

**DRAFT ON-CALL SERVICES AGREEMENT BETWEEN CITY OF SUNNYVALE AND
MCNABB CONSTRUCTION, INC. DBA DK ENVIRONMENTAL FOR LEVEE
MAINTENANCE AND EMERGENCY REPAIRS**

THIS AGREEMENT dated _____ is by and between the CITY OF SUNNYVALE, a California chartered municipal corporation ("CITY"), and MCNABB CONSTRUCTION INC. DBA DK ENVIRONMENTAL, a California corporation, ("CONTRACTOR").

WHEREAS, CITY is in need of specialize services in relation to levee maintenance and emergency repairs (the "Services" or the "Project"); and

WHEREAS, CITY advertised a Request for Qualifications (RFP) F25-120 on November 21, 2024 for On-Call Services for Levee Maintenance and Emergency Repairs; and

WHEREAS, CITY accepted CONTRACTOR proposal submitted on December 16, 2024; and

WHEREAS, CONTRACTOR represents that it, and its sub-contractors, if any, possess the professional qualifications and expertise to provide the required services and are licensed by the State of California in the required disciplines;

NOW, THEREFORE, THE PARTIES ENTER INTO THIS AGREEMENT.

1. Services by CONTRACTOR

CONTRACTOR shall provide services in accordance with Exhibit "A" entitled "Scope of Work." To accomplish that end, CONTRACTOR agrees to assign Dave McNabb to this project, to act in the capacity of Project Manager and personally direct the services to be provided by CONTRACTOR.

All exhibits referenced in this Agreement are attached hereto and are incorporated herein by reference. Except as specified in this Agreement, CONTRACTOR shall furnish all technical services, including labor, material, equipment, transportation, supervision and expertise to perform all operations necessary and required to satisfactorily complete the services required in this Agreement.

2. Contract Term

The term of this Agreement shall be for one-year from the date of execution, unless otherwise terminated in accordance with Section 17 below. Agreement may be renewed for an additional three (3) additional one-year extension terms at the sole option of the CITY.

3. Payment of Fees and Expenses

CITY agrees to pay CONTRACTOR as full compensation for the services rendered pursuant to this Agreement, the amounts set forth in Exhibit "B". Total compensation shall not exceed Six Hundred Thousand and No/100 Dollars (\$600,000.00), unless upon written modification to this Agreement signed by both parties in accordance with Section 24. CONTRACTOR shall submit progress payment invoices to CITY no more frequently than monthly to be paid in accordance with the procedures set forth 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. Payment shall be made within thirty (30) days upon receipt of an accurate, itemized invoice by CITY's Accounts Payable Unit.

4. No Assignment of Agreement

CONTRACTOR shall bind themselves, their partners, successors, assigns, executors, and administrators to all covenants of this Agreement. Except as otherwise set forth in this Agreement, no interest in this Agreement or any of the work provided for under this Agreement shall be assigned or transferred, either voluntarily or by operation of law, without the prior written approval of CITY. However, claims for money due to or to become due to CONTRACTOR from CITY under this Agreement may be assigned to a bank, trust company or other financial institutions, or to a trustee in bankruptcy, provided that written notice of any such assignment or transfer shall be first furnished to CITY. In case of the death of one or more members of CONTRACTOR's firm, the surviving member or members shall complete the services covered by this Agreement. Any such assignment shall not relieve CONTRACTOR from any liability under the terms of this Agreement.

5. Independent Contractor

CONTRACTOR is not an agent or employee of CITY but is an independent contractor with full rights to manage its employees subject to the requirements of the law. All persons employed by CONTRACTOR in connection with this Agreement will be employees of CONTRACTOR and not employees of CITY in any respect. CONTRACTOR is responsible for obtaining statutory Workers' Compensation coverage for its employees.

6. Standard of Workmanship

CONTRACTOR represents and maintains that it is skilled in the professional calling necessary to perform the services and its duties and obligations, expressed and implied, contained herein, and CITY expressly relies upon CONTRACTOR's representations regarding its skills and knowledge. CONTRACTOR shall perform such services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California.

7. Responsibility of CONTRACTOR

CONTRACTOR shall be responsible for the professional quality, technical accuracy and the coordination of the services furnished by it under this Agreement. Neither CITY's review, acceptance nor payment for any of the services required under this Agreement shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and CONTRACTOR shall be and remain liable to CITY in accordance with applicable law for all damages to CITY caused by CONTRACTOR's negligent performance of any of the services furnished under this Agreement.

8. Right of CITY to Inspect Records of CONTRACTOR

CITY, through its authorized employees, representatives, or agents, shall have the right, at any and all reasonable times, to audit the books and records including, but not limited to, invoices,

vouchers, canceled checks, time cards of CONTRACTOR for the purpose of verifying any and all charges made by CONTRACTOR in connection with this Agreement. CONTRACTOR shall maintain for a minimum period of three (3) years from the date of final payment to CONTRACTOR or for any longer period required by law, sufficient books and records in accordance with generally accepted accounting practices to establish the correctness of all charges submitted to CITY by CONTRACTOR. Any expenses not so recorded shall be disallowed by CITY.

9. No Pledging of CITY's Credit

Under no circumstances shall CONTRACTOR have the authority or power to pledge the credit of CITY or incur any obligation in the name of CITY.

10. Ownership of Material

All material, including information developed on computer(s), which shall include, but not be limited to, data, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared or caused to be prepared, under this Agreement shall be the property of CITY, but CONTRACTOR may retain and use copies thereof.

CITY shall not be limited, in any way, in its use of said material, at any time, for work associated with Project. However, CONTRACTOR shall not be responsible for damages resulting from the use of said material for work other than Project, including, but not limited to the release of this material to third parties for work other than on Project.

11. Indemnity

To the fullest extent permitted by law, CONTRACTOR shall hold harmless, defend at its own expense, and indemnify the City and its officers, officials, employees, agents, and volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney's fees, arising from all acts or omissions of CONTRACTOR or its officers, agents, or employees in rendering services under this Agreement; excluding, however, such liability, claims, losses, damages, or expenses arising from the City's sole negligence or willful acts. 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.

12. Insurance Requirements

The City requires that CONTRACTOR maintain insurance requirements on the Pacific Insurance Network System (PINS). CONTRACTOR shall procure and maintain, at its own expense during the life of this Agreement, policies of insurance as specified in Exhibit "C" attached and incorporated herein by reference and shall provide all certificates and endorsements as specified in Exhibit "C" through PINS for approval by the City Risk Manager prior to CONTRACTOR (or subcontractor) commencing any work under this Agreement.

13. Wage Rates

Pursuant to the Labor Code of the State of California, or any applicable local law, CITY has ascertained the general prevailing rate per diem wages and rates for holidays, and overtime work in

the city, for each craft, classification or type of laborer, worker, or mechanic needed to execute this Agreement. CITY has adopted, by reference, the general prevailing rate of wages applicable to the work to be done under the Agreement, as adopted and published by the Division of Labor Standards Enforcement and Labor Statistics and Research of the State of California, Department of Industrial Relations, to which reference is hereby made for a full and detailed description. A copy of the prevailing wage rates may be reviewed in the office of the Director of Public Works, City of Sunnyvale, 456 West Olive Avenue, Sunnyvale, California. Wage rates can also be obtained through the California Department of Industrial Relations website at:
<http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>

Neither the notice inviting bids nor this Agreement shall constitute a representation of fact as to the prevailing wage rates upon which the CONTRACTOR or any subcontractor may base any claim against CITY, see Exhibit D.

It shall be mandatory upon CONTRACTOR and upon any subcontractor to pay not less than the specified rates to all laborers, workers, and mechanics employed in the execution of the Contract. It is further expressly stipulated that CONTRACTOR shall, as a penalty to CITY, forfeit two hundred dollars (\$200.00) for each calendar day, or portion thereof, for each laborer, worker, or mechanic paid less than the stipulated prevailing rates for any work done under this Contract by CONTRACTOR or by any subcontractor; and CONTRACTOR agrees to comply with all provisions of Section 1775 of the Labor Code.

In case it becomes necessary for CONTRACTOR or any subcontractor to employ on the project under this Agreement any person in a trade or occupation (except executives, supervisory, administrative, clerical, or other non-manual workers as such) for which no minimum wage rate is herein specified, CONTRACTOR shall immediately notify CITY who will promptly thereafter determine the prevailing rate for such additional trade or occupation and shall furnish CONTRACTOR with the minimum rate based thereon. The minimum rate thus furnished shall be applicable as a minimum for such trade or occupation from the time of the initial employment of the person affected and during the continuance of such employment.

14. 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.

15. Governing Law, Jurisdiction and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflict of law or choice 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.

16. Records, Reports and Documentation

CONTRACTOR shall maintain complete and accurate records of its operation, including any and all additional records required by CITY in writing. CONTRACTOR shall submit to CITY any and all reports concerning its performance under this Agreement that may be requested by CITY in writing. CONTRACTOR agrees to assist CITY in meeting CITY's reporting requirements to the state and other agencies with respect to CONTRACTOR's work hereunder. All records, reports and documentation relating to the work performed under this Agreement shall be made available to City during the term of this Agreement.

17. Termination of Agreement

- 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.

18. Subcontracting

None of the services covered by this Agreement shall be subcontracted without the prior written consent of CITY. Such consent may be issued with notice to proceed if CONTRACTOR's subcontractors are listed in the project work plan.

19. 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 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.

20. Changes

CITY or CONTRACTOR may, from time to time, request changes in the terms and conditions of this Agreement. Such changes, which are mutually agreed upon by CITY and CONTRACTOR, shall be incorporated in amendments to this Agreement in accordance with Section 24 below.

21. Other Agreements

This Agreement shall not prevent either Party from entering into similar Agreements with others.

22. Severability Clause

In case any one or more of the provisions contained herein shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions which shall remain in full force and effect.

23. Captions

The captions of the various sections, paragraphs and subparagraphs, of the contract are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

24. 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.

25. 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.

26. Task Orders

Services under this Agreement shall be initiated by issuance of a task order request from CITY. CITY shall require that CONTRACTOR submit a proposal for each task order in competition with other contractors prior to issuing a Purchase Order under this Agreement. Task orders will only be issued by

authorized users of this Agreement with approval of the Director of Environmental Services or their designee. The task order request will generally include:

- (a) the statement of work;
- (b) a list of reporting requirements and any other deliverables;
- (c) instructions to the Contractor including, for example, information concerning the period of performance, and any special terms or conditions applicable to the task order.

CITY's project manager will determine the due date for responses and the level of review required based on the nature and complexity of the requirements. Payment for services rendered in the Task Order will be made in accordance with the rates set forth in Exhibit B "Compensation Schedule" and may be contingent on the completion and approval of deliverables.

27. 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")

MCNABB CONSTRUCTION, INC. ("CONTRACTOR")

By _____

City Manager

By _____

Name and Title

ATTEST:

By _____

By _____

Name and Title

APPROVED AS TO FORM:

By _____

City Attorney

Exhibit A

SCOPE OF SERVICES

The work to be performed under this contract shall consist of furnishing all labor, tools, materials, equipment, appurtenances, and supervision as required and necessary to provide routine and emergency pond levee repairs on the City of Sunnyvale 440-acre pond system located at the Water Pollution Control Plant.

This work may include but is not limited to routine repairs of rip rap, pothole repairs, regrading of roadway surface aggregate, grouting of rodent holes, and emergency repairs. Emergency repairs can include repair of levee breaches, and pond seepage events. Contractor will provide rip rap, sand, clay material, soil, and limestone (traffic maintenance aggregate) and other materials to install on or along levees.

Contractor will be responsible for ensuring traffic safety in all work areas in accordance with the most stringent City, County, FEMA, and OSHA rules and regulations. Flag persons, spotters, temporary signage, or other approved means shall be provided by the Contractor as needed to comply with the above requirement.

Exhibit B
Fee Schedules

Crew with equipment is normally billed at \$8,435/day.

Per the RFQL we will provide a cost for specific tasks requested by the City.

Waiting for McNabb to provide a more detailed Fee Schedule

Rate Sheet

| | Straight Time | Over Time | Double Time |
|----------------|------------------|--------------|----------------|
| Superintendent | \$ 195.00 | \$ 282.00 | \$ 360.00 |
| Operator | \$ 170.00 | \$ 246.00 | \$ 314.00 |
| Laborer | \$ 135.00 | \$ 195.00 | \$ 249.00 |

| | |
|----------------------|-----------|
| Pickup Truck | \$ 25.00 |
| 5 Yard Dump Truck | \$ 125.00 |
| CAT 259 | \$ 170.00 |
| CAT 308 | \$ 190.00 |
| Amphibious Excavator | \$ 425.00 |

All Rates show are hourly

All small tools included in hourly rates

Mobilization rates charged at cost plus 15% markup

Rental Equipment, Materials, and Subcontractors charged at cost plus 15% markup

Exhibit C INSURANCE REQUIREMENTS

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the Contractor, their agents, representatives, or employees.

Minimum Scope and Limits of Insurance. Contractor shall maintain limits not less than:

1. **Commercial General Liability:** coverage written on an occurrence basis with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury and property damage. ISO Occurrence Form shall be at least as broad as CG 0001.
2. **Automobile Liability:** coverage with a combined single limit of not less than \$1,000,000 per occurrence applying to all owned, non-owned, or hired vehicles used in conjunction with this contract for bodily injury and property damage. ISO Form shall be at least as broad as CA 0001.
3. **Workers' Compensation:** Statutory Limits and **Employer's Liability:** \$1,000,000 per accident for bodily injury or disease.

Industry Specific Coverages. If checked below, the following insurance is also required:

- ☒ **Pollution Liability** coverage with limits not less than \$2,000,000 per occurrence.
- ☐ **MCS-90 Endorsement** to Business Automobile insurance for transportation of hazardous materials and pollutants.
- ☐ **Builder's Risk / Course of Construction** coverage written on an "all risk" basis with limits equal to the completed value of the project and no coinsurance penalty provisions.
- ☐ **Installation Floater** coverage written on an "all risk" basis with limits equal to the completed value of the project and no coinsurance penalty provisions.

Deductibles, Self-Insured Retentions and Other Coverages:

Any deductibles or self-insured retentions must be declared and reviewed by the City's Risk Manager. The Contractor shall guarantee payment of any losses and related investigations, claim administration and defense expenses within the deductible or self-insured retention.

The aforementioned insurance requirements can be met through any combination of self-insured, primary and excess/umbrella policies that fulfill the stipulated coverage as cited above.

Other Insurance Provisions:

1. During the term of the contract, the City of Sunnyvale, its officers, officials, employees, agents, and volunteers are to be covered as an additional insured in the Contractor's commercial general liability policy (and if industry specific coverage box is checked above, liquor liability, valuable papers, electronic data processing, cyber & tech liability, pollution liability, sexual abuse and molestation, builder's risk, and installation floater policies) with respect to liability arising out of activities performed by or on behalf of the Contractor;

products and completed operations of the Contractor; premises owned, occupied or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees, agents, or volunteers.

Additional Insured Endorsement for ongoing operations at least as broad as ISO CG 20 10 Scheduled, or automatic CG 20 38 and completed operations shall be at least as broad as ISO CG 20 37 scheduled or automatic ISO CG 20 40.

Contractor shall maintain commercial general liability insurance as required by this contract for a minimum of five years following the completion of this project. In the event contractor fails to obtain or maintain completed operations coverage as required by this Agreement, the City at its sole discretion may purchase the coverage required and the cost will be paid by contractor.

2. During the term of the contract, the Contractor's Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Sunnyvale.
3. For all Architects, Engineers and Design Professionals - If Industry Specific Coverage box is check above and if the Consultant's Professional Liability/Errors and Omissions coverage is written on a claims made basis:
 - a. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
 - b. Insurance must be maintained and evidence of insurance must be provided *for at least three (3) years after completion of the contract of work*.
 - c. If coverage is canceled or non-renewed, and not *replaced with another claims-made policy form with a Retroactive Date* prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of *three (3) years* after completion of contract work
4. If Industry Specific Coverage box is checked above, during the term of the contract, the Contractor's Builder's Risk / Course of Construction or Installation Floater policy shall provide coverage for any building, structures, machinery or equipment that is damaged, impaired, broken or destroyed during the performance of the Work, including during transit, installation and testing. The policy shall name the City as a Loss Payee with respect to any repairs or replacement of any damaged property or other amounts payable under the policy.
5. For any claims related to this project, the Contractor's insurance shall be primary. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents and volunteers shall be excess of the Contractor's insurance and shall not contribute with it and shall be at least as broad as ISO CG 20 01 04 13.
6. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.
7. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
8. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or in limits except

after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

9. Any umbrella or excess insurance liability policies shall be true "following form" of the underlying policy coverage, terms, conditions, and provisions and shall meet all of the insurance requirements stated in this document, including the additional insured, SIR, and primary and non-contributory insurance requirements for the benefit of City (if agreed to in a written contract or Agreement) until all coverage carried by or available to the Contractor's primary and excess liability policies are exhausted and before the City's own Insurance or self-insurance shall be called upon to contribute to a loss.
10. The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated above shall not serve to reduce the Contractor's policy limits of coverage. Therefore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

Acceptability of Insurers:

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, and who are admitted and authorized to do business and in good standing in California unless otherwise acceptable to the City's Risk Manager.

Verification of Coverage:

City utilizes PINSAdvantage.com (PINS) to track and verify all insurance related documents. City is no longer accepting Certificates of Insurance by mail and requires the use of PINS. City will email the Contractor requesting proof of insurance for this Contract through the PINS platform (no-reply@pinsadvantage.com), which include instructions on how to upload insurance documents electronically. Contractor shall furnish the City with an electronic Certificate of Insurance effecting the coverage required. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf and name City of Sunnyvale, Attn: Risk Management, 456 W. Olive Ave, Sunnyvale, CA 94088 as the certificate holder. All certificates are to be received and approved by the City, Risk Manager prior to commencement of work.

The Contractor shall provide certificate(s) evidencing renewals of all insurance required herein prior to the expiration date of any such insurance. Contractor shall submit insurance certificates reflecting the policy renewals through PINS. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Subcontractors

Contractor shall require all subcontractors to procure and maintain insurance policies subject to these requirements. Failure of Contractor to verify existence of sub-contractor's insurance shall not relieve Contractor from any claim arising from sub-contractors work on behalf of Contractor.

Exhibit D

Labor Compliance

Contractor Registration with the State of California – Contractors, and all applicable subcontractors which are required to pay prevailing wages, must be registered with the State of California, Department of Industrial Relations (DIR) through the Public Works Contractor Registration Program (PWC Registration) before bidding, being awarded, or performing work on public works projects in California. This includes those performing surveying work, material testing, inspection, trucking, boring, pot holing, concrete deliveries and temporary service companies who provide workers to prevailing wage contractors. Registration must remain current throughout the project entirety. It is the contractor's responsibility to not allow their PWC Registration to lapse during the project and to ensure all Subcontractor's registrations remain current. The Labor Commissioner can assess penalties to public works contractors of up to \$10,000, in addition to the registration fee, for failure to register. Awarding agencies are also subject to penalties of \$100 a day, up to a maximum of \$10,000, for having an unregistered contractor perform work on a public works project. If any penalties are issued to the City for unregistered subcontractors or for a lapse in a contractor/subcontractor's PWC Registration, these penalties will be passed onto the contractor. **A contractor that allows an unregistered subcontractor to work on the project is also subject to penalties of \$100 a day up to \$10,000.** Contractors shall list all applicable PWC registration numbers on the Bid Form.

Hours of Work – Pursuant to Labor Code, Section 1810, eight hours of labor during any one calendar day and forty hours of labor during any one calendar week shall constitute the maximum hours of service upon all work done hereunder, and it is expressly stipulated that no laborer, worker, or mechanic employed at any time by the contractor or by any subcontractor or subcontractors under this Contract, upon the work or upon any part of the work contemplated by this Contract, shall be required or permitted to work thereon more than eight hours during any one calendar day and forty hours during any one calendar week, except, as provided by Section 1815 of the Labor Code of the State of California, work performed by employees of contractors in excess of eight hours per day and forty hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. It is further expressly stipulated that for each and every violation of Sections 1811-1815, inclusive, of the Labor Code of the State of California, all the provisions whereof are deemed to be incorporated herein, Contractor shall forfeit, as a penalty to the City, twenty-five dollars (\$25.00) for each laborer, worker, or mechanic employed in the execution of this Contract by Contractor, or by any subcontractor under this Contract, for each calendar day during which the laborer, worker, or mechanic is required or permitted to work more than eight hours in any one calendar day and forty hours in any one calendar week in violation of the provisions of the Sections of the Labor Code. Such forfeiture amounts may be deducted from the contract sum.

Contractor and each Subcontractor shall keep, or cause to be kept, an accurate record showing the actual hours worked each calendar day and each calendar week by each worker employed on the project, which record shall be kept open at all reasonable hours to the inspection of the City, its officers and agents, and to the inspection of the appropriate enforcement agency of the State of California.

Wage Rates – Pursuant to Sections 1770, 1771 and 1774 of the Labor Code of the State of California, or any applicable local law, contractors shall not pay less than the prevailing rate of per diem wages as determined by the Director of the Department of Industrial Relations. The City has ascertained the general prevailing rate per diem wages and rates for holidays, and overtime work in the city, for each craft, classification or type of laborer, worker, or mechanic needed to execute this Contract. The City has adopted, by reference, the general prevailing rate of wages applicable to the work to be done under the Contract, as adopted and published by the Division of Labor Standards Enforcement and Labor Statistics and Research of the State of California, Department of Industrial Relations, to which reference is hereby made for a full and detailed description. A copy of the prevailing wage rates may be reviewed in the office of the Director

of Public Works, City of Sunnyvale, 456 West Olive Avenue, Sunnyvale, California. Wage rates can also be obtained through the California Department of Industrial Relations website at: <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>

Neither the notice inviting bids nor this Contract shall constitute a representation of fact as to the prevailing wage rates upon which the Contractor or any subcontractor may base any claim against the City.

In case it becomes necessary for Contractor or any subcontractor to employ on the project under this Contract any person in a trade or occupation (except executives, supervisory, administrative, clerical, or other non-manual workers as such) for which no minimum wage rate is herein specified, Contractor shall immediately notify the City who will promptly thereafter determine the prevailing rate for such additional trade or occupation and shall furnish Contractor with the minimum rate based thereon. The minimum rate thus furnished shall be applicable as a minimum for such trade or occupation from the time of the initial employment of the person affected and during the continuance of such employment.

Prevailing Wage – As identified in the Notice to Bidders, the work contemplated by this agreement is a public work subject to prevailing wages under California Labor Code, Sections 1720 et. seq. The State of California Department of Industrial Relations has ascertained the general prevailing per diem wage rates in the locality in which the work is to be performed for each craft, classification, or type of worker required to perform the work. A schedule of the most recent general prevailing per diem wage rates made available to the City will be on file at the City's principal facility office and will be made available to any interested party upon request. This prevailing wage rate schedule is provided by the City for Bidder's information only and is not guaranteed by the City to be current. Contractor is obligated to verify all appropriate prevailing wage rates and pay those rates as required. By this reference the verified current schedule of prevailing wage rates is made part of the Contract Documents. Contractor shall pay not less than the prevailing per diem wage rates, as specified in the schedule and any amendments thereto, to all workers employed by contractor in the execution of the work. Contractor shall cause all subcontracts to include the provision that all subcontractors shall pay not less than the specified prevailing per diem wage rates to all workers employed by such subcontractors in the execution of the work.

Contractor shall forfeit to the City, as a penalty, no more than two hundred dollars (\$200.00) for each calendar day or portion thereof for each worker that is paid less than the specified prevailing per diem wage rates for the work or craft in which the worker is employed for any portion of the work done by contractor or any subcontractor in violation of the provisions of the Labor Code, and in particular Sections 1770 to 1781 thereof, inclusive. Such forfeiture amounts may be deducted from the contract sum. Contractor shall also pay to any worker who was paid less than the specified prevailing per diem wage rate for the work or craft for which the worker was employed for any portion of the work, for each calendar day, or portion thereof, for which the worker was paid less than the specified prevailing per diem wage rate, an amount equal to the difference between the specified prevailing per diem wage rate and the amount which was paid to the worker.

The City will not recognize any claim for additional compensation because of the payment by the Contractor for any wage rate in excess of prevailing wage rates set forth in the Agreement, including payment in excess of the prevailing wage for extra work paid by force account. The possibility of wage increases is one of the elements to be considered by the Contractor in determining the contractor's bid and will not, under any circumstances be considered as the basis of a claim against the City under the Agreement.

Certified Payroll Records – Pursuant to Labor Code, Sections 1776 et. Seq., contractor and all subcontractors shall keep an accurate payroll record, showing the name, address, social security number, job classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed in connection with the work. All payroll records shall be certified as being true and correct by contractor or subcontractors keeping such records; and the payroll records shall be provided to the City no later than three weeks after

closing of payroll for City-funded projects, and no later than one week for federal aid projects. The contractor or subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in Labor Code section 1776 (a). In the event that the contractor or subcontractor fails to comply within the 10-day period, he or she shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Certified payroll records shall be made available at reasonable hours at the contractor's principal office to the persons authorized to inspect such records pursuant to Labor Code section 1776. Certified payroll shall also be made available for inspection upon request by the State of California Division of Labor Standards Enforcement, or the Division of Apprenticeship Standards of the State of California Division of Industrial Relations.

Each contractor and every lower-tier subcontractor will be required to submit certified payrolls and labor compliance documentations electronically via the software LCPtracker. Contractor shall cause all subcontracts to include the provision that all subcontractors submit certified payrolls and labor compliance documentation electronically via LCPtracker. Electronic submission will be a web-based system, accessed on the World Wide Web by a web browser. Each contractor user will be given a Log-On identification and password to access the City's reporting system. Access will be coordinated by a City representative.

Apprentice Program – Attention is directed to State of California Labor Code, Sections 3095, 1777.5, 1777.6, and 1777.7 and Title 8, California Code of Regulations, Section 200, and the applicable Sections that follow. Responsibility for compliance with these requirements lies with the contractor. To ensure compliance and complete understanding of the law requiring apprentices, and specifically the required ratio thereunder, contractor or subcontractors should, where some question exists, contact the Division of Apprenticeship Standards, 525 Golden Gate Avenue, San Francisco, California, or one of its branch offices prior to commencement of the work. In the event contractor willfully fails to comply with this section, it will be considered in violation of the requirements of the Contract.

Contractor and all of its subcontractors shall abide by the provisions of California Labor Code Section 1777.6 prohibiting discrimination in the acceptance of otherwise qualified apprentices; and California Labor Code Section 3095 which declares the unlawful discrimination in any recruitment or apprenticeship program on stated grounds. City shall be entitled to retain and withhold all penalties as authorized pursuant to California Labor code, Division 2, Part 7, Chapter 1, commencing with Section 1720 and following, in accordance with the provisions of that Chapter, and the regulations established by the Director of Industrial Relations pursuant to the statutory authority of such chapter.