

AGREEMENT FOR MAINTENANCE SERVICES

Water Distribution System Flushing

THIS AGREEMENT is made and entered into on this 4th day of April, 2017, by and between the City of Manhattan Beach, a municipal corporation ("City") and ValveTek Utility Services, Inc., a New York ("Contractor") (collectively, the "Parties").

RECITALS

A. Contractor submitted a proposal dated March 3, 2017 ("Proposal"), and represents that it is qualified and able to perform the services ("Services") required by this Agreement.

NOW, THEREFORE, in consideration of the Parties' performance of the promises, covenants, and conditions stated herein, the Parties hereto agree as follows:

Section 1. Incorporation of Proposal. A copy of Contractor's Proposal is attached hereto as Exhibit A and incorporated herein by this reference. In the event of any conflict between the provisions of the Proposal and this Agreement, the provisions of this Agreement shall control.

Section 2. Contractor's Services. Contractor shall perform the Services described in Exhibit A in a manner satisfactory to City and consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.

Section 3. Term of Agreement. This Agreement shall apply to services rendered on or after April 10, 2017 and shall terminate when the work is completed, unless sooner terminated by the City.

Section 4. Time of Performance. Contractor shall commence its services under this Agreement upon receipt of a written notice to proceed (NTP) from City. Contractor shall complete the Services within twenty two (22) days of the date of the NTP.

Section 5. Compensation.

(a) City agrees to pay Contractor in accordance with the fee schedule included in the Proposal. In no event shall the Contractor be paid more than \$ 81,844.00 during the term of this Agreement.

(b) Unless expressly provided for in Exhibit A, Contractor shall not be entitled to reimbursement for any expenses. Any expenses incurred by Contractor that are not expressly authorized by this Agreement will not be reimbursed by City.

(c) The City Manager may authorize to increase the Maximum Compensation by up to 20%; any further increase requires City Council approval.

Section 6. Method of Payment.

(a) At two week intervals, Contractor shall submit to City a detailed invoice for the Services. The invoice shall describe in detail the Services rendered, and shall state that all Services set forth in the Proposal have been completed, and that the standard specified in Contractor's warranty for the bacteria plate count and coliform level has been achieved. Contractor shall attach to the invoice any supporting documentation reasonably requested by City's Utilities Manager. The invoice shall be signed by an officer of Contractor.

(b) Within five (5) working days of receipt of the completed and signed invoice and supporting certified payroll documentation, the City shall review the invoice and supporting documentation, inspect the site, and verify that the Services have been performed as required by this Agreement. Within 30 days of such verification, City shall pay all undisputed amounts included on the invoice.

Section 7. Independent Contractor. The Parties agree, understand, and acknowledge that Contractor is not an employee of the City, but is solely an independent contractor. Contractor expressly acknowledges and agrees that City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance or other employee benefits and that any person employed by Contractor shall not be in any way an employee of the City. As such, Contractor shall have the sole legal responsibility to remit all federal and state income and social security taxes and to provide for his/her own workers' compensation and unemployment insurance and that of his/her employees or subcontractors. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees. Contractor shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Contractor shall indemnify and hold harmless City and its elected officials, officers and employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from Contractor's personnel practices. City shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this Section 6.

Section 8. Assignment. This Agreement shall not be assigned, in whole or in part, by Contractor without the prior written approval of City. Any attempt by Contractor to so assign this Agreement or any rights, duties, or obligations arising hereunder shall be void and of no effect.

Section 9. Prevailing Wages. City and Contractor acknowledge that this project is a public work to which prevailing wages apply. The Terms of Compliance with

California Labor Law Requirements is attached hereto as Exhibit B and incorporated herein by this reference. Eight hours of labor constitutes a legal day's work.

Section 10. Personnel. Contractor represents that it has, or shall secure at its own expense, all personnel required to perform the Services under this Agreement. All personnel engaged in the work shall be qualified to perform such Services.

Section 11. Permits and Licenses. Contractor shall obtain and maintain during the term of this Agreement all necessary licenses, permits, and certificates required by law for the provision of the Services, including a business license.

Section 12. Debarred, Suspended or Ineligible Contractors. Contractor shall not be debarred throughout the duration of this Agreement. Contractor shall not perform work with any debarred subcontractor pursuant to California Labor Code Section 1777.1 or 1777.7.

Section 13. Compliance with Laws. Contractor shall comply with all applicable federal, state and local laws, ordinances, codes and regulations in force at the time Contractor performs pursuant to this Agreement.

Section 14. Contractor's Representations. Contractor represents, covenants and agrees that: a) Contractor is licensed, qualified, and capable of furnishing the labor, materials, and expertise necessary to perform the services in accordance with the terms and conditions set forth in this Agreement; b) there are no obligations, commitments, or impediments of any kind that will limit or prevent its full performance under this Agreement; c) there is no litigation pending against Contractor, and Contractor is not the subject of any criminal investigation or proceeding; and d) to Contractor's actual knowledge, neither Contractor nor its personnel have been convicted of a felony.

Section 15. Interests of Contractor.

(a) Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the Services, or which would conflict in any manner with the performance of the Services. Contractor further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, Contractor shall avoid the appearance of having any interest, which would conflict in any manner with the performance of the Services. Contractor shall not accept any employment or representation during the term of this Agreement which is or may likely make Contractor "financially interested" (as provided in California Government Code §§ 1090 and 87100) in any decision made by City on any matter in connection with which Contractor has been retained.

(b) Contractor further warrants and maintains that it has not employed or retained any person or entity, other than a bona fide employee working exclusively for Contractor, to solicit or obtain this Agreement. Nor has Contractor paid or agreed to pay any person or entity, other than a bona fide employee working exclusively for Contractor, any fee, commission, gift, percentage, or any other consideration contingent upon the execution of this Agreement. Upon any breach or violation of this warranty, City shall

have the right, at its sole and absolute discretion, to terminate this Agreement without further liability, or to deduct from any sums payable to Contractor hereunder the full amount or value of any such fee, commission, percentage or gift.

(c) Contractor warrants and maintains that it has no knowledge that any officer or employee of City has any interest, whether contractual, non-contractual, financial, proprietary, or otherwise, in this transaction or in the business of Contractor, and that if any such interest comes to the knowledge of Contractor at any time during the term of this Agreement, Contractor shall immediately make a complete, written disclosure of such interest to City, even if such interest would not be deemed a prohibited "conflict of interest" under applicable laws as described in this subsection.

Section 16. Insurance.

(a) Contractor shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1. A policy or policies of Comprehensive General Liability Insurance with coverage at least as broad as Insurance Services Office form CG 00 01, with minimum limits of \$2,000,000 for each occurrence and general aggregate, combined single limit, against any personal injury, death, loss, or damage, including without limitation, blanket contractual liability, and a \$2,000,000 completed operations aggregate.

2. A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of \$2,000,000 per occurrence combined single limit, covering any vehicle utilized by Contractor in performing the Services required by this Agreement.

3. Workers' compensation insurance as required by the State of California, and Employer's Liability insurance with limits of at least \$2,000,000 for Contractor's employees in accordance with the laws of the State of California, Section 3700 of the Labor Code.

4. A policy or policies of Professional Liability Insurance (errors and omissions) with minimum limits of \$2,000,000 per claim and in the aggregate. Any deductibles or self-insured retentions attached to such policy or policies must be declared to and be approved by City. Further, Contractor agrees to maintain in full force and effect such insurance for one year after performance of work under this Agreement is completed.

(b) Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. City, its officers, officials, employees, designated volunteers and agents serving as independent contractors in the role of City officials, are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; 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 limitations on the scope of protection afforded to City, its officers, officials, employees, designated volunteers or agents serving as independent contractors in the role of City officials which are not also limitations applicable to the named insured.

2. For any claims related to this Agreement, Contractor's insurance coverage shall be primary insurance as respects City, its officers, officials, employees, designated volunteers and agents serving as independent contractors in the role of City officials. Any insurance or self-insurance maintained by City, its officers, officials, employees, designated volunteers or agents serving as independent contractors in the role of City officials shall be excess of Contractor's insurance and shall not contribute with it.

3. 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.

4. Each insurance policy, except for the professional liability policy, required by this clause shall expressly waive the insurer's right of subrogation against City and its elected officials, officers, employees, servants, attorneys, designated volunteers, and agents serving as independent contractors in the role of City officials.

5. Each insurance policy required by this Agreement shall be endorsed to state: should the policy be canceled before the expiration date, the issuing insurer shall mail 30 days' prior written notice to the City.

6. If insurance coverage is canceled or reduced in coverage or in limits, Contractor shall within two business days of notice from insurer, phone, fax and/or notify the City via first class mail, postage prepaid, of the changes to or cancellation of the policy.

(c) The City's Risk Manager may, in writing, amend and/or waive any or all of the insurance provisions set forth herein. In such case, the Contractor shall comply with the insurance provisions required by the City's Risk Manager.

(d) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A-;VII in the latest edition of Best's Insurance Guide, unless waived in writing by City's Risk Manager.

(e) Contractor agrees that if it does not keep the aforesaid insurance in full force and effect, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may take out the necessary insurance and pay, at Contractor's expense, the premium thereon.

(f) All insurance coverages shall be confirmed by execution of endorsements on forms approved by City. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and

approved by City before services commence. As an alternative to City forms, Contractor's insurer may provide complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

(g) Any deductibles or self-insured retentions must be declared to and approved by City.

(h) Contractor shall require each of its sub-contractors (if any) to maintain insurance coverage that meets all of the requirements of this Agreement.

Section 17. Indemnification.

(a) Contractor's Duty. To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold free and harmless the City, its elected officials, officers, employees, volunteers, agents, successors, assigns, and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of or incident to any act, failure to act, error or omission of Contractor or any of its officers, agents, servants, employees, subcontractors, material suppliers, or their officers, agents, servants or employees, arising out of the Agreement, including without limitation, the payment of all consequential damages, attorneys' fees, experts' fees, and other related costs and expenses (individually, a "Claim," or collectively, "Claims"). Further, Contractor shall appoint competent defense counsel approved by the City Attorney at Contractor's own cost, expense and risk, to defend any and all such Claims that may be brought or instituted against Indemnitees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against Indemnitees in any such Claim. Contractor shall reimburse Indemnitees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Contractor or Indemnitees. This indemnity shall apply to all Claims regardless of whether any insurance policies are applicable.

(b) Civil Code Exception. Nothing in the paragraph above this one shall be construed to encompass Indemnitees' sole negligence or willful misconduct to the limited extent that the underlying Agreement is subject to Civil Code section 2782(a) or the City's active negligence to the limited extent that the underlying Agreement is subject to Civil Code section 2782(b).

(c) Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against Contractor because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This indemnity provision is effective regardless of any prior, concurrent, or subsequent active or passive negligence by Indemnitees and shall operate to fully indemnify Indemnitees against any such negligence.

(d) Waiver of Right of Subrogation. Contractor, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees, while acting within the scope of their duties, from all Claims arising out of or incident to the activities or operations performed by or on behalf of the Contractor regardless of any prior, concurrent or subsequent active or passive negligence by Indemnitees.

(e) Survival. The provisions of this Section 17 shall survive the termination of this Agreement and are in addition to any other rights or remedies that Indemnitees may have under the law. Payment is not required as a condition precedent to an Indemnitee's right to recover under this indemnity provision, and an entry of judgment against a Contractor shall be conclusive in favor of the Indemnitee's right to recover under this indemnity provision

Section 18. Termination.

(a) City shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to Contractor. Contractor agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) City may at any time, for any reason, with or without cause, suspend this Agreement, or any portion hereof, by serving upon the Contractor written notice. Upon receipt of said notice, the Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends only a portion of this Agreement, such suspension shall not make void or invalidate the remainder of this Agreement.

(c) In the event of termination or cancellation of this Agreement by City, due to no fault or failure of performance by Contractor, Contractor shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall Contractor be entitled to receive more than the amount that would be paid to Contractor for the full performance of the Services required by this Agreement. Contractor shall have no other claim against City by reason of such termination, including any claim for compensation.

Section 19. City's Responsibility. City shall provide Contractor with all pertinent data, documents, and other requested information as is available for the proper performance of Contractor's Services.

Section 20. Information and Documents.

(a) Contractor covenants that all data, documents, discussion, or other information (collectively "Data") developed or received by Contractor or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Contractor without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Contractor, its officers, employees, agents, or subcontractors, shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters

of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary," provided Contractor gives City notice of such court order or subpoena.

(b) 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 thereunder or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Contractor and/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, the City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

(c) All Data required to be furnished to City in connection with this Agreement shall become the property of City, and City may use all or any portion of the Data submitted by Contractor as City deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the Services shall become the sole property of the City and may be used, reused or otherwise disposed of by City without Contractor's permission.

(d) Contractor shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by City that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Contractor shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit said books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of 3 years after receipt of final payment.

(e) Contractor's covenants under this Section shall survive the termination of this Agreement.

Section 21. Default

(a) Contractor's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Contractor is in default for cause under the terms

of this Agreement, City shall have no obligation or duty to continue compensating Contractor for any work performed after the date of default and can terminate this Agreement immediately by written notice to Contractor. If such failure by Contractor to make progress in the performance of work hereunder arises out of causes beyond Contractor's control, and without fault or negligence of Contractor, it shall not be considered a default.

(b) If the City Manager or his delegate determines that the Contractor is in default in the performance of any of the terms or conditions of this Agreement, City shall serve the Contractor with written notice of the default. The Contractor shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Contractor fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

Section 22. Changes in the Services. City shall have the right to order, in writing, changes in the Services or the services to be performed. Any changes in the Services requested by Contractor must be made in writing and approved by both Parties.

Section 23. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid, to the addresses set forth below, or to such other addresses as the Parties may, from time to time, designate in writing pursuant to this section.

If to City: City of Manhattan Beach
 3621 Bell Avenue
 Manhattan Beach, California 90266
 Attn: Shawn Igoe, Utilities Manager

With a copy to: City of Manhattan Beach
 1400 Highland Avenue
 Manhattan Beach, California 90266
 Attn: City Manager

If to Contractor: VakveTek, Inc.
 16 Interhaven Avenue
 North Plainfield, NJ 07060
 Attn: Jeff Favina

Section 24. Attorneys' Fees. If a party commences any legal, administrative, or other action against the other party arising out of or in connection with this Agreement, the prevailing party in such action shall be entitled to have and recover from the losing

party all of its attorneys' fees and other costs incurred in connection therewith, in addition to such other relief as may be sought and awarded.

Section 25. Entire Agreement. This Agreement represents the entire integrated agreement between City and Contractor, and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both City and Contractor.

Section 26. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 27. Venue. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Manhattan Beach.

Section 28. City Not Obligated to Third Parties. City shall not be obligated or liable under this Agreement to any party other than Contractor.

Section 29. Third Party Claims. City shall have full authority to compromise or otherwise settle any claim relating to the Agreement at any time.

Section 30. Construction. In the event of any asserted ambiguity in, or dispute regarding the interpretation of any matter herein, the interpretation of this Agreement shall not be resolved by any rules of interpretation providing for interpretation against the party who causes the uncertainty to exist or against the party who drafted the Agreement or who drafted that portion of the Agreement.

Section 31. Non-waiver of Terms, Rights and Remedies. Waiver by either party of any one or more of the conditions of performance under this Agreement shall not be a waiver of any other condition of performance under this Agreement. In no event shall the making by the City of any payment to Contractor constitute or be construed as a waiver by the City of any breach of covenant, or any default which may then exist on the part of Contractor, and the making of any such payment by the City shall in no way impair or prejudice any right or remedy available to the City with regard to such breach or default.

Section 32. Exhibits: Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 33. Corporate Authority. The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that by their execution, the Parties are formally bound to the provision of this Agreement.

Section 34. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect

any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

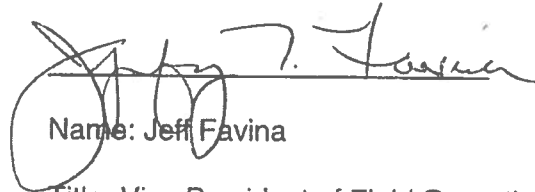
Section 35. Counterparts. This Agreement may be executed in counterpart originals, duplicate originals, or both, each of which is deemed to be an original for all purposes.

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EXECUTED on the date first written above at Manhattan Beach, California.

CITY OF MANHATTAN BEACH:

MARK DANAJ
City Manager

 3/27/17

Name: Jeff Favina
Title: Vice President of Field Operations

ATTEST:

LIZA TAMURA
City Clerk

APPROVED AS TO FORM:

QUINN M. BARROW
City Attorney

EXHIBIT A
CONTRACTOR'S PROPOSAL

EXHIBIT B

TERMS OF COMPLIANCE WITH CALIFORNIA LABOR LAW REQUIREMENTS

1. Consultant acknowledges that the project as defined in this Agreement between Contractor and the City, to which this Terms for Compliance with California Labor Law Requirements is attached and incorporated by reference, is a "public work" as defined in Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code ("Chapter 1"). Further, Consultant acknowledges that this Agreement is subject to (a) Chapter 1, including without limitation Labor Code Section 1771 and (b) the rules and regulations established by the Director of Industrial Relations ("DIR") implementing such statutes. Consultant shall perform all work on the project as a public work. Consultant shall comply with and be bound by all the terms, rules and regulations described in 1(a) and 1(b) as though set forth in full herein.
2. California law requires the inclusion of specific Labor Code provisions in certain contracts. The inclusion of such specific provisions below, whether or not required by California law, does not alter the meaning or scope of Section 1 above.
3. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Agreement are on file at City Hall and will be made available to any interested party on request. Consultant acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and Consultant shall post such rates at each job site covered by this Agreement.
4. Consultant shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Consultant shall, as a penalty to the City, forfeit two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Consultant or by any subcontractor.
5. Consultant shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Consultant and each subcontractor to: keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776; certify and make such payroll records available for inspection as provided by Section 1776; and inform the City of the location of the records.
6. Consultant shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6 and 1777.7 and California Administrative Code title 8, section 200 *et seq.* concerning the employment of apprentices on public works projects. Consultant shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Consultant shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding work pursuant to this

Agreement, Consultant and each of its subcontractors shall submit to the City a verified statement of the journeyman and apprentice hours performed under this Agreement.

7. Consultant acknowledges that eight (8) hours labor constitutes a legal day's work. Consultant shall comply with and be bound by Labor Code Section 1810. Consultant shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Consultant shall, as a penalty to the City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement by the Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code section 1815, work performed by employees of Consultant in excess of 8 hours per day, and 40 hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1 1/2 times the basic rate of pay.

8. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees. In accordance with the provisions of California Labor Code Section 1861, Consultant hereby certifies as follows:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

9. For every subcontractor who will perform work on the project, Consultant shall be responsible for such subcontractor's compliance with Chapter 1 and Labor Code Sections 1860 and 3700, and Consultant shall include in the written contract between it and each subcontractor a copy of those statutory provisions and a requirement that each subcontractor shall comply with those statutory provisions. Consultant shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a periodic review of the certified payroll records of the subcontractor and upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Consultant shall diligently take corrective action to halt or rectify any failure.

10. To the maximum extent permitted by law, Consultant shall indemnify, hold harmless and defend (at Consultant's expense with counsel reasonably acceptable to the City) the City, its officials, officers, employees, agents and independent contractors serving in the role of City officials, and volunteers from and against any demand or claim for damages, compensation, fines, penalties or other amounts arising out of or incidental to any acts or omissions listed above by any person or entity (including Consultant, its subcontractors, and each of their officials, officers, employees and agents) in connection with any work undertaken or in connection with the Agreement, including without limitation the payment of all consequential damages, attorneys' fees,

and other related costs and expenses. All duties of Consultant under this Section shall survive termination of the Agreement.

MAINTAINING AMERICA'S INFRASTRUCTURE

NO-DES INC. 
NO VALVES FOR WATER & SEWER



VALVETEK
UTILITY SERVICES, INC.

Contract Operation Cost & Proposal for City of Manhattan Beach

Prepared for: Mr. Shawn Igoe, Water Supervisor
City of Manhattan Beach
Department of Water
3621 Bell Avenue
Manhattan Beach, CA 90266

Prepared by: Jeff Favina
VP of Field Operations
ValveTek Utility Services Inc.

Dear Shawn,

As per your request, I have detailed a summary of services that will and should cover all of our technical NO-DES Patented flushing services for your anticipated 30 miles of your distribution system.

I have based our proposal on accomplishing 1.5 miles of main per day or 7,920' of lineal feet. Please again note that this is an average and we will by all means be looking to accomplish as much lineal feet per day as possible but this is all predicated on the condition of your mains and how long we need to post each flush to obtain our filtering goals of reaching water quality below 1 NTU.

Again based on what we find contained within your mains during our flushing process we have considered changing 3 filter sets per day. This again is a huge variable as there could be days when we have minimal change outs to a few. We will run all filters as long as possible before changing out – but SOP requires that when we reach a 20 psi differential that they need to be changed out to maintain their precise filtering and contaminant extraction capability.

Valvetek Utility Services Crews are very precise in how they manage preplanning and strategizing their approaches to set ups to obtain maximum loops of the system and ensuring maximum production. Please also note that there will be times where "direct flushes" are the only way to filter certain section of mains due to hydrant and valve locations, not to mention we have not yet been apprised on

how many dead ends exist which are always considered a "direct flush" operation.

When conducting direct flush set ups – these do take more time for set up and break down and will "bite" into your abilities to gain more feet cleansed per day than if you were conducting loops.

PROJECT BUDGET APPROACH

30 miles = 158,400 lineal feet

158,400 lineal ft. /7,920 lineal ft. per day (1.5 miles) = 20 days

Approximating an additional 2 business days to compensate for dead end areas etc.

TOTAL PROJECT IN DAYS = approximately 22 business days @ \$2,950.00 per day

FLUSHING SERVICES = \$64,900.00

FILTER USAGE

Approximating a 3 filter set per day change out @ \$234.00 per set = \$702.00 per day x 22 days = \$15,444.00

PLEASE NOTE THAT BOTH NUMBERS MAY BE DRAMATICALLY LOWER BUT WE SHOULD PROTECT OURSELVES IN OUR BUDGET REQUESTS.

Mobilization/Demobilization = \$1,500.00

TOTAL APPROXIMATE PROJECT APPROPRIATION = \$81,844.00

Note our technology does not require any permits and will allow you to flush your system to a level that it has never seen before with lasting results.

Please utilize the above numbers to approach funding for this project – but note that ValveTek Utility Services will be working as diligently and efficiently as possible to keep your exposures to their absolute minimums.

If you have any questions, please feel free to reach out and I will address.

We hope to get your approvals to move forward as soon as possible as we do need to schedule your project into our calendar to lock up your production dates.

Look forward to serving the City of Manhattan Beach with our services.

Sincerely,

Jeff



Jeff Favina
VP of Field Operations
ValveTek Utility Services, Inc.
"Authorized Nationwide Contractor for NO-DES Patented Flushing"
Mobile - 347-739-4674
www.valvetek.net
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