twelve (12) months, subject to the provisions of Section Q and V of the General Terms and Conditions.

4. SCHEDULE OF PERFORMANCE. CONTRACTOR shall complete the Services within the term of this Agreement in a reasonably prompt and timely manner based upon the circumstances and direction communicated to CONTRACTOR, and if applicable, in accordance with the schedule set forth in the Schedule of Performance, attached as Exhibit B. Time is of the essence in this Agreement.

5. COMPENSATION FOR ORIGINAL TERM. CITY shall pay and CONTRACTOR agrees to accept as not to exceed compensation for the full performance of the Services and reimbursable expenses, if any:

   ☐ The total maximum lump sum compensation of $_____; OR

   ☑ The sum of thirteen thousand two hundred fifty dollars ($13,250.00) per month, plus an initial fee of one dollar ($1.00) for delivery and a final fee of one dollar ($1.00) for pick up charge, not to exceed a total maximum compensation amount of one hundred fifty-nine thousand and two dollars ($159,002.00) for a 12-month period; OR

   ☐ A sum calculated in accordance with the fee schedule set forth in Exhibit C, not to exceed a total maximum compensation amount of $_____.

CONTRACTOR agrees that it can perform the Services for an amount not to exceed the total maximum compensation set forth above. Any hours worked or services performed by CONTRACTOR for which payment would result in a total exceeding the maximum amount of compensation set forth above for performance of the Services shall be at no cost to CITY.

☐ The City has set aside the sum of $____ for Additional Services. CONTRACTOR shall provide Additional Services only by advanced, written authorization from the City Manager or designee. CONTRACTOR, at the CITY's request, shall submit a detailed

1

Rev. January 11, 2010
CITY OF PALO ALTO CONTRACT NO.: C11140833

written proposal including a description of the scope of services, schedule, level of effort, and CONTRACTOR's proposed maximum compensation, including reimbursable expense, for such services. Compensation shall be based on the hourly rates set forth above or in Exhibit C (whichever is applicable), or if such rates are not applicable, a negotiated lump sum. CITY shall not authorize and CONTRACTOR shall not perform any Additional Services for which payment would exceed the amount set forth above for Additional Services. Payment for Additional Services is subject to all requirements and restrictions in this Agreement.

6. COMPENSATION DURING ADDITIONAL TERMS.

☐ CONTRACTOR'S compensation rates for each additional term shall be the same as the original term; OR

☐ CONTRACTOR's compensation rates shall be adjusted effective on the commencement of each Additional Term. The lump sum compensation amount, hourly rates, or fees, whichever is applicable as set forth in section 5 above, shall be adjusted by a percentage equal to the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers for the San Francisco-Oakland-San Jose area, published by the United States Department of Labor Statistics (CPI) which is published most immediately preceding the commencement of the applicable Additional Term, which shall be compared with the CPI published most immediately preceding the commencement date of the then expiring term. Notwithstanding the foregoing, in no event shall CONTRACTOR's compensation rates be increased by an amount exceeding five percent of the rates effective during the immediately preceding term. Any adjustment to CONTRACTOR's compensation rates shall be reflected in a written amendment to this Agreement.

7. INVOICING. Send all invoices to the CITY, Attention: Project Manager. The Project Manager is: John Moran, Public Works Department, Equipment Management Division, 3201 East Bayshore Road, Palo Alto, CA 94303, Telephone: 650-961-2742. Invoices shall be submitted in arrears for Services performed. Invoices shall not be submitted more frequently than monthly. Invoices shall provide a detailed statement of Services performed during the invoice period and are subject to verification by CITY. CITY shall pay the undisputed amount of invoices within 30 days of receipt.

GENERAL TERMS AND CONDITIONS

A. ACCEPTANCE. CONTRACTOR accepts and agrees to all terms and conditions of this Agreement. This Agreement includes and is limited to the terms and conditions set forth in sections 1 through 6 above, these general terms and conditions and the attached exhibits.

B. QUALIFICATIONS. CONTRACTOR represents and warrants that it has the expertise and qualifications to complete the services described in Section 1 of this Agreement, entitled "SERVICES," and that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified, to the extent such licensing or certification is required by law, to perform the Services. CITY expressly relies on CONTRACTOR's representations regarding its skills, knowledge, and certifications. CONTRACTOR shall perform all work in accordance with generally accepted business practices and performance standards of the industry, including all federal, state, and local operation and safety regulations.

C. INDEPENDENT CONTRACTOR. It is understood and agreed that in the performance of this Agreement, CONTRACTOR and any person employed by CONTRACTOR shall at all times be considered an independent CONTRACTOR and not an agent or employee of CITY. CONTRACTOR shall be responsible for employing or engaging all persons necessary to complete the work required under this Agreement.

D. SUBCONTRACTORS. CONTRACTOR may not use subcontractors to perform any Services under this Agreement unless CONTRACTOR obtains prior written consent of CITY. CONTRACTOR shall be solely responsible for directing the work of approved subcontractors and for any compensation due to subcontractors.

Rev. January 11, 2010
E. TAXES AND CHARGES. CONTRACTOR shall be responsible for payment of all taxes, fees, contributions or charges applicable to the conduct of CONTRACTOR's business.

F. COMPLIANCE WITH LAWS. CONTRACTOR shall in the performance of the Services comply with all applicable federal, state and local laws, ordinances, regulations, and orders.

G. DAMAGE TO PUBLIC OR PRIVATE PROPERTY. CONTRACTOR shall, at its sole expense, repair in kind, or as the City Manager or designee shall direct, any damage to public or private property that occurs in connection with CONTRACTOR's performance of the Services. CITY may decline to approve and may withhold payment in whole or in part to such extent as may be necessary to protect CITY from loss because of defective work not remedied or other damage to the CITY occurring in connection with CONTRACTOR's performance of the Services. CITY shall submit written documentation in support of such withholding upon CONTRACTOR's request. When the grounds described above are removed, payment shall be made for amounts withheld because of them.

H. WARRANTIES. CONTRACTOR expressly warrants that all services provided under this Agreement shall be performed in a professional and workmanlike manner in accordance with generally accepted business practices and performance standards of the industry and the requirements of this Agreement. CONTRACTOR expressly warrants that all materials, goods and equipment provided by CONTRACTOR under this Agreement shall be fit for the particular purpose intended, shall be free from defects, and shall conform to the requirements of this Agreement. CONTRACTOR agrees to promptly replace or correct any material or service not in compliance with these warranties, including incomplete, inaccurate, or defective material or service, at no further cost to CITY. The warranties set forth in this section shall be in effect for a period of one year from completion of the Services and shall survive the completion of the Services or termination of this Agreement.

I. MONITORING OF SERVICES. CITY may monitor the Services performed under this Agreement to determine whether CONTRACTOR's work is completed in a satisfactory manner and complies with the provisions of this Agreement.

J. CITY'S PROPERTY. Any reports, information, data or other material (including copyright interests) developed, collected, assembled, prepared, or caused to be prepared under this Agreement will become the property of CITY without restriction or limitation upon their use and will not be made available to any individual or organization by CONTRACTOR or its subcontractors, if any, without the prior written approval of the City Manager.

K. AUDITS. CONTRACTOR agrees to permit CITY and its authorized representatives to audit, at any reasonable time during the term of this Agreement and for three (3) years from the date of final payment, CONTRACTOR's records pertaining to matters covered by this Agreement. CONTRACTOR agrees to maintain accurate books and records in accordance with generally accepted accounting principles for at least three (3) following the terms of this Agreement.

L. NO IMPLIED WAIVER. No payment, partial payment, acceptance, or partial acceptance by CITY shall operate as a waiver on the part of CITY of any of its rights under this Agreement.

M. INSURANCE. CONTRACTOR, at its sole cost, shall purchase and maintain in full force during the term of this Agreement, the insurance coverage described in Exhibit D. Insurance must be provided by companies with a Best's Key rating of A-:VII or higher and which are otherwise acceptable to the City's Risk Manager. The City's Risk Manager must approve deductibles and self-insured retentions. In addition, all policies, endorsements, certificates and/or binders are subject to approval by the Risk Manager as to form and content. CONTRACTOR shall obtain a policy endorsement naming the City of Palo Alto as an additional insured under any general liability or automobile policy. CONTRACTOR shall obtain an endorsement stating that the insurance is primary coverage and will not be canceled or materially reduced in coverage or limits until after providing 30 days prior written notice of the cancellation or modification to the City's Risk Manager. CONTRACTOR shall provide certificates of such policies or other evidence of coverage satisfactory to CITY's Risk Manager, together with the required endorsements and evidence of payment of premiums, to CITY concurrently with the execution of this Agreement and shall
CITY OF PALO ALTO CONTRACT NO.: C11140833

throughout the term of this Agreement provide current certificates evidencing the required insurance coverages and endorsements to the CITY's Risk Manager. CONTRACTOR shall include all subcontractors as insured under its policies or shall obtain and provide to CITY separate certificates and endorsements for each subcontractor that meet all the requirements of this section. The procuring of such required policies of insurance shall not operate to limit CONTRACTOR's liability or obligation to indemnify CITY under this Agreement.

N. HOLD HARMLESS. To the fullest extent permitted by law and without limitation by the provisions of section M relating to insurance, CONTRACTOR shall indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents from and against any and all demands, claims, injuries, losses, or liabilities of any nature, including death or injury to any person, property damage or any other loss and including without limitation all damages, penalties, fines and judgments, associated investigation and administrative expenses and defense costs, including, but not limited to reasonable attorney's fees, court costs and costs of alternative dispute resolution, arising out of, or resulting in any way from or in connection with the performance of this Agreement. The CONTRACTOR's obligations under this Section apply regardless of whether or not a liability is caused or contributed to by any negligent (passive or active) act or omission of CITY, except that the CONTRACTOR shall not be obligated to indemnify for liability arising from the sole negligence or willful misconduct of the CITY. The acceptance of the Services by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section survive the completion of the Services or termination of this Contract.

O. NON-DISCRIMINATION. As set forth in Palo Alto Municipal Code section 2.30.510, CONTRACTOR certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person. CONTRACTOR acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.

P. WORKERS' COMPENSATION. CONTRACTOR, by executing this Agreement, certifies that it is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and certifies that it will comply with such provisions, as applicable, before commencing and during the performance of the Services.

Q. TERMINATION. The City Manager may terminate this Agreement without cause by giving ten (10) days' prior written notice thereof to CONTRACTOR. If CONTRACTOR fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, the City Manager may terminate this Agreement immediately upon written notice of termination. Upon receipt of such notice of termination, CONTRACTOR shall immediately discontinue performance. CITY, CITY shall pay CONTRACTOR for services satisfactorily performed up to the effective date of termination. If the termination is for cause, CITY may deduct from such payment the amount of actual damage, if any, sustained by CITY due to Contractor's failure to perform its material obligations under this Agreement. Upon termination, CONTRACTOR shall immediately deliver to the City Manager any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by CONTRACTOR or given to CONTRACTOR, in connection with this Agreement. Such materials shall become the property of CITY.

R. ASSIGNMENTS/CHANGES. This Agreement binds the parties and their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written consent of the CITY. No amendments, changes or variations of any kind are authorized without the written consent of the CITY.

S. CONFLICT OF INTEREST. In accepting this Agreement, CONTRACTOR covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of this Contract. CONTRACTOR further covenants that, in the performance of this Contract, it will not employ any person having such an interest. CONTRACTOR certifies that no City Officer, employee, or authorized representative has any financial
CITY OF PALO ALTO CONTRACT NO.: C11140833

interest in the business of CONTRACTOR and that no person associated with contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Contract. CONTRACTOR agrees to advise CITY if any conflict arises.

T. GOVERNING LAW. This contract shall be governed and interpreted by the laws of the State of California.

U. ENTIRE AGREEMENT. This Agreement, including all exhibits, represents the entire agreement between the parties with respect to the services that may be the subject of this Agreement. Any variance in the exhibits does not affect the validity of the Agreement and the Agreement itself controls over any conflicting provisions in the exhibits. This Agreement supersedes all prior agreements, representations, statements, negotiations and undertakings whether oral or written.

V. NON-APPROPRIATION. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Contract are no longer available. This Section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Contract.

W. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS. CONTRACTOR shall comply with the City's Environmentally Preferred Purchasing policies which are available at the City's Purchasing Department which are incorporated by reference and may be amended from time to time. CONTRACTOR shall comply with waste reduction, reuse, recycling and disposal requirements of the City's Zero Waste Program. Zero Waste best practices include first minimizing and reducing waste; second, reusing waste and third, recycling or composting waste. In particular, Contractor shall comply with the following zero waste requirements:

- All printed materials provided by Contractor to City generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by the City's Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable based inks.
- Goods purchased by Contractor on behalf of the City shall be purchased in accordance with the City’s Environmental Purchasing Policy including but not limited to Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Office.
- Reusable/returnable pallets shall be taken back by the Contractor, at no additional cost to the City, for reuse or recycling. Contractor shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

X. AUTHORITY. The individual(s) executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

Y. CONTRACT TERMS: All unchecked boxes do not apply to this Contract.
IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

CITY OF PALO ALTO:

City Manager or Designee
(Required on contracts $85,000 and over)

Purchasing Manager or Designee

CONTRACTOR: FERMA CORPORATION

By

Name  

Title  

Telephone: (650) 961-2742

Approved as to form:

Senior Asst. City Attorney
CITY OF PALO ALTO CONTRACT NO.: C11140833

EXHIBIT A
SCOPE OF SERVICES

PART 1 – GENERAL REQUIREMENTS

The Contractor shall supply the City of Palo Alto landfill with a Caterpillar model D8T or D9R track-type dozer on a month-to-month basis for a rental period of up to twelve (12) months. The Contractor shall transport the dozer to and from the landfill and will obtain any required permits.

A. Description of Equipment

1. A Caterpillar model D8T or D9R track-type dozer will be supplied.

2. The dozer must be legal for operation at the City of Palo Alto landfill.

3. The dozer must be equipped with an enclosed cab. The dozer will be equipped with all factory installed glass and mirrors. The glass and mirrors will be free from any damage or wear that could interfere with the safe operation of the dozer.

4. The dozer must be equipped with a functioning air conditioner and a heater.

5. All electrical, hydraulic, and mechanical systems must be in good working order.

6. The dozer will be equipped with a 14’ wide blade (landfill U-blade preferred) and a multi-shank ripper.

7. The dozer will be equipped with a waste handling package. If not so equipped, the City of Palo Alto will not be liable for any damage to the dozer or any loss of use that results from operating in trash or compost piles.

B. Maintenance, Repairs, Fueling

1. The City of Palo Alto Equipment Management Division will perform bi-weekly lubrication as required by the equipment manufacturer.

2. The City of Palo Alto Landfill staff will perform routine daily inspection and cleaning of the dozer.

3. The City of Palo Alto will supply fuel for the dozer. The dozer will be returned at the end of the rental period with the same level of fuel as when it was delivered.

4. The Contractor shall provide all repairs and routine maintenance. The Contractor will be notified in the event of a malfunction or breakdown. The Contractor will provide on-site response time within four (4) hours of the initial repair request, unless a delayed response time is approved in advance by Landfill management.

5. Routine maintenance by the Contractor will be scheduled to minimize interruption to the landfill workload.

6. The Contractor will supply a comparably equipped replacement dozer within 48 hours of the initial repair request if the dozer becomes inoperable. The replacement dozer will be transported to and from the landfill at the Contractor’s expense. The Contractor will be responsible for any required permits.
C. INSURANCE

1. The Vendor will provide a full coverage Equipment Floater Insurance Policy and a full damage waiver. The City of Palo Alto will assume no liability for theft, vandalism, damage, or loss of use that occurs to the Vendor’s equipment.
EXHIBIT B
SCHEDULE OF PERFORMANCE

CONTRACTOR shall provide the rental equipment required and to perform on-going maintenance services on the rental equipment for continuous operation of a dozer at the Palo Alto Landfill.

Task

1. On-going rental for a period of up to 12 months
CITY OF PALO ALTO CONTRACT NO.: C11140833

EXHIBIT C
SCHEDULE OF FEES

(See separate document – attached copies of Bidder's Bid Pages from RFQ140833)
Bidder's Response and Acceptance
In response to this Request for Quotations (RFQ), the undersigned, as Bidder, declares that the only persons or parties interested in this Bid as principals are those named herein; that this Bid is made without collusion with any other person, firm or corporation; that the Bidder has carefully examined the specifications herein referred to; and the Bidder proposes and agrees, if this Bid is accepted, that the Bidder will contract with the City of Palo Alto (City), to provide all necessary materials and/or services, and furnish the specified requirements in this RFQ, in the manner herein prescribed and at the prices stated.

Project Title: Rental of a Track-type Dozer: Caterpillar Model D8T, D9R, or D9T. Request for Quotations (RFQ) number 140833

Quotation Due Date: 3:00 p.m., Tuesday, April 5, 2011.

Base Bid Schedule: Service shall consist of furnishing the rental equipment as specified on a month-to-month basis for a period of up to twelve (12) months in accordance with Section III, Specifications and General Requirements, herein:

**Base Bid:**

<table>
<thead>
<tr>
<th>BID ITEM</th>
<th>APPROX. QTY.</th>
<th>UNIT</th>
<th>DESCRIPTION, WITH UNIT PRICE IN WORDS (PRICE IS INCLUSIVE OF ALL APPLICABLE TAXES AND FEES)</th>
<th>UNIT PRICE</th>
<th>TOTAL ITEM PRICE</th>
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<tbody>
<tr>
<td>01</td>
<td>12</td>
<td>Month</td>
<td>Rental of dozer to use at the Palo Alto Landfill: Model offered: D8T or D9R</td>
<td>$13,250</td>
<td>$157,000</td>
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<td></td>
<td>(Unit Price in words: Thirty-Five Thousand Two Hundred)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>02</td>
<td>2</td>
<td>Each</td>
<td>Delivery/Pick Up Charge – each way:</td>
<td>$1.00</td>
<td>$2.00</td>
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<td></td>
<td>(Unit Price in words: One Dollar)</td>
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</tbody>
</table>

Total Base Bid (items 01 and 02, with all applicable taxes and fees included)
(Total Price in words: One hundred fifty-nine thousand two dollars)

**Price Increases**
Prices quoted above shall remain firm and shall include all applicable taxes, regulatory fees, and all transportation and delivery charges as necessary to perform the requirements of this RFQ. Requests for price adjustments during the contract period will not be allowed.
BIDDER (COMPANY): FERMA CORPORATION  DATE: 4/5/11

BIDDER'S BID PAGES  SECTION III

Lowest Responsible Bidder
The lowest bid shall be the lowest grand total of the bid prices on Base Bid Schedule. This total is being used for the purpose of determining the lowest responsible bidder.

Insurance
The Bidder shall bear all costs and provide insurance as required by Section II, Insurance Requirements, herein.

PAYMENT TERMS Monthly

Signature must be the same as signature in Section I – Request for Quotations and Bidder Required Information.

Signature: ____________________________

Roy Ferrari
(Print name)

PLEASE NOTE:

Your signature above and bid submittal shall indicate that you have carefully examined all Bid Documents, including the sample contract to be used to make the award, and that you fully understand the requirements by the City of Palo Alto. Any exceptions to the specifications and general requirements shall be submitted with the bid as an attachment. The City will determine if such exceptions are satisfactory in meeting mandatory requirements or specification, and if the proposed alternate meets the intent of this Request for Quotations (RFQ).
EXHIBIT D
INSURANCE REQUIREMENTS

CONTRACTORS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, SHALL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, AFFORDED BY COMPANIES WITH AM BEST’S KEY RATING OF A-: VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS, AS SPECIFIED, BELOW:

<table>
<thead>
<tr>
<th>REQUIRED</th>
<th>TYPE OF COVERAGE</th>
<th>REQUIREMENT</th>
<th>MINIMUM LIMITS</th>
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<td>AGGREGATE</td>
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<td>OCCURRENCE</td>
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<tr>
<td>YES</td>
<td>WORKER’S COMPENSATION</td>
<td>STATUTORY</td>
<td></td>
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<tr>
<td>YES</td>
<td>EMPLOYER’S LIABILITY</td>
<td>STATUTORY</td>
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<tr>
<td>YES</td>
<td>GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET, CONTRACTUAL, AND FIRE LEGAL LIABILITY</td>
<td>BODILY INJURY</td>
<td>$1,000,000</td>
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<td>PROPERTY DAMAGE</td>
<td>$1,000,000</td>
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<td>BODILY INJURY &amp; PROPERTY DAMAGE COMBINED</td>
<td>$1,000,000</td>
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<td>YES</td>
<td>AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED</td>
<td>BODILY INJURY</td>
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<td>- EACH OCCURRENCE</td>
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<td>PROPERTY DAMAGE</td>
<td>$1,000,000</td>
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<td>BODILY INJURY AND PROPERTY DAMAGE, COMBINED</td>
<td>$1,000,000</td>
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<tr>
<td>NO</td>
<td>PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENCE PERFORMANCE</td>
<td>ALL DAMAGES</td>
<td>$1,000,000</td>
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<tr>
<td>YES</td>
<td>THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED: CONTRACTOR, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FOR AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING NOT ONLY CONTRACTOR AND ITS SUBCONSULTANTS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS' COMPENSATION, EMPLOYER'S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSURED CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.</td>
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</table>

I. INSURANCE COVERAGE MUST INCLUDE:

A. A PROVISION FOR A WRITTEN THIRTY DAY ADVANCE NOTICE TO CITY OF CHANGE IN COVERAGE OR OF COVERAGE CANCELLATION; AND

B. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONTRACTOR'S AGREEMENT TO INDEMNIFY CITY.

C. DEDUCTIBLE AMOUNTS IN EXCESS OF $5,000 REQUIRE CITY'S PRIOR APPROVAL.

II. CONTRACTOR MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE.

III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO "ADDITIONAL INSUREDs"
CITY OF PALO ALTO CONTRACT NO.: C11140833

A. PRIMARY COVERAGE

WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSURED.

B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSUREDS UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSUREDS, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

NOTICES SHALL BE MAILED TO:

PURCHASING AND
CONTRACT ADMINISTRATION
CITY OF PALO ALTO
P.O. BOX 10250
PALO ALTO, CA 94303

12
Rev. January 11, 2010