



Agenda Report

---

File #: 19-0655

---

**AGENDA REPORT  
REQUEST FOR CITY COUNCIL AND  
CORONA UTILITY AUTHORITY ACTION**

DATE: July 17, 2019

TO: Honorable Mayor and City Council Members  
Honorable President and Board Members

FROM: Department of Water and Power

**SUBJECT:**

City Council and Corona Utility Authority consideration of an emergency purchase order and agreement with Baghouse & Industrial Sheet Metal Services for the emergency repair of the rotary thermal dryer burner tunnel at Water Reclamation Facility #1 and appropriate \$90,000 from the Water Reclamation Utility Fund.

**RECOMMENDED ACTION:**

That the:

1. City Council authorize an emergency purchase order and agreement with Baghouse & Industrial Sheet Metal Services of Corona, CA, in the amount of \$90,000 for the emergency repair of the rotary thermal dryer burner tunnel at Water Reclamation Facility #1.
2. City Council authorize the General Manager to execute a Maintenance/General Services Agreement with Baghouse & Industrial Sheet Metal Services in the amount of \$90,000 and to approve necessary change orders or amendments up to 25% of the original contract amount.
3. City Council authorize an appropriation of \$90,000 to the operating budget from the available working capital in the Water Reclamation Utility Fund 572.
4. City Council authorize the Purchasing Agent to issue purchase orders in accordance with the duly authorized and executed agreements, change orders, amendments and renewals.

5. City Council make a determination under Corona Municipal Code (CMC) Section 3.08.140(A) that competitive bidding is not required for this purchase based upon the reasons provided in the "Basis for Exception to Competitive Bidding" section of this agenda report.
6. Corona Utility Authority (CUA) review, ratify and to the extent necessary direct that the City Council take the above actions.

**ANALYSIS:**

The Department of Water and Power (DWP) operates three water reclamation facilities in Corona treating all the wastewater produced within DWP's service area. DWP operates a rotary thermal dryer at Water Reclamation Facility #1 located at 2205 Railroad for the express purpose of treating and drying wet sludge. The rotary thermal dryer converts wet sludge into dry biosolids in the form of pellets. The dryer consists of several major pieces of equipment including: mixer, furnace, rotating drum, separator, bucket elevators, sieve, pellet cooler, recycle silo, final silo and regenerative thermal oxidizer.

As the dryer is a considerable part of DWP's wastewater treatment process, DWP maintenance staff takes the dryer out of service twice per year for preventive maintenance. These twice-yearly preventive maintenance cycles occur in or around November (for a mid-year inspection lasting approximately 1 week) and in or around June (for a yearly inspection lasting approximately 2 weeks). During the November 2018 shutdown staff found no major mechanical failures and equipment tested well. The June 2019 shutdown started on Monday June 3<sup>rd</sup> and was scheduled to be completed by Saturday June 22<sup>nd</sup>. On Thursday June 13<sup>th</sup> staff identified significant failure of the inner tunnel of the dryer furnace. Approximately 25% of the tunnel had deteriorated completely and was no longer usable.

On June 14<sup>th</sup> staff contacted Baghouse & Industrial Sheet Metal Services (Baghouse), a company known to DWP to provide excellent service on difficult jobs. Baghouse confirmed they could complete the repairs but would need to remove the old tunnel to prepare a quote for the replacement. Once the tunnel was removed there would be no method of returning the tunnel to operation and the dryer would effectively be non-operational until the repairs could be made. At that time DWP management, in coordination with City Management and the Purchasing Division, made the determination to proceed with the repairs under an emergency condition. The cost to the City for the dryer to be non-operational is considerable; without the dryer to produce biosolid pellets the City must rely on haulers to remove wet sludge from the facility at a cost of approximately \$3,300 per day to remove an average of 75 tons of wet sludge each day. If DWP had proceeded with a bid for this project that process could have taken upwards of four weeks, requiring the City to continue costly hauling in addition to the cost of the repairs.

Baghouse provided a quote for the work (attached) for \$82,496 plus tax and shipping/handling. Baghouse was also required to receive a payment bond for the project at 3% of the total contract price. DWP is requesting a purchase order and agreement in the amount of \$90,000 with approval for change orders up to 25% to complete the work. The work is scheduled to be completed by July 12, 2019 and the repaired component should have a 20+ year lifespan.

**BASIS FOR EXCEPTION TO COMPETITIVE BIDDING**

Staff believes that an exception to competitive bidding is warranted for this purchase pursuant to

Corona Municipal Code (“CMC”) Section 3.08.140(A), which states as follows:

“(A) **Emergencies.** When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determine that an emergency exists, as defined in § 3.08.010.”

Section 3.08.010 defines an emergency as:

“(H) "Emergency" for purposes of public projects shall have that meaning provided in Cal. Public Contract Code §§ 22035 and 22050. "Emergency" for all other purchasing or contracting purposes means a situation which makes competitive bidding, either formal or informal, impractical or not in the best interests of the city.”

Staff believes this situation meets the definition of emergency in this case. At the time the failure was found the dryer had already been out of service for 15 days and further delays would have resulted in even further expenses to the City.

**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

Not applicable.

**FISCAL IMPACT:**

Approval of the recommended actions will result in an appropriation of \$90,000 in the Department of Water and Power’s operating budget from the Water Reclamation Utility Fund 572.

Fund	07/01/19 Est. Working Capital	Budgeted Revenues/ Sources	Budgeted Expenditures/ Uses	Working Capital Impacts	06/30/20 Est. Working Capital
Water Reclamation Utility Fund 572	\$38,789,705	\$32,726,323	(\$31,725,771)	(\$90,000) Appropriation	\$39,700,257

**ENVIRONMENTAL ANALYSIS:**

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

**PREPARED BY:** KATIE HOCKETT, ASSISTANT GENERAL MANAGER

**REVIEWED BY:** TOM MOODY, GENERAL MANAGER

**REVIEWED BY:** CITA LONGSWORTH, PURCHASING MANAGER

**REVIEWED BY:** KIM SITTON, FINANCE MANAGER

**REVIEWED BY:** KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

---

**File #:** 19-0655

---

**REVIEWED BY:** MICHELE NISSEN, ASSISTANT CITY MANAGER

**SUBMITTED BY:** MITCHELL LANSDELL, ACTING CITY MANAGER & EXECUTIVE DIRECTOR

**Attachments:**

1. Baghouse Quote
2. City Council CUA Baghouse - LOA - Rotary Dryer Burner Tunnel Emergency Repair Project 06-24-19
3. Baghouse MGSA 06-24-19



# **BAGHOUSE & INDUSTRIAL SHEET METAL SERVICES, INC.**

★ THE INDUSTRIAL TEAM ★

Lic. 8856088

1731 Pomona Road, Corona, Ca. 92880-6963

Phone: 951-272-6610 - Fax: 951-272-1241

June 19, 2019

Quote No. 82575-STK

Rodney Williams  
City of Corona  
755 Public Safety Way  
Corona, CA 92880  
Tel. (951) 903-9618 Email: rodney.williams@ci.corona.ca.us

## **Subject: Rotary Dryer Burner Tunnel**

Dear Rodney:

In response to your request, we are pleased to submit the following proposal for your consideration.

### **Scope of Work:**

- ★ Fabricate and install (12) 27" x 107" pieces to line inside 72" diameter x 166" long burner tunnel out of 10 gauge #T310 stainless steel.
  - ★ 4" to 6" strips at seams welded 100%.
- ★ Provide labor and material to insulate inside burner tunnel and end plug transition with 6" mineral board.

★ INSULATION .....	\$25,800.00
★ FIELD LABOR WORK .....	\$40,800.00
★ SHOP LABOR AND MATERIALS .....	\$13,856.00
★ OH + P (5%) .....	\$2,040.00

**BUDGETARY PRICE.....\$82,496.00 plus tax/S&H**

**TO BETTER AND MORE SAFELY SERVE YOU IN COMPLIANCE, IS THE DUST THAT WILL BE IN THE COLLECTOR "COMBUSTIBLE"? YES \_\_\_ NO \_\_\_ DON'T KNOW \_\_\_  
FIRE AND EXPLOSION SUPPRESSION IS ALWAYS RECOMMENDED BUT IS NOT INCLUDED IN THIS PRICE**

It is certain that OSHA will soon issue a ruling that will implement into law NFPA 7.1.4.1 stating "Where an explosion hazard exists, isolation devices shall be provided to prevent the deflagration propagation between pieces of equipment connected by ductwork." Please let us help you understand what we can do to make this adjustment easier for you.

★ Permits by others

★ Please review attached terms and conditions

Thank you for the opportunity to quote. Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Shawn Kennedy', with a stylized, cursive script.

Shawn Kennedy  
STK/bh

**P.S. We do good work!**



## Terms & Conditions

We appreciate the opportunity to do work for you and hope you will remember us for all of your other projects. We are always pleased to provide your permits, dust collectors, laser, water jet, preventative maintenance requirements, fabricated sheet metal needs, electrical work and foundations. We take pride in our workmanship and service. Our work is guaranteed to be leak free mechanically correct. Any unforeseen repairs needed at time of service will be quoted on site and billed accordingly.

**Net 30 Days based on open account. Quote is valid for 30 days.** No work will commence until credit arrangements are made and deposit check is received if required. All bids are based on straight time Monday through Friday unless otherwise specified. **Equipment sales require 50% deposit; 30% on non-equipment sales with purchase order. Freight, permits and engineering services are due upon receipt.** Balance of order is due net 30 days from date of shipment. Some projects require progressive billing. In the event of litigation relating to this agreement, the prevailing party shall be entitled to reasonable attorney fees, costs and expenses.

**PRICING DOES NOT INCLUDE:** Cost of obtaining or filing permits, sales tax, freight, rental equipment, surcharges, electrical, structural, concrete work, overtime, foundations, excavation/saw cutting, plumbing, spark detection, testing, acts of nature, sound attenuation, travel time, travel expenses, miscellaneous materials, fire protection or prevention, explosion protection, personal protection equipment and any additional work not included in the proposal.

**Permitted Projects:** All payments and fees are due prior to submittal. To obtain required approvals may take up to 4-12 weeks. The installation of fire suppression is always recommended but is not included in this price.

Job cancellations by customer will have a termination fee. Returned material orders must have a RMA prior to returning and will be subject to a restocking fee. Buyer may cancel any contract resulting from this Proposal only upon written notice to BAGHOUSE and only upon such terms as will indemnify and reimburse BAGHOUSE for all loss or damage resulting therefrom, including, without limitation, BAGHOUSE'S direct costs incurred, overhead, reasonable contract profits, costs, and expenses to which BAGHOUSE has become committed for fulfillment of the contract prior to cancellation, plus reasonable settlement expenses.

BAGHOUSE shall not be responsible for losses or damages to Buyer (or any third person) occasioned by delays in the performance or the nonperformance of any of BAGHOUSE'S obligations or by loss of or damage to any of the Equipment specified in the Proposal when caused directly or indirectly by acts of God, acts of government or military authority, casualty, riot, acts of Buyer, strikes or other labor difficulties, shortages of labor, supplies, and transportation facilities or any other cause beyond BAGHOUSE'S control. The schedule shall be adjusted in accordance with the impact of any such delay or postponement and the price shall be equitably adjusted to include any and all additional costs, including overheads, plus a reasonable profit thereon. Exclusions : Engineering –Odor Control –Special Inspections – Prevailing Wage

This quote is based on having free and clear access to all areas of construction, and we cannot be held responsible for any denial of access during the construction of the above scope of work. Delays caused by customer may be billed accordingly. Security, protection and job site safety with respect to non-authorized personnel, visitors, employees, customer, or sub-contractors, etc during working and non-working hours shall be the responsibility of the owner. This shall be generally defined as caution tape, barricades, security personnel, traffic control, temporary fencing and security of materials already on jobsite, etc. The above pricing has been based on all of the projects being performed simultaneously and or concurrently; any major delays in the project schedule may result in additional charges.

**Please Note:** Due to rising costs of steel and related materials costs may vary from when order is placed.

We accept credit cards (convenience fees may apply), check, and EFT.

## BAGHOUSE & INDUSTRIAL SHEET METAL SERVICES WARRANTY

One year on materials and workmanship on all Baghouse and Industrial Sheet Metal Services fabricated items. The equipment manufacturer warrants buy out items including cartridges and filters. If you or another company performs alterations of any kind to our work without our written permission, or proper maintenance and inspections are not performed and documented, the warranty will be void.

### **PLEASE SIGN AND FAX BACK TO 951-272-1241**

Accepted & approved by:

**City of Corona**  
**Rodney Williams**

Signature: \_\_\_\_\_ P.O.# \_\_\_\_\_

Print Name \_\_\_\_\_ Date: \_\_\_\_\_

QUOTE NUMBER: 82575-STK

Rev 10/11





**BAGHOUSE & INDUSTRIAL  
SHEET METAL SERVICES**

1888BAGHOUSE.COM

**WE ARE**

***"THE INDUSTRIAL TEAM"***

***We Have a Million Reasons Why  
and We Do Good Work!!***

## **BAGHOUSE & INDUSTRIAL SHEET METAL SERVICES, INC.**

**10 GOOD REASONS TO CALL 1-888-BAGHOUSE.COM (1-888-224-4687)**

**WE DO IT ALL...WE ARE THE INDUSTRIAL TEAM!**

- 
1. Baghouse & Cartridge Dust Collection Systems...We Do it All.  
Provide/install/parts & services/troubleshooting and repair.
  2. Industrial Sheet Metal Fabrication / Mild Steel / Abrasive Resistance / Stainless...We Do it All.  
Lasers, waterjet, shears, rolls, press brakes, welders.
  3. Millwright and Mechanical Field Work...We Do it All.  
Critical shut down specialists.
  4. Twin City Fans...We Do it All.  
Provide, install and service.
  5. Fire Suppression, Spark Detection and Extinguish...We Do it All.  
Provide, install and service.
  6. BS & B Explosion Prevention and Protection...We Do it All.  
Provide, install and service.
  7. Dust Collector Leak Detection...We Do it All.  
Provide, install and service.
  8. WAM Screw Conveyors, Bucket Elevators and Rotary Valves...We Do it All.  
Provide, install and service.
  9. MAC, Pneumatic Conveying...We Do it All.  
Provide, install and service.
  10. Complete Plant Moves & Project Management...We Do it All.  
Provide, install and service.
- 

**CALL US AT 1-888-BAGHOUSE.COM (1-888-224-4687)**

**WE DO IT ALL...AND WE DO GOOD WORK!!**

**PLEASE LET US DO IT FOR YOU!!**

1731 Pomona Road Corona, CA 92880 ■ (951) 272-6610 ■ Fax: (951) 272-1241 ■ [baghouse@baghousebiz.net](mailto:baghouse@baghousebiz.net)



# STATEMENT OF QUALIFICATIONS

When employing The Industrial Team we will provide you a crew of our highly skilled and certified professionals in the following safety procedures.

MSHA  
CPR and 1st Aid  
Confined Space  
Lock Out Tag Out  
Fall Protection  
HAZWOPER  
Fork Lift  
Aerial Lift  
Scissor Lift  
High Reach Fork Lift  
Crane Operator Certified  
Lead Awareness  
Decontamination  
Respiratory Protection  
Harassment Training  
Refinery Safety Certified  
TWIC Certified  
Daily Field Tailgate Meetings  
Random Safety Field Audits  
Meet and Greet Job Site Reviews

**We are available 24/7 with over 40 Fully Equipped Service Trucks**



**1888BAGHOUSE.COM**

**LIC # B656068**

Nevada Contractors License # 0077789  
Limit \$1,000,000



City of Corona  
Administrative Services Department  
OFFICE OF: Purchasing Division

Office: 951.736.2369

400 S. Vicentia Ave, Ste. 320  
Corona, CA 92882 – [www.discovercorona.com](http://www.discovercorona.com)

June 24, 2019

Mr. Shawn Kennedy  
Baghouse & Industrial Sheet Metal Services  
1731 Pomona Road  
Corona, CA 92880

**NOTICE OF AWARD**  
**WATER RECLAMATION FACILITY #1 2205 RAILROAD CORONA CA ROTARY**  
**DRYER BURNER TUNNEL PROJECT**

Dear Mr. Kennedy:

Baghouse & Industrial Sheet Metal Services has been authorized by the City of Corona Department of Water and Power to complete the services for repairing the rotary dryer burner tunnel at the City of Corona Water Reclamation Facility #1 located at 2205 Railroad Corona CA.

Pursuant to California Civil Code Section 9550, 100% payment bonds are required for all work exceeding \$25,000. Please furnish to the City the required payment bond for not less than 100 percent of the total amount payable for this repair work. A copy of the City's payment bond form is attached.

Upon receipt of the required bond and vetted insurance, a purchase in the amount of \$90,000.00 will be issued to Baghouse & Industrial Sheet Metal Services.

Should you have any questions, please contact me at (951) 736-2369.

Sincerely,

Scott Briggs  
Purchasing Specialist V

c: K. Stabile, DWP

**CITY OF CORONA  
MAINTENANCE/GENERAL SERVICES AGREEMENT  
WITH BAGHOUSE AND INDUSTRIAL SHEET METAL SERVICES, INC.  
(METAL FABRICATION SERVICES – ROTARY DRYER BURNER TUNNEL  
EMERGENCY REPAIR PROJECT)**

**1. PARTIES AND DATE.**

This Agreement is made and entered into this 24<sup>th</sup> day of June, 2019 (“Effective Date”) by and between the City of Corona, a municipal corporation organized under the laws of the State of California with its principal place of business at 400 South Vicentia Avenue, Corona, California 92882 (“City”) and Baghouse and Industrial Sheet Metal Services, Inc., a California Corporation with its principal place of business at 1731 Pomona Road, Corona, CA 92880 (“Contractor”). City and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

**2. RECITALS.**

**2.1 Contractor.**

Contractor desires to perform and assume responsibility for the provision of certain maintenance or other general services required by the City on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing **METAL FABRICATION** services to public clients, that it and its employees or subcontractors have all necessary licenses and permits to perform the Services in the State of California, and that is familiar with the plans of City. Contractor shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

**2.2 Project.**

City desires to engage Contractor to render such services for the **WATER RECLAMATION FACILITY #1 2205 RAILROAD CORONA CA ROTARY DRYER BURNER TUNNEL PROJECT** project (“Project”) as set forth in this Agreement.

**2.3 Corona Utility Authority.**

Contractor understands that the City has entered into a Water Enterprise Management Agreement and a Wastewater Enterprise Management Agreement, both dated as of February 6, 2002, with the Corona Utility Authority (“CUA”) for the maintenance, management and operation of those utility systems (collectively, the “CUA Management Agreements”). To the extent that this Agreement is deemed to be a "material contract" under either of the CUA Management Agreements, City enters into this Agreement on behalf of the CUA and subject to the terms of the applicable CUA Management Agreement(s).

### **3. TERMS.**

#### **3.1 Scope of Services and Term.**

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional **METAL FABRICATION** maintenance or other general services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from June 24, 2019 to July 31, 2019 ("Term"), unless earlier terminated as provided herein. Contractor shall complete the Services within the Term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the Term of this Agreement one or more times by executing a written amendment pursuant to Section 3.5.8 below (each a "Renewal Term").

#### **3.2 Responsibilities of Contractor.**

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the Term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of City and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Contractor shall perform the Services within the Term of this Agreement, in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference, and in accordance with any other completion schedule or milestones which may be separately agreed upon in writing by the Parties. Contractor represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Contractor's conformance with the Schedule, City shall respond to Contractor's submittals in a timely manner. Upon request of City, Contractor shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All Services performed by Contractor shall be subject to the approval of City.

3.2.4 City's Representative. The City hereby designates Shawn Kennedy, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Agreement. Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.5 Contractor's Representative. Contractor hereby designates Tom Moody, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Contractor agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Services. Contractor agrees that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Contractor represents that it, its employees and subcontractors shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained throughout the Term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee of the Contractor or its sub-contractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Contractor and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.8 Disputes. Should any dispute arise respecting the true value of any work done, of any work omitted, or of any extra work which Contractor may be required to do, or respecting the size of any payment to Contractor during the performance of this Contract,

Contractor shall continue to perform the Work while said dispute is decided by the City. If Contractor disputes the City's decision, Contractor shall have such remedies as may be provided by law.

3.2.9 Laws and Regulations; Employee/Labor Certifications. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If the Contractor performs any work or Services knowing them to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. City is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Contract to the same extent as though set forth herein and will be complied with. These include but are not limited to the payment of prevailing wages, the stipulation that eight (8) hours' labor shall constitute a legal day's work and that no worker shall be permitted to work in excess of eight (8) hours during any one calendar day except as permitted by law. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.9.1 Employment Eligibility; Contractor. By executing this Agreement, Contractor verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time. Such requirements and restrictions include, but are not limited to, examination and retention of documentation confirming the identity and immigration status of each employee of the Contractor. Contractor also verifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the Term of the Agreement. Contractor shall avoid any violation of any such law during the Term of this Agreement by participating in an electronic verification of work authorization program operated by the United States Department of Homeland Security, by participating in an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, or by some other legally acceptable method. Contractor shall maintain records of each such verification, and shall make them available to the City or its representatives for inspection and copy at any time during normal business hours. The City shall not be responsible for any costs or expenses related to Contractor's compliance with the requirements provided for in Section 3.2.9 or any of its sub-sections.

3.2.9.2 Employment Eligibility; Subcontractors, Sub-subcontractors and Consultants. To the same extent and under the same conditions as Contractor, Contractor shall require all of its subcontractors, sub-subcontractors and consultants performing any work or

Services relating to the Project or this Agreement to make the same verifications and comply with all requirements and restrictions provided for in Section 3.2.9.1.

3.2.9.3 Employment Eligibility; Failure to Comply. Each person executing this Agreement on behalf of Contractor verifies that they are a duly authorized officer of Contractor, and understands that any of the following shall be grounds for the City to terminate the Agreement for cause: (1) failure of Contractor or its subcontractors, sub-subcontractors or consultants to meet any of the requirements provided for in Sections 3.2.9.1 or 3.2.9.2; (2) any misrepresentation or material omission concerning compliance with such requirements (including in those verifications provided to the Contractor under Section 3.2.9.2); or (3) failure to immediately remove from the Project any person found not to be in compliance with such requirements.

3.2.9.4 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.9.5 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Contractor shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.9.6 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the South Coast Air Quality Management District (SCAQMD) and/or California Air Resources Board (CARB). Although the SCAQMD and CARB limits and requirements are more broad, Contractor shall specifically be aware of their application to "portable equipment", which definition is considered by SCAQMD and CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify City against any fines or penalties imposed by SCAQMD, CARB, or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

### 3.2.10 Insurance.

3.2.10.1 Time for Compliance. Promptly following the Effective Date of this Agreement, but in no event before Contractor commences any Services under this Agreement, Contractor shall provide evidence satisfactory to the City that it has secured all



insurance required under this section. Failure to provide and maintain all required insurance shall be grounds for the City to terminate this Agreement for cause.

3.2.10.2 Minimum Requirements. Contractor shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, its agents, representatives, employees or subcontractors. Contractor shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Contractor shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence for bodily injury, personal injury, advertising injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 2503, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.10.3 Insurance Endorsements. The insurance policies shall contain or be endorsed (amended) to include the following provisions:

(A) General Liability. The general liability policy shall state that: (1) the City, its directors, officials, officers, employees, agents, and volunteers shall be covered as additional insured with respect to liability arising out of work or operations performed by or on behalf of the Contractor, including materials, parts or equipment furnished in connection therewith (the endorsement form shall be at least as broad as ISO Form CG 20 10 11 85 or both CG 20 37 and one of the following: CG 20 10, CG 20 26, CG 20 33 or CG 20 38); and (2) the insurance coverage shall be primary insurance coverage as respects the City, its directors, officials, officers, employees, agents, and volunteers (the endorsement form shall be at least as broad as ISO CG 20 01 04 13). Any insurance or self-insurance maintained by the City, its directors, officials, officers, employees, agents, and volunteers shall be excess of the Contractor's insurance and shall not be called upon to contribute with it in any way.

(B) Waiver of Subrogation – Workers’ Compensation and Employer’s Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of the insurance policy which arise from work or Services performed by the Contractor.

(C) All Coverages. If Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City is entitled to the broader coverage and/or higher limits maintained by Contractor. Thus, any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

3.2.10.4 Other Provisions; Endorsements Preferred. Contractor shall endeavor to provide endorsements regarding the following provisions, but nonetheless understands, acknowledges and agrees that the following provisions shall apply and that failure to comply shall be considered to be a breach of this Agreement by Contractor:

(A) Waiver of Subrogation – All Other Policies. Contractor hereby waives all rights of subrogation any insurer of Contractor’s may acquire against the City, its directors, officials, officers, employees, agents, and volunteers for losses paid under the terms of any insurance policy which arise from work or Services performed by the Contractor. Contractor understands, acknowledges and agrees that this provision is in full force and effect even if the City does not receive a waiver of subrogation endorsement from the insurer.

(B) Notice. Contractor shall either: (1) require its insurer to provide thirty (30) days prior written notice to the City before coverage is suspended, voided, or canceled; or (2) notify City in writing that such notice is not available and forward any notice of such actions to the City within two (2) business days from date of receipt by Contractor. Contractor understands, acknowledges and agrees that this provision is in full force and effect even if the City does not receive a waiver of subrogation endorsement from the insurer.

3.2.10.5 Claims Made Policies. The following provisions shall apply to all policies that provide coverage on a claims-made basis: (A) the retroactive date must be shown and must be before the date on which any Services under this Agreement commence; (B) the insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Project; and (C) if coverage is canceled or not renewed and is not replaced with another claims-made policy with a retroactive date prior to the date on which any Services under this Agreement commence, Contractor must purchase “extended reporting” coverage for a minimum of five (5) years after completion of Project.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Contractor to provide proof of ability to pay losses and related investigation, claims administration and defense expenses within the deductible or self-insured retention. The deductible or self-insured retention may be satisfied by either the named insured or the City.

3.2.10.7 Acceptability of Insurers. Unless under the circumstances a different rating is otherwise acceptable to the City in its sole and absolute discretion, insurance is to be placed with insurers which are satisfactory to the City and which meet either of the following criteria : (1) an insurer with a current A.M. Best's rating no less than A-:VII and licensed as an admitted insurance carrier in California; or (2) an insurer with a current A.M. Best's rating no less than A-:X and authorized to issue the required policies in California.

3.2.10.8 Verification of Coverage. Contractor shall furnish City with original certificates of insurance, as well as amendatory endorsements or copies of the applicable policy language effecting coverage required by this Agreement. All documents must be received and approved by the City before any Services commence; provided, however, that failure to obtain the required documents prior to the commencement of Services shall not waive Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.10.9 Reporting of Claims. Contractor shall report to the City, in addition to Contractor's insurer, any and all insurance claims submitted by Contractor in connection with the Services under this Agreement.

3.2.10.10 Sub-Contractors. All subcontractors shall comply with each and every insurance provision of this Section 3.2.10. Contractor shall therefore not allow any subcontractor to commence work on any subcontract to perform any part of the Services until it has provided evidence satisfactory to the City that the subcontractor has secured all insurance required under this Agreement.

3.2.10.11 Special Risk or Circumstances. The City reserves the right, in its sole and absolute discretion, to modify the requirements of this Section 3.2.10, including limits, based on any of the following: (A) the nature of the risk of the Services; (B) the prior experience of the insured; (C) the rating or other quality or characteristic of the insurer; (D) any special or unique coverage issues; and (E) any other special or unique circumstances.

3.2.11 Safety. Contractor shall execute and maintain its work and Services so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Services and the conditions under which the Services are to be performed.

### 3.2.12 Bonds.

3.2.12.1 Performance Bond. If required by law or otherwise specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Agreement a Performance Bond in the amount of the Total Compensation indicated in this Agreement, and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until it has been received and approved by the City.

3.2.12.2 Payment Bond. If required by law or otherwise specifically requested by City in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to City concurrently with this Agreement a Payment Bond in the amount of the Total Compensation indicated in this Agreement, and in a form provided or approved by the City. If such bond is required, no payment will be made to Contractor until it has been received and approved by the City.

3.2.12.3 Bond Provisions. Should, in City's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the affected bond within 10 days of receiving notice from City. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the City, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Agreement until any replacement bonds required by this section are accepted by the City. To the extent, if any, that the Total Compensation is increased in accordance with the Agreement, the Contractor shall, upon request of the City, cause the amount of the bonds to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the City. To the extent available, the bonds shall further provide that no change or alteration of the Agreement (including, without limitation, an increase in the Total Compensation, as referred to above), extensions of time, or modifications of the time, terms, or conditions of payment to the Contractor, will release the surety. If the Contractor fails to furnish any required bond, the City may terminate this Agreement for cause.

3.2.12.4 Surety Qualifications. The bonds must be provided by a surety which is satisfactory to the City and which meets either of the following criteria: (1) a surety with a current A.M. Best's rating no less than A:-VII and licensed as an admitted surety insurer in California; or (2) a surety with a current A.M. Best's rating no less than A:-X and authorized to issue the required bonds in California. If a surety does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City.

3.2.13 Accounting Records. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

### **3.3 Fees and Payments.**

3.3.1 Rates & Total Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates

set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation, including authorized reimbursements, shall not exceed Ninety Thousand Dollars (\$90,000) ("Total Compensation") without written approval of City's Representative. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Contractor shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Contractor. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 30 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the Term of this Agreement, City may request that Contractor perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

3.3.5 Prevailing Wages. Contractor is aware of the requirements of Chapter 1 (beginning at Section 1720 et seq.) of Part 7 of Division 2 of the California Labor Code, as well as Title 8, Section 16000 et seq. of the California Code of Regulations ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the Total Compensation is \$1,000 or more, Contractor and its subcontractors shall fully comply with the Prevailing Wage Laws for their employees and any others to whom such laws are applicable. Contractor and its subcontractors shall also be responsible for any and all violations and fines imposed on them pursuant to the Prevailing Wage Laws. Pursuant to SB 854, which amended the Prevailing Wage Laws, this Agreement would also be subject to compliance monitoring and enforcement by the California Department of Industrial Relations ("DIR"). Beginning April 1, 2015, no contractor or subcontractor may be awarded this Agreement unless registered with the DIR pursuant to Labor Code Section 1725.5. The City will report all necessary agreements to the DIR as required by the Prevailing Wage Laws. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor's principal place of business and at the Project site. It is most efficient for the Contractor to obtain a copy of the prevailing wages in effect at the commencement of this Agreement from the website of the Division of Labor Statistics and Research of the DIR located at [www.dir.ca.gov/dlsr/](http://www.dir.ca.gov/dlsr/). In the alternative, Contractor may obtain a copy of the prevailing wages from the City's Representative. Contractor shall defend,

indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.3.6 Apprenticeable Crafts. If the Project is being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, Contractor shall comply with the provisions of Section 1777.5 of the California Labor Code with respect to the employment of properly registered apprentices upon public works when Contractor employs workmen in an apprenticeable craft or trade. The primary responsibility for compliance with said section for all apprenticeable occupations shall be with Contractor.

### **3.4 Termination of Agreement.**

3.4.1 Grounds for Termination. City may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those Services which have been adequately rendered to City, as well as any authorized reimbursable expenses, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause.

3.4.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished Documents and Data and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.4.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

### **3.5 General Provisions.**

3.5.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

**Contractor:**

Baghouse & Industrial Sheet Metal Services  
1731 Pomona Road  
Corona, CA 92880  
Attn: Shawn Kennedy

**City:**

City of Corona

400 South Vicentia Avenue  
Corona, CA 92882  
Attn: Tom Moody, Department of Water and Power

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.2 Indemnification. To the fullest extent permitted by law, Contractor shall defend (with counsel of City's choosing), indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, to the extent arising out of, pertaining to, or incident to any alleged willful misconduct or negligent acts, errors or omissions of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Contractor's Services, the Project or this Agreement, including without limitation the payment of all settlement amounts, expert witness fees and attorneys fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Contractor's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials officers, employees, agents, or volunteers.

3.5.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County. In addition to any and all contract requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code Sections 900 et seq. prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the City.

3.5.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.5 City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this Project.



3.5.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.6.1 Subcontractors; Assignment or Transfer. Contractor shall not subcontract any portion of the Services required under this Agreement, except as expressly authorized herein, without the prior written approval of the City. Subcontracts, if any, shall include a provision making them subject to all provisions of this Agreement. Contractor shall also not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to subcontract or take any other action not authorized herein shall be null and void, and any subcontractors, assignees, hypothecates or transferees shall acquire no right or interest by reason of such action.

3.5.6.2 Corona Utility Authority. To the extent that this Agreement is deemed to be a "material contract" under either of the CUA Management Agreements, Contractor has no right to terminate this Agreement, either with or without cause, based upon the existence or non-existence of either or both of the CUA Management Agreements. Therefore, if an applicable CUA Management Agreement expires or terminates for any reason, Contractor shall remain fully obligated to perform under this Agreement with the CUA or another third party contracted by the CUA for the maintenance, management and operation of the applicable utility system. .

3.5.7 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.5.8 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.9 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.5.10 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.5.6, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.11 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.12 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. Contractor further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the City's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the Term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.13 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.14 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorney's fees and all other costs of such action.

3.5.15 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.16 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.17 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

**[SIGNATURES ON NEXT 2 PAGES]**

**CITY’S SIGNATURE PAGE FOR**  
**CITY OF CORONA**  
**MAINTENANCE/GENERAL SERVICES AGREEMENT**  
**WITH BAGHOUSE AND INDUSTRIAL SHEET METAL SERVICES, INC.**  
**(METAL FABRICATION SERVICES – ROTARY DRYER BURNER TUNNEL**  
**EMERGENCY REPAIR PROJECT)**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

**CITY OF CORONA**

By: \_\_\_\_\_  
Tom Moody  
General Manager

Reviewed By:

\_\_\_\_\_  
Katie Hockett  
DWP Assistant General Manager

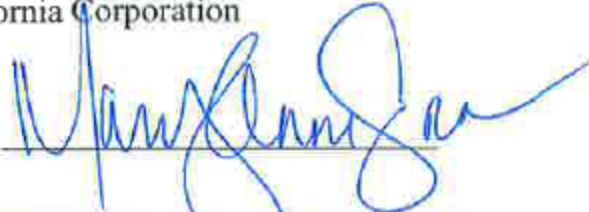
Reviewed By:

\_\_\_\_\_  
Cita Longsworth  
Purchasing Manager

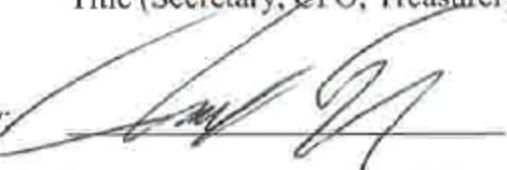
**CONTRACTOR'S SIGNATURE PAGE FOR**  
**CITY OF CORONA**  
**MAINTENANCE/GENERAL SERVICES AGREEMENT**  
**WITH BAGHOUSE AND INDUSTRIAL SHEET METAL SERVICES, INC.**  
**(METAL FABRICATION SERVICES – ROTARY DRYER BURNER TUNNEL**  
**EMERGENCY REPAIR PROJECT)**

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first written above.

**BAGHOUSE AND INDUSTRIAL SHEET METAL SERVICES, INC.**  
a California Corporation

By:   
~~Shawn Kennedy~~ Mary Anne Serna  
Name (Print)

CFO  
Title (Secretary, CFO, Treasurer)

By:   
CHAD SMART  
Name (Print)

President  
Title (President, CEO, Vice-President)

**EXHIBIT "A"**  
**SCOPE OF SERVICES**

Contractor promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the services necessary for the Project ("Services").

Fabricate and install (12 qty) 27 inch x 107 inch pieces to line inside 72 inch diameter x 166 inch long burner tunnel out of ten (10) gauge 3 T310 stainless steel

4 inch to 6 inch strips at seams 100% welded

Provide labor and material to insulate inside burner tunnel and end plug transition with 6 inch mineral board.

**EXHIBIT “B”**  
**SCHEDULE OF SERVICES**

Contractor shall complete the Services within the Term of this Agreement, and shall meet any other established schedules and deadlines.

**EXHIBIT “C”  
COMPENSATION**

Insulation	\$25,800.00
Field Labor Work	\$40,000.00
Shop Labor and Materials	\$13,856.00
Overhead and Profit (5%)	\$ 2,040.00
 Budgetary Price	 \$82,496.00

**PURSUANT TO SECTION 3.2.12 ABOVE PAYMENT BONDS SHALL BE REQUIRED  
FOR THIS PROJECT**