



City of Palo Alto

City Council Staff Report

(ID # 8178)

Report Type: Consent Calendar

Meeting Date: 6/27/2017

Summary Title: Approval of a Contract for City Hall Fire Sprinkler System Repair

Title: Approval of a Contract with SimplexGrinnell, Inc. in an Amount Not-to-Exceed \$250,185 for Repair of the City Hall Fire Sprinkler System, and Authorization for the City Manager to Negotiate and Execute Change Orders in an Amount Not-to-Exceed \$17,235 in Total Value

From: City Manager

Lead Department: Public Works

Recommendation

Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute Contract C17168126 with SimplexGrinnell, Inc. (Attachment A) in the amount of \$232,950.00 for the repair of the fire sprinkler system in City Hall;
2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the Contract with SimplexGrinnell, Inc. for related, additional but unforeseen work, which may develop during the project, the total value of which shall not exceed \$17,235.00.

Background

City Hall was constructed in 1967 and is located at 250 Hamilton Avenue. Part of the existing fire sprinkler system was installed during the original construction phase of City Hall and other parts of the fire sprinkler system were installed in the late 1980's.

In September 2016, the City issued a Request for Quotes (RFQ) solicitation for Fire Sprinkler Inspections and Repairs for all City buildings. SimplexGrinnell submitted the only bid and was awarded the contract.

Per the contract, SimplexGrinnell performed the code-required five-year inspection of the City Hall fire sprinkler system in December 2016, during which numerous deficiencies were found needing correction. Many of these deficiencies were caused by system components being at the end of their service life. To comply with National Fire Protection Association code requirements and pass the five-year inspection, these deficiencies must be corrected and replacement cycles maintained, including gauges and fire hoses being replaced every five years and fire sprinkler heads every 50 years.

Discussion

Project Description

The primary scope of this project is to correct all fire sprinkler deficiencies in the City Hall building and meet current National Fire Protection Association codes and Palo Alto Fire Department regulations.

A detailed scope of work is provided in the attached contract including:

- replacing 50-year-old fire sprinkler heads;
- replacing painted and corroded fire sprinkler heads;
- removing 37 fire hoses and 37 hose valves and plugging the service to each;
- replacing all pressure gauges on the fire risers; and
- replacing 15 corroded Victaulic couplings.

The facility will remain open during the course of the project with many of the tasks occurring after regular business hours and/or on weekends.

Vendor Selection Process

Staff worked closely with SimplexGrinnell in the development of their repair proposal to ensure the accuracy and completeness of the repairs. Staff also sought cost saving opportunities, including the removal of fire hoses and capping the service instead of replacing fire hoses and repairing hose valves. Approved by the fire marshall as the fire hose system is redundant, this savings is twofold in that future inspections of, or repairs to, the fire hose cabinets will no longer be needed. If another formal solicitation was required and another vendor awarded

the contract, that vendor would most likely require their own five-year inspection be performed at a cost of approximately \$16,000 to the City. Moreover, the prior solicitation included both inspection and repair of the found deficiencies, and only one vendor bid on the original contract. For these reasons, staff recommends approval of this sole source contract.

Timeline

Pending Council approval of this contract, the project is expected to begin in July 2017 and be complete within 60 days of the notice to proceed.

Resource Impact

Contract funding is available in Public Works Department operating budgets.

Policy Implications

This recommendation does not represent any change to existing City policies.

Environmental Review

This project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under Sections 15301 and 15302 of the CEQA Guidelines as repair, maintenance and alteration of an existing facility and no further environmental review is necessary.

Attachments:

- Attachment A: C17168126 Simplex Grinnell contract

CITY OF PALO ALTO CONTRACT NO. C17168126

GENERAL SERVICES AGREEMENT

THIS AGREEMENT made and entered into on the 19th day of June, 2017, by and between the **CITY OF PALO ALTO, a California chartered municipal corporation** (“CITY”), and **SIMPLEX GRINNELL LP**, a limited partnership, located at 6952 Preston Avenue, Livermore, CA 94550, Telephone Number: 925-273-1213 (“**CONTRACTOR**”). In consideration of their mutual covenants, the parties hereto agree as follows:

1. **SERVICES.** CONTRACTOR shall provide or furnish the services (the “Services”) described in the Scope of Services, attached at Exhibit A.
2. **EXHIBITS.** The following exhibits are attached to and made a part of this Agreement:

- “A” - Scope of Services
- “A-1” – On-Call Task Order (Optional)
- “B” - Schedule of Performance
- “C” – Schedule of Fees
- “D” - Insurance Requirements
- “E” - Performance and/or Payment Bond
- “F” - Liquidated Damages (Optional)

CONTRACT IS NOT COMPLETE UNLESS ALL INDICATED EXHIBITS ARE ATTACHED.

3. TERM.

The term of this Agreement is from July 10, 2017 to September 10, 2017 inclusive, subject to the provisions of Sections 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 at 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 _____ dollars (\$));

OR

- The sum of _____ dollars (\$ _____) per hour, not to exceed a total maximum compensation amount of _____ dollars (\$ _____); **OR**
- A sum calculated in accordance with the fee schedule set forth at Exhibit C, not to exceed a total maximum compensation amount of Two Hundred Thirty-two Thousand Nine Hundred Fifty dollars (\$232,950.00).

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.

- CITY has set aside the sum of Seventeen Thousand Two Hundred Thirty-five dollars (\$17,235.00) 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 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. CLAIMS PROCEDURE FOR "9204 PUBLIC WORKS PROJECTS". For purposes of this Section 7, a "9204 Public Works Project" means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind. Public Contract Code Section 9204 mandates certain claims procedures for Public Works Projects, which are set forth in "Appendix A Claims for Public Contract Code Section 9204 Public Works Projects".

This project is a 9204 Public Works Project and is required to comply with the claims procedures set forth in Appendix A, attached hereto and incorporated herein.

8. INVOICING. Send all invoices to CITY, Attention: Project Manager. The Project Manager is: Dennis Huebner, Dept.: Public Works Facilities, Telephone: 650-496-6970. 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 7 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.
- 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. PALO ALTO MINIMUM WAGE ORDINANCE.** CONTRACTOR shall comply with all requirements of the Palo Alto Municipal Code Chapter 4.62 (Citywide Minimum Wage), as it may be amended from time to time. In particular, for any employee otherwise entitled to the State minimum wage, who performs at least two (2) hours of work in a calendar week within the geographic boundaries of the City, CONTRACTOR shall pay such employees no less than the minimum wage set forth in Palo Alto Municipal Code section 4.62.030 for each hour worked within the geographic boundaries of the City of Palo Alto. In addition, CONTRACTOR shall post notices regarding the Palo Alto Minimum Wage Ordinance in accordance with Palo Alto Municipal Code section 4.62.060.
- H. 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.
- I. 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.

- J. 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.
- K. 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.
- L. 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.
- M. 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.
- N. INSURANCE.** CONTRACTOR, at its sole cost, shall purchase and maintain in full force during the term of this Agreement, the insurance coverage described at 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 CITY's Risk Manager. The 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 Risk Manager. CONTRACTOR shall provide certificates of such policies or other evidence of coverage satisfactory to the Risk Manager, together with the required endorsements and evidence of payment of premiums, to CITY concurrently with the execution of this Agreement and shall throughout the term of this Agreement provide current certificates evidencing the required insurance coverages and endorsements to the 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.

- O. HOLD HARMLESS.** To the fullest extent permitted by law and without limitation by the provisions of section N 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, courts 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. 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 CONTRACTOR shall not be obligated to indemnify for liability arising from the sole negligence or willful misconduct of 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 Agreement.
- P. 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.

- Q. 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.
- R. 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 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.
- S. 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 CITY. No amendments, changes or variations of any kind are authorized without the written consent of CITY.
- T. 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 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.
- U. GOVERNING LAW.** This contract shall be governed and interpreted by the laws of the State of California.

V. 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.

W. 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.

X. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS. CONTRACTOR shall comply with CITY's Environmentally Preferred Purchasing policies which are available at CITY's Purchasing Division, 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 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 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 CITY shall be purchased in accordance with 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 Division's office.
- Reusable/returnable pallets shall be taken back by CONTRACTOR, at no additional cost to CITY, for reuse or recycling. CONTRACTOR shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

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

Z. PREVAILING WAGES

Contractor is required to pay general prevailing wages as defined in Subchapter 3, Title 8 of the California Code of Regulations and Section 16000 et seq. and Section 1773.1 of the California Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City Council has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of worker needed to execute the contract for this Project from the Director of the Department of Industrial Relations (“DIR”). Copies of these rates may be obtained at the Purchasing Division’s office of the City of Palo Alto. Contractor shall provide a copy of prevailing wage rates to any staff or subcontractor hired, and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of all sections, including, but not limited to, Sections 1775, 1776, 1777.5, 1782, 1810, and 1813, of the Labor Code pertaining to prevailing wages.

AA.DIR REGISTRATION. In regard to any public work construction, alteration, demolition, repair or maintenance work, CITY will not accept a bid proposal from or enter into this Agreement with CONTRACTOR without proof that CONTRACTOR and its listed subcontractors are registered with the California Department of Industrial Relations (“DIR”) to perform public work, subject to limited exceptions. City requires CONTRACTOR and its listed subcontractors to comply with the requirements of SB 854.

CITY provides notice to CONTRACTOR of the requirements of California Labor Code section 1771.1(a), which reads:

“A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.”

CITY gives notice to CONTRACTOR and its listed subcontractors that CONTRACTOR is required to post all job site notices prescribed by law or

regulation and CONTRACTOR is subject to SB 854-compliance monitoring and enforcement by DIR.

CITY requires CONTRACTOR and its listed subcontractors to comply with the requirements of Labor Code section 1776, including:

Keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by, respectively, CONTRACTOR and its listed subcontractors, in connection with the Project.

The payroll records shall be verified as true and correct and shall be certified and made available for inspection at all reasonable hours at the principal office of CONTRACTOR and its listed subcontractors, respectively.

At the request of CITY, acting by its project manager, CONTRACTOR and its listed subcontractors shall make the certified payroll records available for inspection or furnished upon request to the project manager within ten (10) days of receipt of CITY's request.

[For state- and federally-funded projects] CITY requests CONTRACTOR and its listed subcontractors to submit the certified payroll records to the project manager at the end of each week during the Project.

If the certified payroll records are not produced to the project manager within the 10-day period, then CONTRACTOR and its listed subcontractors shall be subject to a penalty of one hundred dollars (\$100.00) per calendar day, or portion thereof, for each worker, and CITY shall withhold the sum total of penalties from the progress payment(s) then due and payable to CONTRACTOR.

Inform the project manager of the location of CONTRACTOR's and its listed subcontractors' payroll records (street address, city and county) at the commencement of the Project, and also provide notice to the project manager within five (5) business days of any change of location of those payroll records.

BB. CONTRACT TERMS. All unchecked boxes do not apply to this Agreement. In the case of any conflict between the terms of this Agreement and the exhibits hereto or CONTRACTOR's proposal (if any), the Agreement shall control. In the case of any conflict between the exhibits hereto and CONTRACTOR's proposal, the exhibits shall control.

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

SIMPLEX GRINNELL, LP

City Manager or Designee

By _____

Name _____

Title _____

Telephone: _____

Approved as to form:

Assistant City Attorney

EXHIBIT A
SCOPE OF SERVICES

Fire Sprinkler Deficiency Repairs

Contractor shall perform the following deficiency repairs identified in Contractor's inspection in December 2016:

1. Pre-Action level "A":
 - a) Replace three (3) 0-300psi gauges that are outdated.
 - b) Replace three (3) drain signs that are missing.

2. Police Department – Level "A":
 - a) Interview room - Replace two (2) ½" brass 165 degree pendent sprinkler heads that are painted near the projector.
 - Replace one (1) ½" brass 212 degree HSW sprinkler head that is painted by the light.
 - b) CSO office – Replace five (5) ½" brass pendent sprinkler heads that are painted. One on the right side from door. One in the middle row by window. Two by left line #2 by window. One by the door.
 - c) Patrol room – Replace two (2) chrome semi-recessed escutcheons that are missing.
 - d) Patrol sergeant room – Replace two (2) chrome semi-recessed escutcheons that are missing.
 - Lower two (2) sprinkler heads that are too high above the red locker.
 - Replace one (1) ½" brass 165 degree VSW sprinkler head that is painted.
 - Replace one (1) ½" brass 165 degree brass pendent that are painted.
 - e) Outside men's locker room – Replace one (1) ½" brass 165 degree pendent sprinkler head that is loaded.
 - f) Men's locker room – Replace two (2) ½" brass 165 degree pendent sprinkler heads, one is loaded over the toilet and one that is corroded in the shower.
 - g) Locker 005-006 – Replace one (1) leaking pipe at R/C. Remove and replace pipe with new fitting and new ½" chrome 165 degree QR pendent sprinkler head.
 - h) Women's locker room – Replace one (1) ½" chrome 155 degree QR pendent sprinkler head that is loaded at locker #071.
 - Replace two (2) ½" brass 165 degree pendent sprinkler heads, one that is painted in the toilet area and one that is corroded in the shower.
 - i) Police Gym – Replace two (2) ½" chrome 165 degree SSP sprinkler heads that are loaded on the east side of room. Replace one (1) ½" brass 165 degree SSU sprinkle head and one (1) ½" brass 265 degree pendent sprinkler head that are painted in weight room towards garage.

Note: The coed locker room police garage has 1 sprinkler head over the locker that does not have 18" clearance due to boxes being stacked on lockers. The boxes are to be removed by others.
 - j) Evidence room/area - Remove and plug one (1) cold solder condition sprinkler head. Replace one (1) 1 ½" pipe hanger that is missing near the light. Note: Post tension cables in concrete so scanning will be required.

- k) Police garage west side (Ramona St side) – Replace two (2) ½" brass 165 degree SSP sprinkler heads that are painted in the staff cage.
3. Garage #1:
- a) Line #7 – Replace eleven (11) ½" brass 165 degree SSU sprinkler heads that are painted and one (1) ½" brass 165 degree SSP sprinkler head that is painted.
 - b) Line #6 - Replace thirteen (13) ½" brass 165 degree SSU sprinkler heads that are painted.
 - c) Line #5 - Replace fourteen (14) ½" brass 165 degree SSU sprinkler heads that are painted.
 - d) Line #4 - Replace fourteen (14) ½" brass 165 degree SSU sprinkler heads that are painted.
 - e) Line #3 - Replace twelve (12) ½" brass 165 degree SSU sprinkler heads that are painted.
 - f) Line #2 - Replace nine (9) ½" brass 165 degree SSU sprinkler heads that are painted.
 - g) Line #1 - Replace one (1) ½" brass 165 degree SSU sprinkler heads that are painted.
4. Police department level ground:
- a) Police records by council chambers - Replace one (1) ½" chrome 155 SR pendent sprinkler head that is corroded.
 - b) Patrol division hallway outside - Replace one (1) ½" chrome 155 SR pendent sprinkler head that is loaded.
 - c) Police records lobby – Replace three (3) off white 401 skirts that are missing. Note: Extension ladder required.
 - d) Detective area riser closet - Replace one (1) "Riser Inside" sign that is missing. Replace one (1) 0-300 psi gauge that is outdated. Replace one (1) chrome semi-recessed escutcheon on that is missing next to door jam for room #2.
Note: Contractor did not have access to the doors 5, 6, 7, 8, 11, 17, 20, 23 during the inspection. At the time that Contractor performs the repairs in this Section 4, Contractor shall inspect the rooms accessed through these doors and coordinate with City to ensure Contractor has access. If deficiencies are identified during the inspection, Contractor shall submit a change order request to correct found deficiencies.
 - e) Room #115 – Replace one (1) chrome semi-recessed escutcheon that is missing.
5. Ground level:
- a) Elevator lobby – Replace four (4) ½" chrome 155 degree SR pendent sprinkler heads, three are loaded and one is wrong temperature.
 - b) Women's restroom – Replace one (1) ½" chrome 155 degree SR pendent sprinkler head this is painted.
 - c) Men's restroom – Replace one (1) ½" chrome 155 degree SR pendent sprinkler head this is loaded.
 - d) Open high area on west side – Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads this are painted. Note: 30" lift required.
- 6) Council chambers:

- a) Middle heads are wrong temperature – Replace seven (7) fire sprinkler heads with ½" chrome 165 degree SSP sprinkler heads.
Note: Contractor will rent a lift to perform the work, the seats will need to be removed for lift access. Floor is sloped so scaffolding may be required. If it is determined scaffolding is required to complete repair, City may provide the scaffolding or Contractor may submit a change order request to include scaffold rental, at City's discretion.
- 6. Revenue collections:
 - a) West Stair A Lobby – Replace one (1) ½" brass 165 degree SSP sprinkler head that is painted.
 - b) Lobby for level A – Replace five (5) ½' brass 165 degree SSP sprinkle heads that are loaded and/or painted.
 - c) Elevator lobby by mail boxes – Replace one (1) ½" brass 165 degree SP sprinkler head that is loaded.
- 7. Cafeteria "A" Level:
 - a) Room on left – Replace one (1) ½" brass 165 degree SSP sprinkle head that is painted.
 - b) Row 1 east side – Replace six (6) ½" brass 165 degree SSP sprinkler heads that are painted.
 - c) Row 2 middle – Replace seven (7) ½" brass 165 degree SSP sprinkler heads that are painted.
 - d) Row 3 west side – Replace five (5) ½" brass 165 degree SSP sprinkler heads that are painted.
- 8. 1st Floor:
 - a) Women's restroom – Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads, one is painted and one is corroded.
 - b) Men's restroom – Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
 - c) Room #102 – Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
 - d) Lobby – Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is damaged.
 - e) 3" Riser - Replace one (1) 0-300psi gauge that is outdated.
- 9. 2nd Floor:
 - a) Lobby – Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads that are painted corroded.
 - b) 3" Riser – Replace one (1) 0-300psi gauge that is outdated.
- 10. 3rd Floor:
 - a) 3" Riser – Replace one (1) 0-300psi gauge that is outdated.
 - b) Women's restroom – Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads that are painted.
 - c) Men's restroom – Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.

- d) By cubicle - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is loaded.
- e) By West exit - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is corroded.
- f) Room #305 - Replace one (1) chrome semi-recessed escutcheon that is missing.
- g) By cubicle 30 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is loaded.

11. 4th Floor:

- a) 3" Riser - Replace one (1) 0-300psi gauge that is outdated.
- b) Lobby outside women's restroom - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- c) Women's restroom - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- d) Men's restroom - Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads that are painted.
- e) Room #403 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is loaded.
- f) Room #402 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is corroded.
- g) Cubicle 403 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is loaded.
- h) Cubicle 426 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is loaded.
- i) File cabinet on the east/north (crrv) - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is loaded.
- j) Over Sink - Remove and plug one (1) cold solder condition sprinkler head.

12. 5th Floor:

- a) 3" Riser - Replace one (1) 0-300psi gauge that is outdated.
- b) Outside in hall by Riser - Replace one (1) ½" brass 165 degree SSU sprinkler head that is corroded.
- c) Women's restroom - Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads that are painted.
- d) City employee entrance door - Replace one (1) chrome semi-recessed escutcheon that is missing over the copier.
- e) Across from room #504 - Replace one (1) chrome semi-recessed escutcheon that is missing.
- f) Room #504 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- g) Outside Room #507 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is loaded.
- h) Outside stair over the big table - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is loaded.
- i) Room #508 - Replace one (1) chrome semi-recessed escutcheon that is missing.
- j) Outside Room #509 - Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads that are loaded.

13. 6th Floor:

- a) 3" Riser - Replace one (1) 0-300psi gauge that is outdated.
- b) Office by riser - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted by receptionist over copier.
 - Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads that are painted towards the exit sign.
- c) Fire deputy chief office - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- d) Office by bulletin board - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- e) By server room - Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads that are painted.
- f) West side open area - Replace twelve (12) ½" chrome 155 degree SR pendent sprinkler heads that are painted and/or loaded from south to north, stop at the copier.
- g) Room #601 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- h) On north side going to the west to east starting at big copier - Replace four (4) ½" chrome 155 degree SR pendent sprinkler heads that are loaded.
- i) Room #603 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- j) Room #605 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- k) Room #606 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.

14. 7th Floor:

- a) 3" Riser - Replace one (1) 0-300psi gauge that is outdated.
- b) Lobby elevator - Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads that are painted.
- c) Men's restroom - Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads that are painted.
- d) Men's restroom closet - Replace one (1) chrome semi-recessed escutcheon that is missing.
- e) City auditor west side - Replace one (1) chrome semi-recessed escutcheon that is missing.
- f) Attorney office on south/west side - Replace two (2) ½" chrome 155 degree SR pendent sprinkler heads that are painted.
- g) Room #712 - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- h) Mayor area deputy city clerk outside - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- i) Mayor's office - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- j) Lobby open area - Replace four (4) ½" chrome 155 degree SR pendent sprinkler heads that are loaded.

- k) City manager's office storage room from door - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- l) City manager's office by clock - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- m) City manager's office to the left of the TV on wall - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- n) City manager's office 2 offices to the left of the TV on wall - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is loaded.
- o) City manager's office outside of glass conference room and head towards window there is a Quick Response pendent sprinkler head, remove and replace with one (1) ½" chrome 155 degree SR pendent sprinkler head.
- p) City manager's office at the door that goes to the lobby - Replace one (1) ½" chrome 155 degree SR pendent sprinkler head that is painted.
- q) City manager's office conference room - Replace one (1) chrome semi-recessed escutcheon that is missing on the west side of glass conference room.

15. 8th Floor:

- a) 3" Riser - Replace one (1) 0-300psi gauge that is outdated.
- b) Attorney room – Note: See below additional scope of work regarding adding one (1) sprinkler head.
- c) Room #805 – Lower one (1) pendent sprinkler head that is too low.
- d) West stair lobby - Replace one (1) chrome semi-recessed escutcheon that is missing.

Contractor shall perform the following work items identified in a site survey conducted by Contractor together with City on February 2, 2017:

1. Add one (1) ½" brass 165 degree SSP sprinkler head with head guard to the mechanical room in level "A" police room.
2. Add one (1) ½" brass 165 degree SSP sprinkler head to the mechanical room in level "A" police room office.
3. Add one (1) ½" chrome 165 degree SSP sprinkler head to the men's locker room.
4. Add one (1) ½" chrome 165 degree SSP sprinkler head to the men's locker room exit toward garage.
5. Add one (1) one ½' chrome 165 degree SSP sprinkler head to the attorney room.
6. Add three (3) ½" brass 165 degree SSP sprinkler heads to the police level "A" mechanical room.
7. Relocate one (1) ½" brass 165 degree SSP sprinkler head in "A" level storage.
8. Replace seven (7) ½" brass 165 degree SSU sprinkler heads to the police level "A" mechanical room.
9. Replace one (1) ½" brass 165 degree Vertical sidewall sprinkler head in the police level "A" mechanical room.
10. Replace seven (7) ½" brass 165 degree SSP sprinkler heads in the electric hallway south of the mail room that are approaching the 50 year mark.
11. Replace seventeen (17) ½" brass 165 degree SSP sprinkler heads in "A" level storage that are approaching the 50 year mark.

12. Replace twenty one (21) ½" brass 165 degree SSP sprinkler heads in level "A" print shop/mail shop that are approaching the 50 year mark.
13. Replace seventeen (17) ½" brass 165 degree SSU sprinkler heads in level "A" 911 equipment room that are approaching the 50 year mark.
14. Replace one (1) ½" brass 165 degree SSP sprinkler heads in level "A" 911 equipment room that is approaching the 50 year mark.
15. Replace twenty (20) ½" brass 165 degree SSP sprinkler heads in the level "A" cafeteria that are approaching the 50 year mark. Note: We also include cutting back five (5) of these heads as they are too low down from the ceiling.
16. Replace four (4) ½" brass 165 degree SSP sprinkler heads in the level "A" garage lobby that are approaching the 50 year mark.
17. Replace five (5) ½" brass 165 degree SSP sprinkler heads in the level "A" IT Tech - tank room that are approaching the 50 year mark.
18. Replace four (4) ½" brass 165 degree SSP sprinkler heads in "A" level police briefing room that are approaching the 50 year mark.
19. Replace twelve (12) ½" brass 165 degree SSP sprinkler heads in the level "A" CSO office that are approaching the 50 year mark. Note: Two of the existing heads are also painted.
20. Replace one (1) ½" brass 165 degree SSP sprinkler head in the level "A" CSO locker room hallway that is approaching the 50 year mark.
21. Replace one (1) ½" brass 165 degree VSW sprinkler head in the level "A" CSO locker room hallway that is approaching the 50 year mark.
22. Replace ten (10) ½" brass 165 degree SSU sprinkler heads in the garage #1 south side (Forest ST side) in the blue storage lockers that are approaching the 50 year mark.
23. Replace six (6) ½" brass 165 degree SSU sprinkler heads in the level "A" police gym that are approaching the 50 year mark.
24. Replace two (2) ½" brass 165 degree SSP sprinkler heads in the level "A" police gym that are approaching the 50 year mark.
25. Replace one (1) ½" brass 165 degree SSP sprinkler head in the level "A" shared locker room above locker that is approaching the 50 year mark.

26. Parking Garage:

- a) Replace a total of three hundred and seven (307) ½" brass 165 degree SSU fire sprinkler heads in the "A" Level parking garage.
- b) Replace a total of seven hundred forty (740) ½" brass 165 degree SSU fire sprinkler heads in the "B" Level parking garage.
- c) Replace a total of eight hundred eighty one (881) ½" brass 165 degree SSU fire sprinkler heads in the "C" Level parking garage.
- d) Replace a total of sixteen (16) ½" brass 165 degree SSU fire sprinkler heads in the stair wells.

Note: A portion or all of these sprinkler head change outs in the garage may require being completed during overtime working hours, which is reflected in the estimated amount of Overtime Labor in Exhibit C. City will be responsible for providing access to fire sprinkler heads by blocking off a minimum of 50% (or half) of each level of the parking garage area for each day work is to be completed in the parking garage.

27. North End of parking garage (Hamilton St side of garage level's A, B & C):

Starting from 8" fire sprinkler main line closest to North side of garage: Replace the following corroded material on all three levels A, B & C:

- a) Fifteen (15) 8" Victaulic couplings. (x3)
- b) One (1) 8" butterfly valve. (x3)
- c) Three (3) 8" 90's. (x3)
- d) Approximately 15' of 8" fire sprinkler piping. (x3)
- e) Two (2) 0-300 psi gauges. (x3)
- f) One (1) 8" Flow switch. (x3)

Note: A portion of the work in these areas of and scope of work may require being completed during overtime working hours, which is reflected in the estimated amount of Overtime Labor in Exhibit C.

28. Middle section of parking garage (Hamilton St side of garage level's A, B & C):

Starting from 8" fire sprinkler main running along wall: Replace the following corroded material on all three levels A, B & C:

- a) Replace one (1) 8" OS&Y valve (takeout of OS&Y is 11 1/2"). (x3)
- b) Replace 8" GXG fire sprinkler pipe approximately 16' - 4 1/2". Drill hole and install one (1) 2" saddle for flow switch. (x3)
- c) Replace one (1) 8" 90. (x3)
- d) Replace two (2) 0-300 psi gauges. (x3)
- e) Replace one (1) 8" flow switch. (x3)
- f) Replace three (3) 8" Victaulic couplings. (x3)
- g) Install two (2) gauge kits for gauges. (x3)

Note: A portion of the work in these areas of and scope of work may require being completed during overtime working hours, which is reflected in the estimated amount of Overtime Labor in Exhibit C.

29. Middle section of parking garage (Hamilton St side of garage level's A, B & C):

Starting from 8" fire sprinkler main line closest to center of garage. Replace the following corroded material on all three levels A, B & C:

- a) Replace one (1) 8" Flange x Groove OS&Y valve. (x3)
- b) Replace one (1) section of 8" fire sprinkler pipe approximately 9' - 1 1/2" (from flange to Vic coupling). Drill hole and install one (1) 2" saddle at 7' from Victaulic coupling for flow switch. (x3)
- c) Replace one (1) 8" Victaulic coupling. (x3)
- d) Replace one (1) 8" flow switch. (x3)

Note: A portion of the work in these areas of and scope of work may require being completed during overtime working hours, which is reflected in the estimated amount of Overtime Labor in Exhibit C.

30. In "C" level garage:

- a) Replace a total of three (3) 2" drain valves (one for each section) that are corroded.

31. Standpipe deficiency repairs:

- a) Remove a total of thirty seven (37) fire hoses and thirty seven hose valves and plug off.

32. Fire pump deficiency repairs:

- a) Replace five (5) 0-300 psi gauges.
- b) Replace one (1) flow meter that is not working.
- c) Reconfigure jockey pump supply line so it is tied into the system after the clay valve.
- d) Verify there is a gauge on the discharge side of pump. If there is no gauge currently, SimplexGrinnell will add one (1) gauge.

EXHIBIT B
SCHEDULE OF PERFORMANCE

CONTRACTOR shall perform the Services according to the following schedule:

Correction of the deficiencies found during the 5-Year Fire Sprinkler, Fire Pump and Standpipe inspection shall be completed within 60 calendar days from Notice to Proceed.

**EXHIBIT C
SCHEDULE OF FEES**

Compensation based upon fee schedule

CITY shall pay CONTRACTOR according to the following rate schedule. The maximum amount of compensation to be paid to CONTRACTOR, including both payment for services and reimbursable expenses, shall not exceed the amounts set forth in Sections 5 and 6 of the Agreement. Any services provided or hours worked for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to CITY.

Time & Materials Pricing Breakdown:

Description:	Qty.	Rate:	Estimated Price
• Labor:	728	\$165.00/hr	\$120,120.00
• Overtime Labor*	288	\$212.50/hr	\$61,200.00
• Lift/Equipment Rental:	1		\$2,880.00
• Materials:	1		\$48,218.00
• Truck Charge	1	\$150.00	Waived
• Plans/Permits	1		\$532.00
Estimated Cost:			<hr/> \$232,950.00

*Overtime Labor rate applies for hours worked by an individual in excess of 8 hours per day.

**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:

REQUIRED	TYPE OF COVERAGE	REQUIREMENT	MINIMUM LIMITS	
			EACH OCCURRENCE	AGGREGATE
YES YES	WORKER'S COMPENSATION EMPLOYER'S LIABILITY	STATUTORY STATUTORY		
YES	GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY	BODILY INJURY	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY & PROPERTY DAMAGE COMBINED.	\$1,000,000	\$1,000,000
YES	AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED	BODILY INJURY	\$1,000,000	\$1,000,000
		- EACH PERSON	\$1,000,000	\$1,000,000
		- EACH OCCURRENCE	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY AND PROPERTY DAMAGE, COMBINED	\$1,000,000	\$1,000,000
NO	PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE	ALL DAMAGES	\$1,000,000	
YES	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 FORCE 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.			

- 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. CONTACTOR MUST SUBMIT CERTIFICATE(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE.
- III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO "ADDITIONAL INSURED"

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 INSUREDS.

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**

EXHIBIT E
BONDS

Appendix A:
Claims for Public Contract Code Section 9204 Public Works Projects

The provisions of this this Appendix are provided in compliance with Public Contract Code Section 9204; they provide the exclusive procedures for any claims related to the Services performed under this Agreement.

1. Claim Definition. "Claim" means a separate demand by the Contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:

- (A) A time extension, including, without limitation, for relief from damages or penalties for delay assessed by the City.
- (B) Payment by the City of money or damages arising from the Services performed by, or on behalf of, the Contractor pursuant to the Agreement and payment for which is not otherwise expressly provided or to which the Contractor is not otherwise entitled.
- (C) Payment of an amount that is disputed by the City.

2. Claim Process.

(A) Timing. Any Claim must be submitted to City in compliance with the requirements of this Appendix no later than fourteen (14) days following the event or occurrence giving rise to the Claim. This time requirement is mandatory; failure to submit a Claim within fourteen (14) days will result in its being deemed waived.

(B) Submission. The Claim must be submitted to City in writing, clearly identified as a "Claim" submitted pursuant to this Appendix, and must include reasonable documentation substantiating the Claim. The Claim must clearly identify and describe the dispute, including relevant references to applicable portions of the Agreement, and a chronology of relevant events. Any Claim for additional payment must include a complete, itemized breakdown of all labor, materials, taxes, insurance, and subcontract, or other costs. Substantiating documentation such as payroll records, receipts, invoices, or the like, must be submitted in support of each claimed cost. Any Claim for an extension of time or delay costs must be substantiated with schedule analysis and narrative depicting and explaining claimed time impacts.

(C) Review. Upon receipt of a Claim in compliance with this Appendix, the City shall conduct a reasonable review of the Claim and, within a period not to exceed 45 days from receipt, shall provide the Contractor a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Upon receipt of a Claim, the City and Contractor may, by mutual agreement, extend the time period provided in this paragraph 2.

(D) If City Council Approval Required. If the City needs approval from the City Council to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the Claim, and the City Council does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a Claim sent by registered mail or certified mail, return receipt requested, the City shall have up to three days following the next duly publicly noticed meeting of the City Council after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

(E) Payment. Any payment due on an undisputed portion of the Claim shall be processed and made within 60 days after the City issues its written statement. If the City fails to issue a written statement, paragraph 3, below, shall apply.

3. Disputed Claims

(A) Meet and Confer. If the Contractor disputes the City's written response, or if the City fails to respond to a Claim submitted pursuant to this Appendix within the time prescribed, the Contractor may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, the City shall schedule a meet and confer conference within 30 days for settlement of the dispute. Within 10 business days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, the City shall provide the Contractor a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the Claim shall be processed and made within 60 days after the City issues its written statement.

(B) Mediation. Any remaining disputed portion of the Claim, as identified by the Contractor in writing, shall be submitted to nonbinding mediation, with the City and the Contractor sharing the associated costs equally. The City and Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the Claim has been identified in writing by the Contractor. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate the disputed portion of the Claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the Claim remaining in dispute shall be subject to any other remedies authorized by the Agreement and laws.

(i) For purposes of this paragraph 3.B, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

(ii) Unless otherwise agreed to by the City and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation, if any, under Public Contract Code Section 20104.4 to mediate after litigation has been commenced.

4. City's Failure to Respond. Failure by the City to respond to a Claim from the Contractor within the time periods described in this Appendix or to otherwise meet the time requirements of this Appendix shall result in the Claim being deemed rejected in its entirety. A Claim that is denied by reason of the City's failure to have responded to a Claim, or its failure to otherwise meet the time requirements of this Appendix, shall not constitute an adverse finding with regard to the merits of the Claim or the responsibility or qualifications of the Contractor.

5. Interest. Amounts not paid in a timely manner as required by this section shall bear interest at seven (7) percent per annum.

6. Approved Subcontractor Claims. If an approved subcontractor or a lower tier subcontractor lacks legal standing to assert a Claim against the City because privity of contract does not exist, the Contractor may present to the City a Claim on behalf of a subcontractor or lower tier subcontractor. A subcontractor may request in writing, either on his or her own behalf or on behalf of a lower tier

subcontractor, that the Contractor present a Claim for work which was performed by the subcontractor or by a lower tier subcontractor on behalf of the subcontractor. The subcontractor requesting that the Claim be presented to the City shall furnish reasonable documentation to support the Claim. Within 45 days of receipt of this written request, the Contractor shall notify the subcontractor in writing as to whether the Contractor presented the claim to the City and, if the Contractor did not present the claim, provide the subcontractor with a statement of the reasons for not having done so.

7. Waiver of Provisions. A waiver of the rights granted by Public Contract Code Section 9204 is void and contrary to public policy, provided, however, that (1) upon receipt of a Claim, the parties may mutually agree to waive, in writing, mediation and proceed directly to the commencement of a civil action or binding arbitration, as applicable; and (2) the City may prescribe reasonable change order, claim, and dispute resolution procedures and requirements in addition to the provisions of Public Contract Code Section 9204, so long as the contractual provisions do not conflict with or otherwise impair the timeframes and procedures set forth in this section.