CONTRACT SERVICES AGREEMENT

By and Between

CITY OF BELL

and

ANAYA’S SERVICE CENTER
AGREEMENT FOR CONTRACT SERVICES
BETWEEN THE CITY OF BELL AND
ANAYA'S SERVICE CENTER

THIS AGREEMENT FOR CONTRACT SERVICES (herein “Agreement”) is made and entered into this 28th day of September, 2016 (“Effective Date”) by and between the City of Bell, a charter city (“City”) and Anaya’s Service Center (“Contractor”). City and Contractor are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.” (The term Contractor includes professionals performing in a consulting capacity.)

RECATALS

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.

B. Contractor, following submission of a proposal or bid for the performance of the services defined and described particularly in Article 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Bell’s Municipal Code, City has authority to enter into and execute this Agreement.

D. The Parties desire to formalize the selection of Contractor for performance of those services defined and described particularly in Article 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS.

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. SERVICES OF CONTRACTOR

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which services may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Contractor shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Contractor covenants that it shall follow the highest professional standards in performing the work and services required
hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Agreement, the phrase “highest professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Contractor’s Proposal.

The Scope of Service shall include the Contractor’s scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law.

Contractor shall keep itself informed concerning, and shall render all services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

1.4 Licenses, Permits, Fees and Assessments.

Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor’s performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at City’s risk until written instructions are received from the Contract Officer.

1.6 Care of Work.

The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City’s own negligence.
1.7 Warranty.

Contractor warrants all Work under the Agreement (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Work or non-conformance of the Work to the Agreement, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at his sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor’s obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Agreement. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor’s sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand. This provision may be waived in Exhibit “B” if the services hereunder do not include construction of any improvements or the supplying of equipment or materials.

1.8 Prevailing Wages.

Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates, that Contractor and all subcontractors be registered with and pay the registration fee to the Department of Industrial Relations ("DIR"), Contractor be subject to the monitoring and enforcement by the DIR, 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 agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. 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. 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.

1.9  **Further Responsibilities of Parties.**

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.10  **Additional Services.**

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum for actual costs of the extra work, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to ten percent (10%) of the Contract Sum or $25,000, whichever is less; or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor. City may in its sole and absolute discretion have similar work done by other contractors.

1.11  **Special Requirements.**

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the “Special Requirements” attached hereto as Exhibit “B” and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit “B” and any other provisions of this Agreement, the provisions of Exhibit “B” shall govern.

**ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.**

2.1  **Contract Sum.**

Subject to any limitations set forth in this Agreement, City agrees to pay Contractor the amounts specified in the “Schedule of Compensation” attached hereto as Exhibit “C” and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed Five Hundred and Seventy Thousand Dollars and Zero Cents ($570,000.00) for the Term of this Agreement (the “Contract Sum”), except that in no event shall the total compensation exceed One Hundred and Ninety Thousand Dollars and Zero Cents.
(§190,000.00) per each year of the Term of this Agreement, unless additional compensation is approved pursuant to Section 1.10.

2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with specified tasks or the percentage of completion of the services, (iii) payment for time and materials based upon the Contractor’s rates as specified in the Schedule of Compensation, provided that time estimates are provided for the performance of sub tasks, but not exceeding the Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation.

2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses if an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Contractor is required to attend additional meetings to facilitate such coordination, Contractor shall not be entitled to any additional compensation for attending said meetings.

2.4 Invoices.

Each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City’s Director of Finance. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories.

City shall independently review each invoice submitted by the Contractor to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City, or as provided in Section 7.3. City will use its best efforts to cause Contractor to be paid within forty-five (45) days of receipt of Contractor’s correct and undisputed invoice. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor for correction and resubmission.

2.5 Waiver.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.
3.2 Schedule of Performance.

Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the “Schedule of Performance” attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer’s determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor’s sole remedy being extension of the Agreement pursuant to this Section.

3.4 Inspection and Final Acceptance.

City may inspect and accept or reject any of Contractor’s work under this Agreement, either during performance or when completed. City shall reject or finally accept Contractor’s work within forth five (45) days after submitted to City. City shall accept work by a timely written acceptance, otherwise work shall be deemed to have been rejected. City’s acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Articles 1 and 5, pertaining to warranty, and indemnification and insurance, respectively.

3.5 Term.

Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").
ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Contractor.

The following principals of Contractor (Principals) are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Juan Anaya  Owner
(Name)  (Title)

(Name)  (Title)

(Name)  (Title)

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. All personnel of Contractor, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City. Additionally, Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Contractor shall notify City of any changes in Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Contractor.

Contractor shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Contractor, nor any of Contractor's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Contractor expressly waives any claim Contractor may have to any such rights.
4.3 **Contract Officer.**

The Contract Officer shall be such person as may be designated by the City Manager. It shall be the Contractor’s responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 **Independent Contractor.**

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor’s employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with Contractor.

4.5 **Prohibition Against Subcontracting or Assignment.**

The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

**ARTICLE 5. INSURANCE, INDEMNIFICATION AND BONDS**

5.1 **Insurance Coverages.**

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) **Commercial General Liability Insurance (Occurrence Form CG0001 or equivalent).** A policy of comprehensive general liability insurance written on a per occurrence
basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than $1,000,000.00 per occurrence or if a general aggregate limit is used, then the general aggregate limit shall be twice the occurrence limit.

(b) **Worker’s Compensation Insurance.** A policy of worker’s compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c) **Automotive Insurance (Form CA 0001 (Ed 1/87) including “any auto” and endorsement CA 0025 or equivalent).** A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than $1,000,000. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) **Professional Liability.** Professional liability insurance appropriate to the Contractor’s profession. This coverage may be written on a “claims made” basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Contractor’s services or the termination of this Agreement. During this additional 5-year period, Contractor shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) **Additional Insurance.** Policies of such other insurance, as may be required in the Special Requirements.

### 5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents shall apply in excess of, and not contribute with Contractor’s insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. Moreover, the insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.
All certificates shall name the City as additional insured (providing the appropriate endorsement) and shall conform to the following “cancellation” notice:

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed]  
Contractor Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Contractor performs; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. 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.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Contractor agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor’s activities or the activities of any person or persons for which the Contractor is otherwise responsible nor shall it limit the Contractor’s indemnification liabilities as provided in Section 5.3.

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

5.3 Indemnification.

To the full extent permitted by law, Contractor agrees to indemnify, defend and hold harmless the City, its officers, employees and agents (“Indemnified Parties”) against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein “claims or liabilities”) that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Contractor is legally liable (“indemnors”), or arising from Contractor’s reckless
or willful misconduct, or arising from Contractor’s or indemnors’ negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys’ fees incurred in connection therewith;

(b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor hereunder, and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys’ fees.

Contractor shall incorporate similar, indemnity agreements with its subcontracts and if it fails to do so Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Contractor in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City’s sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City’s negligence, except that design professionals’ indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Contractor and shall survive termination of this Agreement.

5.4 Performance Bond.

Concurrently with execution of this Agreement, and if required in Exhibit “B”, Contractor shall deliver to City performance bond in the sum of the amount of this Agreement, in the form provided by the City Clerk, which secures the faithful performance of this Agreement. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor promptly and faithfully performs all terms and conditions of this Agreement.

5.5 Sufficiency of Insurer or Surety.

Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated “A” or better in the most recent edition of
Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City ("Risk Manager") due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the risk manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies and the performance bond required by Section 5.4 may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of City within 10 days of receipt of notice from the Risk Manager.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Contractor shall keep, and require subcontractors to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of 3 years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Contractor’s business, custody of the books and records may be given to City, and access shall be provided by Contractor’s successor in interest.

6.2 Reports.

Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the "documents and materials") prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim
for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Contractor will be at the City’s sole risk and without liability to Contractor, and Contractor’s guarantee and warranties shall not extend to such use, reuse or assignment. Contractor may retain copies of such documents for its own use. Contractor shall have the right to use the concepts embodied therein.

All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(c) If Contractor, or any officer, employee, agent or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Contractor’s conduct.

(d) Contractor shall promptly notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal
jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

7.2 **Disputes; Default.**

In the event that Contractor is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Contractor for any work performed after the date of default. Instead, the City may give notice to Contractor of the default and the reasons for the default. The notice shall include the timeframe in which Contractor may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Contractor does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Contractor's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

7.3 **Retention of Funds.**

Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omissions in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

7.4 **Waiver.**

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 **Rights and Remedies are Cumulative.**

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or
different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 **Legal Action.**

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

7.7 **Liquidated Damages.**

Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Contractor and its sureties shall be liable for and shall pay to the City the sum of ____________________________ ($____________) as liquidated damages for each working day of delay in the performance of any service required hereunder, as specified in the Schedule of Performance (Exhibit "D"). The City may withhold from any monies payable on account of services performed by the Contractor any accrued liquidated damages.

7.8 **Termination Prior to Expiration of Term.**

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Contractor, except that where termination is due to the fault of the Contractor, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Contractor reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Contractor may determine. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.9 **Termination for Default of Contractor.**

If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.
7.10 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or make a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Contractor's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

8.4 Unauthorized Aliens.
Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Notices.

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, CITY OF BELL, 6330 Pine Avenue, Bell, CA 90201 and in the case of the Contractor, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.4 Integration; Amendment.

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Contractor and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.5 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this
Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.6 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF BELL, a charter city

Alicia Romero, Mayor

ATTEST:

Angela Bustamante, Acting City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

David J. Aleshire, City Attorney

CONTRACTOR:

Anaya's Service Center

By: Juan Anaya
Name: Juan Anaya
Title: Owner
Address: 4612 E. Gage Avenue
          Bell, California 90201

Two signatures are required if a corporation.

NOTE: CONTRACTOR'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONTRACTOR'S BUSINESS ENTITY.
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On DECEMBER 14, 2016 before me, RAMON SALAMANCA MEDINA, personally appeared JUAN ANAYA. I proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]

[Notary Public Seal]

RAMON SALAMANCA MEDINA
Commission # 2078268
Notary Public - California
Los Angeles County
My Comm. Expires Aug 17, 2018

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

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</table>

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On __________, 2016 before me, ________________, personally appeared ________________, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: ______________________________

OPTIONAL

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<td>□ OTHER</td>
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SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED ABOVE
EXHIBIT "A"

SCOPE OF SERVICES

I. Contractor will perform the following Services:

A. General and preventive automotive maintenance and routine repair services on vehicles and electrical systems and equipment as needed by the City ("Services").

B. **GENERAL REPAIRS AND MAINTENANCE AS NEEDED.** The Services pursuant to this Agreement shall include general repairs and maintenance on an as needed basis by the City, including but not limited to:

   i. **Lube Oil & Filter** (Lubrication of all greaser fitting, drain engine oil, remove and re-install new filter, fill all fluid levels.)

   ii. **Tune Up** (Replace spark plugs and air filter. Check and/or adjust fuel mixture if applicable. Run all system test of sensor and computer.)

   iii. **Smog Check** (Check emission components for proper installation and hook-up to emission tester. Issue smog certificate (if required).)

   iv. **Front Brake Pads (Resurface)** (Replace front brake pads. Resurface rotors, pack wheel bearings (when needed). Check brake caliper for leaks. Check brake hoses for wear and cracking.)

   v. **Rear Brake Pads (Resurface)** (Replace rear brake pads. Resurface rotors, check brake calipers for leaks, check brake hoses for wear and cracking.)

   vi. **Rear Brake Shoes (Resurface)** (Replace rear brake shoes. Resurface brake drums, check wheel cylinder for leaks, check brake lines for wear and cracking.)

   vii. **Transmission Service** (Drain fluid in transmission. Remove transmission pan and replace filter. Renew fluid and road test.)

   viii. **Wire Set Ignition (Replace)** (Remove old and install new ignition wire set.)

   ix. **Spark Plugs** (Remove old and install new plugs. Check and gap new spark plugs.)

   x. **Tire Rotation/Brake Inspection** (Remove and rotate all four tires and check for wear. Check brakes for wear and advise.)
xi. **Air Condition Systems (Check/Test)** (Recharging A/C System for operation. Use leak detector to check entire system for leaks, check belt tension.)

xii. **Coolant Flush** (Check belts and hose. Pressure test system for leak. Flush out cooling system and add new coolant.)

xiii. **Engine Diagnostic** (Includes: Perform OBD II diagnostic scan checks. Check all circuits and perform pin test. Retrieve trouble codes. Advise customer with diagnostic report and recommend repair and maintenance needed.)

C. **PREVENTIVE MAINTENANCE.** The Services pursuant to this Agreement also shall include regular preventive maintenance at the mileage or month indicated in the following Schedule A, entitled “Preventive Maintenance Schedule.”

### Schedule A: Preventive Maintenance Schedule

<table>
<thead>
<tr>
<th>Service</th>
<th>Service A (4 month 4000 miles)</th>
<th>Service B (8 month 8000 miles)</th>
<th>Service C (12 month 12000 miles)</th>
<th>Service D (24 month 30000 miles)</th>
<th>Service E (48 months 60000 miles)</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>X</td>
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<td>Task Description</td>
<td>Column 1</td>
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<tr>
<td>Fluid Levels, Add As Needed</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Check Engine Cooling System, Hoses And Clamps</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Check Exhaust System</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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</tr>
<tr>
<td>Check Front And Rear Shocks For Wear and/or Leakage</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Check Exterior &amp; Interior Lights And Other Electrical Items For Correct Operation</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Check Power Steering Fluid Level</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Check Tire Pressure And Condition</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Check Windshield Wiper operation, Blades condition, Washer Solvent level, Fill as needed.</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<td>Lubricate Chassis/CV boots</td>
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<td>x</td>
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<td>Lubricate Steering Linkage</td>
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<td>Check Front Brake Pads, Rotors And Calipers</td>
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<td>Check Rear Brake Shoes, Drums And Wheel Cylinders</td>
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<td>Rotate Tires (4 Way - Front To Rear)</td>
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<td>Air Filter - Replace</td>
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<td>x</td>
<td>x</td>
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<td>Check Headlight Alignment</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Check Parking Brake Operation</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<td>Lubricate Door Latches, Locks And Hinges</td>
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<td>x</td>
<td>x</td>
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<td></td>
<td>Fuel Filter - Replace</td>
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<td>27</td>
<td>Transmission - Change Fluid, Filter, Gasket</td>
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<td>28</td>
<td>Check Air Condition System, Freon Level And Compressor Operation Where Applicable</td>
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<td>29</td>
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</table>

D. Contractor shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing the Services pursuant to this Agreement. At all times when vehicles or equipment are in Contractor’s possession or control for Services pursuant to this Agreement, Contractor shall ensure that said vehicles and equipment are secure and safe from harm.

E. Contractor shall, on occasion and at no additional cost to the City, be required to provide pick-up and delivery of vehicles from City facilities and other locations within City limits, including the Bell Police Department (6326 Pine Ave.) and the Community & Economic Development Facility, when City personnel are unavailable to transport vehicles. For vehicles which are not drivable, Contractor may bill additional towing charges if prior authorization for such charges is approved by the Contract Officer or his or her designee.

II. As part of the Services, Contractor will prepare and deliver the following tangible work products to the City:

A. When a vehicle or equipment is received by Contractor for Services pursuant to this Agreement, Contractor shall provide a written work order to the City ("Repair Order") and receive prior approval for the same prior to commencing any work on the said vehicle or equipment. Each Repair Order shall contain the following information:

i. the vehicle and/or license number and make/model;

ii. an itemized list of the anticipated work to be performed and materials to be used;

iii. estimated costs associated with each line-item; and

iv. estimated completion time for pick-up.

After receiving approval of a Repair Order, any subsequent changes or modifications to the same require written approval by the Contract Officer. Any work performed by subcontractors shall be recorded in the same manner through Repair Orders as set forth in this section. Upon completion of services set forth in
a Repair Order, Contractor shall record the date the vehicle is released back to the City on the Repair Order and provide copies of the completed Repair Order with the monthly invoices submitted to the City pursuant to Section 2.4 of this Agreement.

B. Vehicles shall be returned to the City in good working order following automotive maintenance and repair services completed by Contractor, including exterior wash and interior vacuum of serviced vehicles.

C. Accident Reports. Contractor shall immediately report (as soon as feasible, but not more than 24 hours) to the City any accident or other occurrence causing injury to persons or property during the performance of this Agreement. The report shall be made in writing and shall include, at a minimum: (a) the names, addresses, and telephone numbers of the persons involved, (b) the names, addresses and telephone numbers of any known witnesses, (c) the date, time and description of the accident or other occurrence.

III. All work product is subject to review and acceptance by the City, and must be revised by the Contractor without additional charge to the City until found satisfactory and accepted by City.

IV. Contractor will utilize the following personnel to accomplish the Services:

A. Juan Anaya
EXHIBIT "B"

SPECIAL REQUIREMENTS
(Superseding Contract Boilerplate)

B.1 DELETE Section 1.2, entitled Contractor’s Proposal, and REPLACE with the following:

“1.2 City’s Request for Proposal and Contractor’s Proposal:

The Scope of Service shall include the City’s Request for Proposal for Fleet Maintenance Services ("RFP"), and Contractor’s proposal submitted in response to said RFP ("Contractor’s Proposal"). The RFP and Contractor’s Proposal are incorporated herein by this reference as if fully set forth as part of this Agreement. In the event of any inconsistency between the terms of the RFP, Contractor’s Proposal, and this Agreement, the order of authority, from highest to lowest, shall be as follows: (1) this Agreement, (2) RFP, (3) Contractor’s Proposal.

B.2 ADD the following to Section 4.3, entitled Contract Officer:

“The Chief of Police is designated as the Contract Officer.”

B.3 AMEND Section 7.7, entitled Liquidated Damages, to add the following:

“City has assessed liquidated damages in the event of Contractor’s failure to perform any repair service or to do it timely. It shall be considered a violation for each of the following: (i) each day or portion thereof following the required return date; (ii) any work deemed inadequate; and (iii) each day or portion thereof that the vehicle is kept to be worked on following it being returned due to inadequate repair. Contractor will be permitted three violations in which Contractor shall be given written warnings without penalty. Violations exceeding this limit will be assessed liquidated damages of $60 per violation for the first five (5) violations, and $120 for each of the second five (5) violations, and $240 for any violation after that, provided that nothing herein shall prevent termination of the contract where, in the judgment of the Contract Officer, the number of violations is excessive.”
EXHIBIT “C”

SCHEDULE OF COMPENSATION

I. Contractor shall perform the following tasks at the following rates on an as needed basis as requested by the City. Said rates include the cost of parts and labor, but may vary between vehicles. The variable rates are based on the type of vehicle involved and equipment already in the vehicle.

A. LUBE OIL & FILTER (Lubrication of all greaser fitting, drain engine oil, remove and re-install new filter, fill all fluid levels.)
   Rate: $33.95 not to exceed (“NTE”) $38.95

B. TUNE UP (Replace spark plugs and air filter. Check and/or adjust fuel mixture if applicable. Run all system test of sensor and computer.)
   Rates:
   i) 4 cylinder $140.00 NTE $160
   ii) 6 cylinder $184.00 NTE $200
   iii) 8 cylinder $265.00 NTE $300

C. SMOG CHECK (Check emission components for proper installation and hook-up to emission tester. Issue smog certificate (if required).)
   Fixed Rate: $40.00

D. FRONT BRAKE PADS (Resurface) (Replace front brake pads. Resurface rotors, pack wheel bearings (when needed). Check brake caliper for leaks. Check brake hoses for wear and cracking.)
   Rates:
   i) Light Duty $184.50 NTE $200
   ii) Heavy Duty $285.00 NTE $300

E. REAR BRAKE PADS (Resurface) (Replace rear brake pads. Resurface rotors, check brake calipers for leaks, check brake hoses for wear and cracking.)
   Rates:
   i) Light Duty $184.50 NTE $200.00
   ii) Heavy Duty $285.00 NTE $300.00
F. REAR BRAKE SHOES (Resurface) (Replace rear brake shoes. Resurface brake drums, check wheel cylinder for leaks, check brake lines for wear and cracking.)

Rates:

i) Light Duty $220.00 NTE $250.00
ii) Heavy Duty $290.00 NTE $320.00

G. TRANSMISSION SERVICE (Drain fluid in transmission. Remove transmission pan and replace filter. Renew fluid and road test.)

Rates:

i) Light Duty $152.00 NTE $170.00
ii) Heavy Duty $175.00 NTE $190.00

H. WIRE SET IGNITION (Replace) (Remove old and install new ignition wire set.)

Rate: $230.00 NTE $250.00

I. SPARK PLUGS (Remove old and install new plugs. Check and gap new spark plugs.)

Rates:

i) 4 cylinder $110.00 NTE $120
ii) 6 cylinder $160.00 NTE $170
iii) 8 cylinder $230.00 NTE $240

J. TIRE ROTATION/BRAKE INSPECTION (Remove and rotate all four tires and check for wear. Check brakes for wear and advise.)

Fixed Rate: $15.00

K. AIR CONDITION SYSTEMS (Check/Test) (Recharging A/C System for operation. Use leak detector to check entire system for leaks, check belt tension.)

Rate: $85.00 NTE $100.00

L. COOLANT FLUSH (Check belts and hose. Pressure test system for leak. Flush out cooling system and add new coolant.)

Rate: $80.00 NTE $95.00
M. ENGINE DIAGNOSTIC (Includes: Perform OBD II diagnostic scan checks. Check all circuits and perform pin test. Retrieve trouble codes. Advise customer with diagnostic report and recommend repair and maintenance needed.)

Fixed Rate: $75.00

II. PREVENTATIVE MAINTENANCE. Preventive Maintenance shall include the Services (Types A through E) as indicated below in Schedule A, entitled “Preventive Maintenance Schedule,” at the following fixed rates:

<table>
<thead>
<tr>
<th>SERVICE</th>
<th>SERVICE A</th>
<th>SERVICE B</th>
<th>SERVICE C</th>
<th>SERVICE D</th>
<th>SERVICE E</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Pass Vehicle</td>
<td>$33.95</td>
<td>$48.95</td>
<td>$225.00</td>
<td>$225.00</td>
<td>$310.00</td>
</tr>
<tr>
<td>(b) Truck &amp; Diesel</td>
<td>$90.00</td>
<td>$105.00</td>
<td>$249.95</td>
<td>$249.95</td>
<td>$334.95</td>
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<tr>
<td>(c) Police Patrol</td>
<td>$33.95</td>
<td>$48.95</td>
<td>$225.00</td>
<td>$225.00</td>
<td>$310.00</td>
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</tbody>
</table>

IV. The City will compensate Contractor for the Services performed upon the monthly submission of a valid invoice with supporting Repair Orders, as described in full in Exhibit “A.”

V. As provided for in Section 2.1 of this Agreement, the total compensation, including reimbursement for actual expenses, shall not exceed Five Hundred and Seventy Thousand Dollars and Zero Cents ($570,000.00) for the Term of this Agreement (the “Contract Sum”), except that in no event shall the total compensation exceed One Hundred and Ninety Thousand Dollars and Zero Cents ($190,000.00) per each year of the Term of this Agreement, unless additional compensation is approved pursuant to Section 1.10.
EXHIBIT "D"

SCHEDULE OF PERFORMANCE

I. Term and Extended Term(s).

A. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect from and after the Effective Date of this Agreement and for three (3) years thereafter ("Term").

B. The City may, in its sole and unfettered discretion, extend the Term of this Agreement, upon the same terms and conditions set forth herein, up to two (2) times, each time for a period of one (1) year.

II. Schedule for Completing Services.

A. When a prior appointment has been made for Services pursuant to this Agreement, Contractor shall complete the Services on the subject vehicle within twenty-four (24) hours of Contractor receiving the vehicle, unless otherwise approved in writing by the Contract Officer for a longer period of time.

B. For all other Services for which a prior appointment was not made, Contractor shall complete the Services on the subject vehicle within forty-eight (48) hours of Contractor receiving the vehicle, unless otherwise approved in writing by the Contract Officer for a longer period of time.
**ACORD** CERTIFICATE OF LIABILITY INSURANCE

**PRODUCER**
Betts Insurance Services, Inc.
1725 S. Gaffey Street
Second Floor
San Pedro
CA 90731

**INSURED**
Hi Tech Enterprise
Juan Anaya
DBA: Anaya Service Center
5515 Gaga Avenue
Bell Gardens
CA 90201

**INSURERS AFFORDING COVERAGE**
- Oregon Mutual Insurance Company
- Hanover Insurance Company

**COVERAGE**

The policies of insurance listed below have been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to all the terms, exclusions, and conditions of such policies. Aggregate limits shown may have been reduced by paid claims.

<table>
<thead>
<tr>
<th>NSR</th>
<th>TYPE OF INSURANCE</th>
<th>POLICY NUMBER</th>
<th>POLICY EFFECTIVE DATE</th>
<th>POLICY EXPIRATION DATE</th>
<th>LIMITS</th>
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</thead>
<tbody>
<tr>
<td>A</td>
<td>GENERAL LIABILITY</td>
<td>BSP718633</td>
<td>09/01/2016</td>
<td>09/01/2017</td>
<td></td>
</tr>
<tr>
<td></td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td></td>
<td>EACH OCCURRENCE: $2,000,000</td>
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<td></td>
<td>CLAMS MADE X OCCUR</td>
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<td>$300,000</td>
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<td>Contractual</td>
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<td></td>
<td>$10,000</td>
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<tr>
<td></td>
<td>GENERAL AGGREGATE</td>
<td></td>
<td></td>
<td>$2,000,000</td>
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</tr>
<tr>
<td></td>
<td>PRODUCTS - COMB PhD AGG</td>
<td></td>
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<td>$4,000,000</td>
<td></td>
</tr>
</tbody>
</table>

| A   | AUTOMOBILE LIABILITY | BSP718633 | 09/01/2016 | 09/01/2017 |       |
|     | ANY AUTO |       |            |            |       |
|     | ALL OWNED AUTOS |       |            |            |       |
|     | SCHEDULED AUTOS |       |            |            |       |
|     | HIRED AUTOS |       |            |            |       |
|     | NON-OWNED AUTOS |       |            |            |       |
|     | COMBINED SINGLE LIMIT (Excl. stated) |       | $2,000,000 |

| A   | GARAGE LIABILITY | BSP718633 | 09/01/2016 | 09/01/2017 |       |
|     | ANY AUTO |       |            |            |       |
|     | CUSTOMER'S AUTOS |       |            |            |       |
|     | EXCESS LIABILITY |       | EACH OCCURRENCE | $2,000,000 |

| A   | WORKERS COMPENSATION AND EMPLOYEES LIABILITY | W23N07492300 | 09/01/2016 | 09/01/2017 |       |
|     | E.L. EACH ACCIDENT |       | $1,000,000 |
|     | E.L. DISEASE - EA EMPLOYEE |       | $1,000,000 |
|     | E.L. DISEASE - POLICY LIMIT |       | $1,000,000 |

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENTS/SPECIAL PROVISIONS**

**CERTIFICATE HOLDER**
City of Bell
6330 Pine Avenue
Bell
CA 90201

**CANCELLATION**

Should any of the above described policies be cancelled before the expiration date thereof, the issuing insurer will endeavor to mail 30 days written notice to the certificate holder named to the left, but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.

Authorized Representative: [Signature]
Total Paid: $191.06

BY: [Signature]

Please fold on dotted line confidential.

This information is

EXPANSION DATE: May 01, 2017
License Number: 00014101
Municipal Code Sec: 508020

BUSINESS LOCATION: 5516 Gate Ave

BUSINESS NAME: Aynes Service Center

The party shown is granted the certificate pursuant to license and permit provisions of the

CITY OF BELL GARDENS BUSINESS LICENSE CERTIFICATE

This is not an endorsement of the activity, nor certification of compliance with other laws.