

**SERVICES AGREEMENT BETWEEN  
CITY OF SUNNYVALE AND FREDERICK B. JOHNSON  
DBA: INTERSTATE AUTO SALES FOR AUOMOBILE BROKER SERVICES**

THIS AGREEMENT dated \_\_\_\_\_ by and between the CITY OF SUNNYVALE, a California chartered municipal corporation ("CITY"), and FREDERICK B JOHNSON DBA INTERSTATE AUTO SALES ("CONTRACTOR"), a sole proprietorship.

WHEREAS, CITY is in need of automobile broker service; and

WHEREAS, CITY advertised an Invitation for Bid (IFB) on March 13, 2026 for Automobile Broker Services; and

WHEREAS, CONTRACTOR submitted a bid on March 25, 2026; and

WHEREAS, CITY accepted CONTRACTOR's bid submitted on April 9, 2026; and

WHEREAS, in reliance upon CONTRACTOR's representations regarding its qualifications, CITY finds that CONTRACTOR possesses the skill and expertise to provide the required services;

NOW, THEREFORE, THE PARTIES ENTER INTO THIS AGREEMENT.

1. Contract Documents

The complete Contract consists of the following documents: Exhibit A, Scope of Services; Exhibit B, Compensation Schedule; Notice Inviting Proposals; Instructions to Proposers; Specifications; Terms and Conditions; and CONTRACTOR's completed Proposal. These documents are all incorporated herein by reference. The documents and exhibits comprising the complete contract are collectively referred to as the Contract Documents.

Any and all obligations of the CITY and the CONTRACTOR are fully set forth and described therein.

All of the above Contract Documents are intended to cooperate so that any work called for in one and not mentioned in the other or vice versa is to be executed the same as if mentioned in all documents.

2. Services by CONTRACTOR

It is understood and agreed that tools, equipment, apparatus, facilities, labor, transportation, and material shall be furnished and work performed and completed as required in the bid documents under the sole direction and control of the CONTRACTOR, and subject to approval of the City.

3. Time for Performance

The term of this Agreement shall be from May 20, 2026 through May 19, 2029, unless otherwise terminated in accordance with Section 16 below. Agreement may be renewed for a maximum of two (2) additional one-year periods at the sole option of the City.

4. Compensation

In no event shall the total amount of compensation paid by CITY to CONTRACTOR under this agreement exceed the sum of Three Million and No/100 Dollars (\$3,000,000) unless upon written modification of this Agreement. CONTRACTOR shall submit invoices to CITY no more frequently than monthly for services provided to date, and in accordance with the compensation schedule outline in Exhibit "B". All invoices, including detailed backup, shall be sent to City of Sunnyvale, attention Accounts Payable, P.O. Box 3707, Sunnyvale, CA 94088-3707 or [accountspayable@sunnyvale.ca.gov](mailto:accountspayable@sunnyvale.ca.gov). Payment shall be made within thirty days upon receipt of an accurate itemized invoice by CITY's Accounts Payable unit.

5. Wage Rates

CONTRACTOR shall comply with the minimum wage provisions set forth in Section 3.80.040 of the Sunnyvale Municipal Code.

6. Conflict of Interest

CONTRACTOR shall avoid all conflicts of interest, or appearance of conflict, in performing the services and agrees to immediately notify CITY of any facts that may give rise to a conflict of interest. CONTRACTOR is aware of the prohibition that no officer of CITY shall have any interest, direct or indirect, in this Agreement or in the proceeds thereof. During the term of this Agreement CONTRACTOR shall not accept employment or an obligation which is inconsistent or incompatible with CONTRACTOR'S obligations under this Agreement.

7. Confidential Information

CONTRACTOR shall maintain in confidence and at no time use, except to the extent required to perform its obligations hereunder, any and all proprietary or confidential information of CITY of which CONTRACTOR may become aware in the performance of its services.

8. Compliance with Laws

- A. CONTRACTOR shall not discriminate against, or engage in the harassment of, any City employee or volunteer or any employee of CONTRACTOR or applicant for employment because of an individual's race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or veteran or military status, or any other protected characteristic in violation of federal or state law. This prohibition shall apply to all of CONTRACTOR's employment practices and to all of CONTRACTOR's activities as a provider of services to the City.
- B. CONTRACTOR shall comply with all federal, state and city laws, statutes, ordinances, rules and regulations and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of the Agreement.

9. Independent Contractor

CONTRACTOR is acting as an independent contractor in furnishing the services or materials and performing the work required by this Agreement and is not an agent, servant or employee of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONTRACTOR. CONTRACTOR is responsible for paying all required state and federal taxes.

10. Indemnity

To the fullest extent permitted by law, CONTRACTOR shall indemnify, defend, and hold harmless the CITY, its officers, officials, employees and volunteers from and against all claims, damages, losses and expenses, including attorney fees, arising out of the performance of the services described herein, caused in whole or in part by any negligent act or omission of CONTRACTOR, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence or willful acts of the CITY. The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this agreement. CONTRACTOR's responsibility for such defense and indemnity obligations shall survive the termination or completion of this agreement.

11. Intentionally Omitted

12. CITY Representative

Daniel Hawn, as the City Manager's authorized representative ("CITY representative"), shall represent CITY in all matters pertaining to the services to be rendered under this Agreement. All requirements of CITY pertaining to the services and materials to be rendered under this Agreement shall be coordinated through the CITY representative.

13. CONTRACTOR Representative

Frederick B. Johnson, Owner shall represent CONTRACTOR ("CONTRACTOR representative") in all matters pertaining to the services and materials to be rendered under this Agreement; all requirements of CONTRACTOR pertaining to the services or materials to be rendered under this Agreement shall be coordinated through the CONTRACTOR representative.

14. Notices

All notices required by this Agreement, other than invoices for payment which shall be sent directly to Accounts Payable, shall be in writing, and sent by first class with postage prepaid, or sent by commercial courier, to addressed below.as follows:

Nothing in this provision shall be construed to prohibit communication by more expedient means, such as by email, to accomplish timely communication. Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three business days after mailing.

To CITY: Daniel Hawn, Fleet Manager  
Department of Public Works  
CITY OF SUNNYVALE  
P. O. Box 3707  
Sunnyvale, CA 94088-3707

To CONTRACTOR: Frederick B. Johnson DBA: Interstate Auto Sales  
4091 N. Valentine Ave #101  
Fresno, CA 93722

15. Assignment

Neither party shall assign or sublet any portion of this Agreement without the prior written consent of the other party.

16. Termination

- A. If CONTRACTOR defaults in the performance of this Agreement, or materially breaches any of its provisions, CITY at its option may terminate this Agreement by giving written notice to CONTRACTOR. In the event of such termination, CONTRACTOR shall be compensated in proportion to the percentage of satisfactory services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate. CONTRACTOR shall present CITY with any work product completed at that point in time.
- B. Without limitation to such rights or remedies as CITY shall otherwise have by law, CITY also shall have the right to terminate this Agreement for any reason upon ten (10) days' written notice to CONTRACTOR. In the event of such termination, CONTRACTOR shall be compensated in proportion to the percentage of services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate. CONTRACTOR shall present CITY with any work product completed at that point in time.
- C. If CITY fails to pay CONTRACTOR, CONTRACTOR at its option may terminate this Agreement if the failure is not remedied by CITY within 30 days after written notification of failure to pay.

17. Entire Agreement; Amendment

This writing constitutes the entire agreement between the parties relating to the services to be performed or materials to be furnished hereunder. No modification of this Agreement shall be effective unless and until such modification is evidenced by writing as an amendment to this Agreement signed by all parties. If the amendment is signed electronically, the digital signatures must comply with the requirements of California Government Code Section 16.5.

18. Governing Law, Jurisdiction and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflict of law principles. Proper venue for legal actions will be exclusively

vested in a state court in the County of Santa Clara. The parties agree that subject matter and personal jurisdiction are proper in state court in the County of Santa Clara, and waive all venue objections.

19. Miscellaneous

Time shall be of the essence in this Agreement. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision.

IN WITNESS WHEREOF, the parties have executed this Agreement.

CITY OF SUNNYVALE ("CITY")

FREDERICK B. JOHNSON DBA: INTERSTATE  
AUTO SALES ("CONTRACTOR")

By \_\_\_\_\_  
City Manager

By \_\_\_\_\_  
\_\_\_\_\_  
Name and Title

ATTEST:

By \_\_\_\_\_  
City Clerk

By \_\_\_\_\_  
\_\_\_\_\_  
Name and Title

APPROVED AS TO FORM:

By \_\_\_\_\_  
City Attorney

## **Exhibit A Scope of Services**

### **Process & Communication**

Contractor will be contacted by Department of Public Work Fleet staff with an email request that provides vehicle specifications or a range of vehicle options regarding Make, Model, color, etc. All vehicles requested shall have less than 25,000 miles and be less than 4 model years old.

Contractor shall provide currently available vehicles for consideration via email, with photos, mileage, etc. Contractor shall provide via email, vehicle condition photographs, description, (year, make, Model, mileage) vehicle background via (auto check), along with potential purchase cost.

City staff will review the currently available vehicles and communicate with Contractor via phone and/or email as to acceptable selections for follow-up and action by Contractor. This action may include negotiating up to a not to exceed identified price for the selected vehicle or agreeing to an amount to purchase the vehicle for, prior to Contractor purchasing the vehicle.

If Contractor purchases vehicle without record of approval from the City or in excess of the amount agreed to pay for the purchase, the City will not be required to repurchase any vehicle that the Contractor has purchased.

If there is any discrepancy between the identified details of the vehicle selected by City, including but not limited to, the age of the vehicle, miles of use for the vehicle, features or specifications of the vehicle, the City will provide notice within 15 business days to the Contractor to clarify the request. If the substantial discrepancy is identified, the City will not be required to complete the purchase of this vehicle and will require that the Contractor pick up the vehicle within an agreed-upon timeline. The City will not be liable for costs for transport of delivery or pick up in this situation.

Contractor shall purchase vehicle and provide DMV paperwork (title, registration, etc.) for the selected vehicle upon delivery.

Contractor shall provide & coordinate transportation of selected vehicles to: 221 Commercial St. Sunnyvale CA, 94088, within 10 business days from vehicle purchase.

Contractor shall provide complete Itemized Invoice/Costs for vehicle transaction, including Auction Company Invoice for the selected vehicle when submitting for payment. This invoice shall include the Transaction Fee as identified in Exhibit B, Compensation Schedule.

Contractor shall schedule and conduct the work so as to minimize the inconvenience to the public as well as to City employees at any City facilities and adjoining areas impacted by the work. Work shall occur only between the hours of 7 a.m. and 6 p.m., Monday through Friday, unless an exception is granted by the City. Any phase of the work which requires disruption of utilities shall be scheduled three (3) days in advance with the affected parties.

**Exhibit B  
Compensation Schedule**

**Base Bid Item**

<b>LINE ITEM</b>	<b>DESCRIPTION</b>	<b>QTY</b>	<b>UOM</b>	<b>Cost</b>
<b>1</b>	Transaction fee per vehicle purchase	1	Vehicle	\$500.00