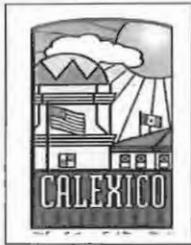


AGENDA
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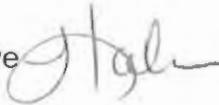


AGENDA STAFF REPORT

DATE: October 7, 2020

TO: Mayor and City Council

APPROVED BY: Miguel Figueroa, City Manager 

PREPARED BY: Lilliana Falomir, Public Works Manager – Administrative 

SUBJECT: Authorize City Manager to Sign Revised Construction Agreement between the City of Calexico and Hazard Construction Company for Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets Project No. 2020-500.

=====

Recommendation:

It is recommended that the City Council of the City of Calexico approve the following:

1. Authorize City Manager to Sign Revised Construction Agreement between the City of Calexico and Hazard Construction Company for Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets Project No. 2020-500.

Background:

On September 2, 2020, the City Council of the City of Calexico awarded the bid proposal from Hazard Construction Company in the amount of \$4,629,943.20 and authorized City Manager to sign Construction Agreement for Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets Project No. 2020-500.

Discussion & Analysis:

On September 4, 2020, Public Works staff mailed Hazard Construction Company their letter of award and construction agreement for Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets Project No. 2020-500. On September 14, 2020, Hazard Construction Company informed Public Works staff that there were conflicting indemnification provisions between Section 1-48 – Responsibility for Damages of the specifications and Section 10 – Indemnification and Hold Harmless of the construction agreement. Best Best & Krieger LLP reviewed the conflicting

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indemnification provisions and revised the construction agreement accordingly. On September 23, 2020, Hazard Construction Company agreed to the revised construction agreement; therefore Public Works staff is requesting City Council authorization to authorize the City Manager to sign agreement between the City of Calexico and Hazard Construction Company for Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets Project No. 2020-500.

Fiscal Impact:

No fiscal impact at this time.

Coordinated With:

City Attorney and Public Works Department.

Attachment(s):

1. Letter of Award and Construction Agreement dated September 4, 2020.
2. Section 1-48 – Responsibility for Damages of the specifications.
3. Revised Construction Contract dated October 7, 2020

ATTACHMENT NO. 1



CITY OF CALEXICO

608 Heber Ave.
Calexico, CA 92231-2840
Tel: 760.768.2160
Fax: 760.768.0992
www.calexico.ca.gov

Public Works Department

September 4, 2020

Jason A. Mordhorst, President
Hazard Construction Company
10529 Vine Street
Lakeside, CA 92040

**Re: Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets
Project No. 2020-500**

Dear Mr. Mordhorst:

This letter is to notify you that the City Council of the City of Calexico at their regular meeting of September 2, 2020, awarded the contract for the above-mentioned project to your firm in the amount of \$4,629,943.20.

Enclosed is a formal Notice of Award and Agreement.

In order to start construction the following documents are requested from your firm.

1. Acknowledgment of Notice of Award
2. Executed Agreement (Two Copies)
3. Performance Bond
4. Payment Bond
5. Certification of Liability Insurance
6. Copy of Contractor's License
7. Copy of City of Calexico Business License

Please submit these documents no later than Friday, September 18, 2020. After receiving the requested documentation, the City will issue a Notice to Proceed.

Thank you for your prompt cooperation on this matter. If you have any questions, please do not hesitate to contact me at 760/768-2160.

Sincerely,

CITY OF CALEXICO

Lilliana Palomir
Public Works Manager – Administrative

Viva Calexico!



CITY OF CALEXICO

608 Heber Ave.
Calexico, CA 92231-2810
Tel: 760.768.2160
Fax: 760.768.0992
www.calexico.ca.gov

Public Works Department

NOTICE OF AWARD

To: Hazard Construction Company
10529 Vine Street
Lakeside, CA 92040

Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets Project No. 2020-500: The project will include grinding of existing asphalt concrete pavement, installation of conventional asphalt concrete leveling course, asphalt-rubber aggregate membrane, gap graded asphalt-rubber hot mix, installation of conventional asphalt concrete surface course, slurry seal, remove and replace concrete curb and gutter, traffic striping, loop detectors, utility adjustments and traffic control.

The City of Calexico has considered the Bid submitted by you for the above described work in response to its Invitation to Bid dated July 21, 2020, and Instructions to Bidders.

You are hereby notified that your Bid has been accepted for items in the amount of \$4,629,943.20.

You are required by the Instructions to Bidders to execute the Agreement and furnish the required Contractor's Performance Bond, Payment Bond and Certificates of Insurance within ten (10) calendar days from the date of this Notice to you.

If you fail to execute said Agreement and to furnish said Bonds within ten (10) days from the date of this Notice, the City of Calexico will be entitled to consider all your rights arising out of the City's acceptance of your Bid as such other rights as may be granted by law.

You are required to return an acknowledged copy of this Notice of Award to the City.

Dated this 4th day of September 2020.

CITY OF CALEXICO

Lilliana Falomir
Public Works Manager – Administrative

Viva Calexico!

Notice of Award
September 4, 2020
Page 2

ACCEPTANCE OF NOTICE

Receipt of the attached NOTICE OF AWARD is hereby acknowledged.

Hazard Construction Company
Company Name

This the _____ day of _____, 2020

By: _____

Title: _____

CONSTRUCTION AGREEMENT
CITY OF CALEXICO, CALIFORNIA

THIS AGREEMENT is made this 2nd day of September, 2020, by and between the City of Calexico, a Municipal Corporation of the State of California ("City") and Hazard Construction Company ("Contractor"). The City and the CONTRACTOR for consideration stated herein agree as follows:

1. Description of Project

CONTRACTOR shall provide for the construction of Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets Project No. 2020-500 in accordance with the Invitation for Bids.

2. Description of Work

2.1 CONTRACTOR shall furnish all of the labor, tools, equipment, and services required to perform all of the work in connection with the construction of Street Improvement Project in accordance with the invitation for Bids, incorporated by reference as though fully set herein. Said construction shall be in accordance with the 2010 California Department of Transportation Standard Plans, Labor Surcharge and Equipment Rental Rates in effect on the date the work is accomplished, and the General Prevailing Wage rates dated 2020. Said invitation for bids, Standard Plans, Standard Specifications, Labor Surcharge and Equipment Rental Rates, and General Prevailing Wage Rates are as fully a part of the Agreement as if hereto attached or herein repeated.

2.2 The work to be performed under this Agreement shall conform to the plans entitled "Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets Project No. 2020-500", incorporated herein as fully a part of this Agreement as if hereto attached or herein repeated.

3. Time for Completion

The work shall be commenced on the date stated in Notice to Proceed, and shall be completed within the allotted working days after the date stated in such Notice.

4. Compensation

4.1 City will pay the CONTRACTOR for the performance of this Agreement according to the terms and conditions contained in the Project's Invitation for Bids and Proposal or bid submittal by CONTRACTOR. CONTRACTOR will take full payment in accordance with the following item prices incorporated as part of the proposal or bid submitted by CONTRACTOR.

4.2 CONTRACTOR agrees to receive and accept said compensation as full payment for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage, arising out of the nature of the work aforesaid, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by CITY and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well

and faithfully completing the work in the manner and according to the plans and specification, and the requirements of the CITY Engineer. This provision in no way limits the CONTRACTOR's duties under other provisions herein.

5. Industry Standards

The CONTRACTOR agrees that its performance, and that of its employees or subcontractors, under this Agreement shall be performed in accordance with the standards customarily adhered to by an experienced and competent contractor using the degree of care and skill ordinarily exercised by reputable professionals practicing in the same field in the State of California. Where approval by the CITY, the CITY Manager, or other representatives of the CITY is required, it is understood to be general approval only and does not relieve the CONTRACTOR of responsibility for complying with all applicable laws, codes and quality construction and business practices.

6. Insurance

The CONTRACTOR shall not begin performing under this Agreement until it has: (a) obtained insurance certificates reflecting evidence of all insurance required herein; however, the CITY reserves the right to request, and the CONTRACTOR shall submit, copies of any policy upon reasonable request by the CITY; (b) obtained CITY approval of each company or companies as required herein; and (c) confirmed that all policies contain the specific provisions required herein. Further the CONTRACTOR shall not modify any policy or endorsement thereto which increases the CITY'S exposure to loss for the duration of this Agreement.

6.1 Types of Insurance.

At all times during the term of this Agreement, CONTRACTOR shall maintain insurance coverage as follows:

6.1.1 Commercial General Liability

For all of the CONTRACTOR's operations, including contractual, broad form property damage, completed operations, and independent CONTRACTOR's liability, the CONTRACTOR shall keep in full force and effect, during any and all work on this Project, all applicable insurance to cover personal injury, bodily injury and property damage, providing coverage to a combined single limit of \$1,000,000.00 per occurrence, subject to an annual aggregate of \$2,000,000.00 for general liability, completed operations and personal injury other than bodily injury. Agreemental liability shall include coverage of tort liability of another party to pay for bodily injury or property damage to a third person or organization. Agreemental liability limitation endorsement is not acceptable.

6.1.2 Commercial Automobile Liability

For all the CONTRACTOR's automobiles including owned, hired and non-owned automobiles, the CONTRACTOR shall keep in full force and effect, automobile insurance for bodily injury and property damage providing coverage to a combined single limit of \$1,000,000.00 per occurrence. Insurance certificate shall reflect coverage for any automobile [any auto]. The CITY shall be named as an additional insured, but only for liability arising out of the use of CONTRACTOR's automobiles

and only arising out of the performance of this Agreement.

6.1.3 Worker's Compensation

For all of the CONTRACTOR's employees who are subject to this Agreement and to the extent required by the State of California, the CONTRACTOR shall keep in full force and effect, a workers compensation policy. That policy shall provide a minimum of \$1,000,000.00 of employees liability coverage and the CONTRACTOR shall provide and endorsement that the insurer waives the right of subrogation against the CITY and its respective elected officials, officers, employees, agents and representatives.

6.2 Rating Requirements

All bonds used to guarantee work and performance under this Agreement and all insurance required by express provision of this Agreement shall be carried only by responsible insurance companies that have been at least and "A" or "A-" and "V" rating by AM BEST, that are licensed and approved by the State to do business in the State of California, and that have been approved by the CITY.

6.3 Deductibles

All deductibles on any policy shall be the responsibility of the CONTRACTOR.

6.4 Specific Provisions Required

Each policy required under Section 6 herein, shall expressly provide, and an endorsement shall be submitted to the City, that:

6.4.1 Except as to Workers Compensation, the City of Calexico and its respective elected officials, officers, employees, agents, and representatives shall be named as additional insureds. The CITY's Additional Insured status must be reflected on additional insured endorsement which shall be submitted to the CITY.

6.4.2 The policies are primary and any insurance that may be carried by the CITY is non-contributing, as reflected in an endorsement which shall be submitted to the CITY.

6.4.3 The policies cannot be canceled, non renewed or materially changed except after thirty calendar days prior written notice by the CONTRACTOR to the CITY by certified mail, as reflected in an endorsement which shall be submitted to the CITY except for non-payment of premium, in which case ten (10) days notice will be provided.

6.4.4 Before performing under this Agreement, the CONTRACTOR shall provide the CITY with all Certificates of Insurance accompanied with all endorsements.

6.4.5 The CONTRACTOR may obtain additional insurance not required by this Agreement.

7. Agreementor Compliance with Labor Code

CONTRACTOR certifies that he is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self insurance in accordance with the provisions of that Code, and will comply with such provisions before commencing the performance of the work of this Agreement.

8. Control of Agreement

The improvement contemplated in the performance of this contract is a project over which the City of Calexico shall exercise general supervision. The CITY therefore shall have the right to assume full and direct control over this contract whenever the CITY, at its sole discretion, shall determine that its responsibility to the State of California so requires.

9. Conflicting Terms

If an apparent conflict or inconsistency exists between the main body of this Agreement and the bid, proposal or other incorporated document, the main body of this Agreement shall control. If a conflict exists between applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the Exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirements shall control. Each party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.

10. Indemnification and Hold Harmless Agreement

10.1 With respect to any liability, including but not limited to claims asserted or costs, losses, attorney fees (for attorney of CITY's choosing), or payments for injury to any person or property caused or claimed to be caused by the acts or omissions of the CONTRACTOR, or the CONTRACTORS's employees, agents, and officers, arising out of any services performed involving this project, the CONTRACTOR agrees to defend, indemnify, protect, and hold harmless the CITY, its agents, officers, or employees from and against all liability. Also covered is liability arising from, connected with, caused by, or claimed to be caused by the active or passive negligent acts or omissions of the CITY, its agents, officers, or employees which may be in combination with the active or passive negligent acts or omissions of the CONTRACTOR, its employees, agents or officers, or any third party. The CONTRACTOR's duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising from the soles negligence or sole willful misconduct of the CITY, its agent, officers or employees. This section in no way alters, affects or modifies any of CONTRACTOR's other obligations and duties herein.

10.2 The CONTRACTOR agrees to pay any and all costs the CITY incurs enforcing the indemnity and defense provisions herein.

11. Notices

In all cases where written notice is required under this Agreement, service shall be deemed

sufficient if the notice is deposited in the United States mail, postage paid. Proper notice shall be effective on the date it is mailed, unless provided otherwise in this Agreement. For the purpose of this Agreement, unless otherwise agreed in writing, notice to the parties herein shall be addressed as follows:

CITY

CONTRACTOR:

City of Calexico
Public Works Department
608 Heber Avenue
Calexico, CA 92231

Hazard Construction Company
10529 Vine Street
Lakeside, CA 92057

12. Non-Assignment

The CONTRACTOR shall not assign the obligations under this Agreement, whether by express assignment or by sale of the company, nor any monies due or to become due, without the CITY's prior written approval. Any assignment in violation of this paragraph shall constitute a Default and is grounds for immediate termination of this Agreement, at the sole discretion of the CITY. In no event shall any putative assignment create a contractual relationship between the CITY and any putative assignee.

13. Independent Agreementors

The CONTRACTOR and any SUBCONTRACTORS employed by the CONTRACTOR shall be independent contractors and not agents of the CITY.

14. Compliance with Controlling Law

The CONTRACTOR shall comply with all laws, ordinances, regulations, and policies of the federal, state and local governments applicable to this Agreement, including California Labor Code section 1720 relating to the payment of prevailing wages, including inspection and land surveying work. In addition, the CONTRACTOR shall comply immediately with all directives issues by the CITY or its authorized representatives under authority of any laws, statutes, ordinances, rules or regulations. The laws of the State of California shall govern and control the terms and conditions of this Agreement.

Pursuant to the Labor Code of the State of California, or local laws applicable thereto, the CITY has ascertained that the CONTRACTOR shall be responsible for paying prevailing wages as established by the State of California, Director of Industrial Relations. Under Section 1776 of the State Labor Code, the CONTRACTOR, and all subcontractors, are required to keep accurate payroll records. This Section specifies the content thereof, inspection and duplication procedures, and certain notices required of the CONTRACTOR pertaining to their location.

Whenever the CONTRACTOR or any representative, agent or employee Of CONTRACTOR performing a public works project is found by the Department of Industrial Relations ("DIR") or the CITY to be in violation of the prevailing wage requirements imposed by law, the CONTRACTOR shall

indemnify and hold CITY harmless from any and all liability arising from such violation, including any and all liability imposed on the City. The CONTRACTOR's duty to indemnify the CITY pursuant to this section shall include any and all costs and expenses incurred by the CITY therefrom, including but not limited to any penalties imposed on the CITY by DIR or any other state agency and reasonable attorney's fees.

Nothing in this section shall be construed to limit, alter or amend the CONTRACTOR's duty to indemnify under any other provisions of this Agreement.

15. Jurisdiction and Venue

The venue for any suit or proceeding concerning this Agreement, the interpretation or application of any of its terms, or any related disputes shall be in the County of the Imperial, State of California.

16. Integration

This Agreement and the exhibits and references incorporated into this Agreement fully express all understandings of the Parties concerning the matters covered in this Agreement. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the Parties, their officers, agents, or employees shall be valid unless made in the form of a written change agreed to in writing by both parties or an amendment to this Agreement agreed to both Parties. All prior negotiations and agreements are merged into this Agreement.

17. Counterparts

This Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all parties had executed the same page.

18. No Waiver

No failure of either the CITY or the CONTRACTOR to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach or such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect to any existing or subsequent breach.

19. Severability

The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid, or illegal.

IN WITNESS WHEREOF, the parties hereto through their agent duly authorized, have executed this Agreement as of the day and year first above written.

ATTEST:

GABRIELA GARCIA
City Clerk of the City of Calexico

MIGUEL FIGUEROA
City Manager of the City of Calexico

CONTRACTOR

By: _____
Signature

Date

Printed Name and Title

Licensed in accordance with an act
Providing for the registration of contractors,
License No. _____

APPROVED AS TO FORM AND EXECUTION

CARLOS CAMPOS
City Attorney

Date

ATTACHMENT NO. 2

protect and indemnify the City and its officers and agents against any claim or liability arising from or based on the violation of any such law, ordinance or regulation whether by himself or by his employees.

- (b) Except as otherwise explicitly provided elsewhere in these specifications, all permits and licenses necessary to the prosecution of the work shall be secured by the Contractor at his own expense, and he shall pay all taxes properly assessed against his equipment or property used or required in connection with the work.
- (c) All federal laws and regulations now imposed by competent authority and relating to any materials required to be furnished under these specifications and work required to be done hereunder shall be deemed to be and hereby are made controlling and part of these specifications.

1-47 SALES AND/OR USE TAXES

Except as may be otherwise provided herein, all sales and/or use taxes assessed by Federal, State or local authorities on materials used or furnished by the Contractor in performing the work hereunder shall be paid by the Contractor.

1-48 RESPONSIBILITY FOR DAMAGE

(a) Indemnity Agreement

Except for the gross negligence or willful misconduct of an Indemnitee (as hereinafter defined), the Contractor hereby assumes liability for and agrees to defend (at Indemnitees' option), indemnify, protect and hold harmless City and its Project Consultants, and Engineers, officers, agents, and employees ("Indemnitees") from and against any and all claims, charges, damages, demands, actions, proceedings, losses, stop notices, costs, expenses (including counsel fees), judgments, civil fines and penalties, liabilities of any kind or nature whatsoever, which may be sustained or suffered by or secured against the Indemnitees arising out of or encountered in connection with this Agreement or the performance of the work including, but not limited to, death of or bodily or personal injury to persons or damage to property, including property owned by or under the care and custody of City, and for civil fines and penalties, that may arise from or be caused, in whole or in part, by any negligent or other act or omission of Contractor, its officers, agents, employees or subcontractors including, but not limited to, liability arising from:

1. Any dangerous, hazardous, unsafe or defective condition of, in or on the premises, of any nature whatsoever, which may exist by reason of any act, omission, neglect, or any use of occupation of the premises by Contractor, its officers, agents, employees, or subcontractors;
2. Any operation conducted upon or any use or occupation of the premises by Contractor, its officers, agents, employees, or subcontractors under or pursuant to the provisions of this contract or otherwise;
3. Any act, omission or negligence of Contractor, its officers, agents, employees, or subcontractors.

4. Any failure of Contractor, its officers, agents or employees to comply with any of the terms or conditions of this contract or any applicable federal, state, regional, or municipal law, ordinance, rule or regulation; and
5. The conditions, operations, uses, occupations, acts, omissions or negligence referred to in sub-subsections (1), (2), (3), and (4), existing or conducted upon or arising from the use or occupation by Contractor on any other premises in the care, custody and control of City.

The Contractor also agrees to indemnify City and pay for all damage or loss suffered by City including but not limited to damage to or loss of City property, to the extent not insured by City and loss of City revenue from any source, caused by or arising out of the conditions, operations, uses, occupations, acts, omissions or negligence referred to in sub-subsections (1), (2), (3), (4), and (5).

Contractor's obligations under this Section apply regardless of whether or not such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgment, civil fine or penalty, or liability was caused in part or contributed to by an Indemnitee. However, without affecting the rights of City under any provision of this agreement, Contractor shall not be required to indemnify and hold harmless City for liability attributable to the active negligence of City, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of Contractor will be for that entire portion or percentage of liability not attributable to the active negligence of City.

Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this agreement. In the event Contractor fails to obtain such indemnity obligations from others as required here, Contractor agrees to be fully responsible according to the terms of this section.

Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Contractor and shall survive the termination of this agreement or this section.

This Indemnity shall survive termination of the Agreement of Final Payment hereunder. This Indemnity is in addition to any other rights or remedies that the Indemnitees may have under the law or under any other contract documents or Agreements. In the event of any claim or demand made against any party which is entitled to be indemnified hereunder, City may, in its sole discretion, reserve, retain or apply any monies to the Contractor under this Agreement for the purpose of resolving such claims; provided, however, City may release such funds if the Contractor provides City with reasonable assurance of protection of the Indemnitees' interests. City shall, in its sole discretion, determine whether such assurances or reasonable.

ATTACHMENT NO. 3

**CONSTRUCTION AGREEMENT
CITY OF CALEXICO, CALIFORNIA**

THIS AGREEMENT is made this 7th day of October, 2020, by and between the City of Calexico, a Municipal Corporation of the State of California ("City") and Hazard Construction Company ("Contractor"). The City and the CONTRACTOR for consideration stated herein agree as follows:

1. Description of Project

CONTRACTOR shall provide for the construction of Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets Project No. 2020-500 in accordance with the Invitation for Bids.

2. Description of Work

2.1 CONTRACTOR shall furnish all of the labor, tools, equipment, and services required to perform all of the work in connection with the construction of Street Improvement Project in accordance with the invitation for Bids, incorporated by reference as though fully set herein. Said construction shall be in accordance with the 2010 California Department of Transportation Standard Plans, Labor Surcharge and Equipment Rental Rates in effect on the date the work is accomplished, and the General Prevailing Wage rates dated 2020. Said invitation for bids, Standard Plans, Standard Specifications, Labor Surcharge and Equipment Rental Rates, and General Prevailing Wage Rates are as fully a part of the Agreement as if hereto attached or herein repeated.

2.2 The work to be performed under this Agreement shall conform to the plans entitled "Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets Project No. 2020-500", incorporated herein as fully a part of this Agreement as if hereto attached or herein repeated.

3. Time for Completion

The work shall be commenced on the date stated in Notice to Proceed, and shall be completed within the allotted working days after the date stated in such Notice.

4. Compensation

4.1 City will pay the CONTRACTOR for the performance of this Agreement according to the terms and conditions contained in the Project's Invitation for Bids and Proposal or bid submittal by CONTRACTOR. CONTRACTOR will take full payment in accordance with the following item prices incorporated as part of the proposal or bid submitted by CONTRACTOR.

4.2 CONTRACTOR agrees to receive and accept said compensation as full payment for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage, arising out of the nature of the work aforesaid, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by CITY and for all risks of every description connected with the work; also for all

expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work in the manner and according to the plans and specification, and the requirements of the CITY Engineer. This provision in no way limits the CONTRACTOR's duties under other provisions herein.

5. Industry Standards

The CONTRACTOR agrees that its performance, and that of its employees or subcontractors, under this Agreement shall be performed in accordance with the standards customarily adhered to by an experienced and competent contractor using the degree of care and skill ordinarily exercised by reputable professionals practicing in the same field in the State of California. Where approval by the CITY, the CITY Manager, or other representatives of the CITY is required, it is understood to be general approval only and does not relieve the CONTRACTOR of responsibility for complying with all applicable laws, codes and quality construction and business practices.

6. Insurance

The CONTRACTOR shall not begin performing under this Agreement until it has: (a) obtained insurance certificates reflecting evidence of all insurance required herein; however, the CITY reserves the right to request, and the CONTRACTOR shall submit, copies of any policy upon reasonable request by the CITY; (b) obtained CITY approval of each company or companies as required herein; and (c) confirmed that all policies contain the specific provisions required herein. Further the CONTRACTOR shall not modify any policy or endorsement thereto which increases the CITY'S exposure to loss for the duration of this Agreement.

6.1 Types of Insurance.

At all times during the term of this Agreement, CONTRACTOR shall maintain insurance coverage as follows:

6.1.1 Commercial General Liability

For all of the CONTRACTOR's operations, including contractual, broad form property damage, completed operations, and independent CONTRACTOR's liability, the CONTRACTOR shall keep in full force and effect, during any and all work on this Project, all applicable insurance to cover personal injury, bodily injury and property damage, providing coverage to a combined single limit of \$1,000,000.00 per occurrence, subject to an annual aggregate of \$2,000,000.00 for general liability, completed operations and personal injury other than bodily injury. Agreemental liability shall include coverage of tort liability of another party to pay for bodily injury or property damage to a third person or organization. Agreemental liability limitation endorsement is not acceptable.

6.1.2 Commercial Automobile Liability

For all the CONTRACTOR's automobiles including owned, hired and non-owned automobiles, the CONTRACTOR shall keep in full force and effect, automobile insurance for bodily injury and property damage providing coverage to a combined single limit of \$1,000,000.00 per occurrence.

Insurance certificate shall reflect coverage for any automobile [any auto]. The CITY shall be named as an additional insured, but only for liability arising out of the use of CONTRACTOR's automobiles and only arising out of the performance of this Agreement.

6.1.3 Worker's Compensation

For all of the CONTRACTOR's employees who are subject to this Agreement and to the extent required by the State of California, the CONTRACTOR shall keep in full force and effect, a workers compensation policy. That policy shall provide a minimum of \$1,000,000.00 of employees liability coverage and the CONTRACTOR shall provide and endorsement that the insurer waives the right of subrogation against the CITY and its respective elected officials, officers, employees, agents and representatives.

6.2 Rating Requirements

All bonds used to guarantee work and performance under this Agreement and all insurance required by express provision of this Agreement shall be carried only by responsible insurance companies that have been at least an "A" or "A-" and "V" rating by AM BEST, that are licensed and approved by the State to do business in the State of California, and that have been approved by the CITY.

6.3 Deductibles

All deductibles on any policy shall be the responsibility of the CONTRACTOR.

6.4 Specific Provisions Required

Each policy required under Section 6 herein, shall expressly provide, and an endorsement shall be submitted to the City, that:

6.4.1 Except as to Workers Compensation, the City of Calexico and its respective elected officials, officers, employees, agents, and representatives shall be named as additional insureds. The CITY's Additional Insured status must be reflected on additional insured endorsement which shall be submitted to the CITY.

6.4.2 The policies are primary and any insurance that may be carried by the CITY is non-contributing, as reflected in an endorsement which shall be submitted to the CITY.

6.4.3 The policies cannot be canceled, non renewed or materially changed except after thirty calendar days prior written notice by the CONTRACTOR to the CITY by certified mail, as reflected in an endorsement which shall be submitted to the CITY except for non-payment of premium, in which case ten (10) days notice will be provided.

6.4.4 Before performing under this Agreement, the CONTRACTOR shall provide the CITY with all Certificates of Insurance accompanied with all endorsements.

6.4.5 The CONTRACTOR may obtain additional insurance not required by this Agreement.

7. Agreementor Compliance with Labor Code

CONTRACTOR certifies that he is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self insurance in accordance with the provisions of that Code, and will comply with such provisions before commencing the performance of the work of this Agreement.

8. Control of Agreement

The improvement contemplated in the performance of this contract is a project over which the City of Calexico shall exercise general supervision. The CITY therefore shall have the right to assume full and direct control over this contract whenever the CITY, at its sole discretion, shall determine that its responsibility to the State of California so requires.

9. Conflicting Terms

If an apparent conflict or inconsistency exists between the main body of this Agreement and the bid, proposal or other incorporated document, the main body of this Agreement shall control. If a conflict exists between applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the Exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirements shall control. Each party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.

10. Indemnification and Hold Harmless Agreement

10.1 Contractor shall provide indemnification and defense as set forth in Section 1-48 of the General Conditions for the Street Improvement Project Asphalt Rubber Composite Layer Overlay on Designated Streets Project NO. 2020-500, which are incorporated herein by this reference

10.2 The CONTRACTOR agrees to pay any and all costs the CITY incurs enforcing the indemnity and defense provisions herein.

11. Notices

In all cases where written notice is required under this Agreement, service shall be deemed sufficient if the notice is deposited in the United States mail, postage paid. Proper notice shall be effective on the date it is mailed, unless provided otherwise in this Agreement. For the purpose of this Agreement, unless otherwise agreed in writing, notice to the parties herein shall be addressed as follows:

CITY

CONTRACTOR:

City of Calexico
Public Works Department
608 Heber Avenue
Calexico, CA 92231

Hazard Construction Company
10529 Vine Street
Lakeside, CA 92057

12. Non-Assignment

The CONTRACTOR shall not assign the obligations under this Agreement, whether by express assignment or by sale of the company, nor any monies due or to become due, without the CITY's prior written approval. Any assignment in violation of this paragraph shall constitute a Default and is grounds for immediate termination of this Agreement, at the sole discretion of the CITY. In no event shall any putative assignment create a contractual relationship between the CITY and any putative assignee.

13. Independent Agreementors

The CONTRACTOR and any SUBCONTRACTORS employed by the CONTRACTOR shall be independent contractors and not agents of the CITY.

14. Compliance with Controlling Law

The CONTRACTOR shall comply with all laws, ordinances, regulations, and policies of the federal, state and local governments applicable to this Agreement, including California Labor Code section 1720 relating to the payment of prevailing wages, including inspection and land surveying work. In addition, the CONTRACTOR shall comply immediately with all directives issues by the CITY or its authorized representatives under authority of any laws, statutes, ordinances, rules or regulations. The laws of the State of California shall govern and control the terms and conditions of this Agreement.

Pursuant to the Labor Code of the State of California, or local laws applicable thereto, the CITY has ascertained that the CONTRACTOR shall be responsible for paying prevailing wages as established by the State of California, Director of Industrial Relations. Under Section 1776 of the State Labor Code, the CONTRACTOR, and all subcontractors, are required to keep accurate payroll records. This Section specifies the content thereof, inspection and duplication procedures, and certain notices required of the CONTRACTOR pertaining to their location.

Whenever the CONTRACTOR or any representative, agent or employee Of CONTRACTOR performing a public works project is found by the Department of Industrial Relations ("DIR") or the CITY to be in violation of the prevailing wage requirements imposed by law, the CONTRACTOR shall indemnify and hold CITY harmless from any and all liability arising from such violation, including any and all liability imposed on the City. The CONTRACTOR's duty to indemnify the CITY pursuant to this section shall include any and all costs and expenses incurred by the CITY therefrom, including but not limited to any penalties imposed on the CITY by DIR or any other state agency

and reasonable attorney's fees.

Nothing in this section shall be construed to limit, alter or amend the CONTRACTOR's duty to indemnify under any other provisions of this Agreement.

15. Jurisdiction and Venue

The venue for any suit or proceeding concerning this Agreement, the interpretation or application of any of its terms, or any related disputes shall be in the County of the Imperial, State of California.

16. Integration

This Agreement and the exhibits and references incorporated into this Agreement fully express all understandings of the Parties concerning the matters covered in this Agreement. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the Parties, their officers, agents, or employees shall be valid unless made in the form of a written change agreed to in writing by both parties or an amendment to this Agreement agreed to both Parties. All prior negotiations and agreements are merged into this Agreement.

17. Counterparts

This Agreement may be executed in counterparts, which when taken together shall constitute a single signed original as though all parties had executed the same page.

18. No Waiver

No failure of either the CITY or the CONTRACTOR to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach or such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect to any existing or subsequent breach.

19. Severability

The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid, or illegal.

IN WITNESS WHEREOF, the parties hereto through their agent duly authorized, have executed this Agreement as of the day and year first above written.

ATTEST:

GABRIELA GARCIA
City Clerk of the City of Calexico

MIGUEL FIGUEROA
City Manager of the City of Calexico

CONTRACTOR

By: _____
Signature

Date

Printed Name and Title

Licensed in accordance with an act
Providing for the registration of contractors,
License No. _____

APPROVED AS TO FORM AND EXECUTION

CARLOS CAMPOS
City Attorney

Date

END OF CONSTRUCTION AGREEMENT