

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated April 29, 2026 (“Effective Date”) and is between the City of Manhattan Beach, a California municipal corporation (“City”) and Circuit Transit Inc., a Florida corporation (“Consultant”). City and Consultant are sometimes referred to herein as the “Parties”, and individually as a “Party”.

### RECITALS

A. City desires to utilize the services of Consultant as an independent contractor to provide on-demand point-to-point local microtransit services pilot program.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The Parties therefore agree as follows:

#### 1. Consultant’s Services.

A. Scope of Services. Consultant shall perform the services described in the Scope of Services (the “Services”) for an on-demand point-to-point local microtransit services pilot program, attached as **Exhibits A, B, C** and **D**. City may request, in writing, changes in the Scope of Services to be performed. Any changes to the scope or cost of work must be in writing and mutually agreed upon by the Parties.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the “City Representative”). For the purposes of this Agreement, the Consultant Representative shall be Daniel Kramer, Vice President of Business Development, West (the “Consultant Representative”). The Consultant Representative shall directly manage Consultant’s Services under this Agreement. Consultant shall not change the Consultant Representative without City’s prior written consent.

C. Time for Performance. Consultant shall commence the Services on the Effective Date and shall perform all Services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all Services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the Services required under this Agreement. All of the Services

required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

F. Compliance with Laws. Consultant shall comply with all applicable federal, state and local laws, ordinances, codes, regulations and requirements. Consultant shall cause any and all vehicles used in providing the Services to be regularly inspected, to the extent required by law.

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

H. Prevailing Wages. This Agreement calls for services that, in whole or in part, constitute “public works” as defined in the California Labor Code. Therefore, as to those services that are “public works”, Consultant shall comply in all respects with all applicable provisions of the California Labor Code, including those set forth in **Exhibit E** hereto.

**2. Term of Agreement.** The term of this Agreement (Original Term) shall be for a period of six months commencing on June 1, 2026 and terminating on November 30, 2026, unless sooner terminated as provided in Section 12 of this Agreement or extended. The City Council may extend the time of performance in writing for two additional six-month terms (each a “Renewal Term”), or such other term not to exceed a total of one year from the initial date of expiration, pursuant to the same terms and conditions of this Agreement. The City will provide written notice of its intent to extend this Agreement to the Consultant at least sixty (60) days prior to the end of the current term.

### **3. Compensation.**

A. Compensation. As full compensation for Services satisfactorily rendered, City shall pay Consultant in accordance with the Approved Fee Schedule attached hereto as **Exhibit B**. In no event shall Consultant be paid more than \$540,626.00 (the “Maximum Compensation”) for such Services for the Original Term.

1) For any extension approved by the City Manager or designee, the City shall pay Consultant at the rates set forth in the Approved Fee Schedule attached hereto as **Exhibit B**. The cumulative total compensation for the Original Term and all extensions shall not exceed \$540,626.00, unless modified in accordance with Section 25 of this Agreement.

2) Subject to the Maximum Compensation of \$540,626.00 set forth in Paragraph 3.A above, all recurring Service Fees identified in **Exhibit B** in effect at the end of the Original Term shall be increased by three percent (3%) effective upon the first anniversary date of the Original Term termination date, and subsequently increased by three percent 3% annually thereafter.

B. Expenses. The amount set forth in paragraph 3.A. above includes reimbursement for all expenditures incurred in the performance of this Agreement.

C. Unauthorized Services and Unanticipated Expenses. City will not pay for any services not specified in the Scope of Services, unless the City Council or the City Representative, if applicable, and the Consultant Representative authorize such services in writing prior to Consultant's performance of those services or incurrence of additional expenses. Any additional services authorized by the City Council, or (where authorized) the City Manager shall be compensated at the rates set forth in **Exhibit B**, or, if not specified, at a rate mutually agreed to by the Parties. At the request of the Consultant, the City Council may, in writing, reimburse Consultant for an unanticipated expense at its actual cost. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

#### **4. Method of Payment.**

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis, for the Services performed pursuant to this Agreement. Each invoice shall itemize the Services rendered during the billing period, hourly rates charged, if applicable, and the amount due. City shall review each invoice and notify Consultant in writing within ten Business days of receipt of any disputed invoice amounts.

B. Payment. City shall pay all undisputed invoice amounts within 30 calendar days after receipt up to the Maximum Compensation set forth in Section 3 of this Agreement. City does not pay interest on past due amounts. City shall not withhold federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. Notwithstanding the preceding sentence, if Consultant is a nonresident of California, City will withhold the amount required by the Franchise Tax Board pursuant to Revenue and Taxation Code Section 18662 and applicable regulations.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this Agreement available during Consultant's regular working hours to City for review and audit by City.

**5. Independent contractor.** Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of City.

#### **6. Information and Documents.**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Consultant, 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. A response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, 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 may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct or rewrite the response.

C. All Data required to be furnished to City in connection with this Agreement shall become City's property, and City may use all or any portion of the Data submitted by Consultant 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 Services, surveys, notes, and other documents prepared in the course of providing the Services shall become City's sole property and may be used, reused or otherwise disposed of by City without Consultant's permission. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

D. Consultant's covenants under this Section shall survive the expiration or termination of this Agreement.

## **7. Data Security and Confidentiality.**

A. Without limiting Consultant's obligation of confidentiality as described in Section 6, Consultant shall be responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that comply with or are substantially similar to the security controls identified in the current version of NIST SP800-53 or other data security standard acceptable to the City, and that is designed to: (a) ensure the security and confidentiality of the Data; (b) protect against any anticipated threats or hazards to the security or integrity of the Data; (c) protect against unauthorized disclosure, access to, or use of the Data; (d) ensure the proper disposal of Data; and, (e) ensure that all employees, agents, and subcontractors of Consultant, if any, comply with all of the foregoing. In no case shall the safeguards of Consultant's data privacy and information security program used to protect Data be less stringent than the safeguards used by Consultant for its own data.

B. If the Services include handling credit card information, then the Consultant shall comply at all times with all applicable Payment Card Industry Data Security Standards (PCI-DSS). Consultant agrees and warrants that it is responsible for the security of “cardholder data” that Consultant possesses, stores, processes or transmits on behalf of the City, and for any impact on the security of City’s cardholder data environment adversely affected by any failure of the Consultant to maintain compliance with provisions of the PCI-DSS applicable to the Services.

C. In the event of any act, error or omission, negligence, misconduct, or breach that permits any unauthorized access to, or that compromises or is suspected to compromise the security, confidentiality, or integrity of Data or the physical, technical, administrative, or organizational safeguards put in place by Consultant that relate to the protection of the security, confidentiality, or integrity of Data, Consultant shall, as applicable: (a) notify City as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with City in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by City; (c) in the case of personally identifiable information (PII), at City’s sole election, (i) notify the affected individuals who comprise the PII as soon as practicable but no later than is required to comply with applicable law including, but not limited to, the provisions of California Civil Code Section 1798.80, et seq., and Section 1798.100, et seq., or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or, (ii) reimburse City for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twelve (12) months following the date of notification to such individuals; (e) without limiting Consultant’s obligations of indemnification as further described in this Agreement, indemnify, defend, and hold harmless the City with respect to any and all claims and liabilities, including payment of reasonable attorneys’ fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the City in connection with the occurrence up to the limits of Consultant’s Cyber Liability and Technology Errors and Omissions policies required herein; and (f) perform or take any other actions required to comply with applicable law as a result of the breach or disclosure. Consultant may not require any City transit customer or user, through any online or “click-through” end-user license agreement, use of any online platform or mobile application, or other terms and conditions, to bear liability for, or indemnify Consultant, for any “Liabilities” (as defined in Section 9), that are within the scope of Consultant’s indemnification obligations set forth in this Agreement.

D. Any and all cloud storage of Data shall be in compliance with ISO/IEC 27001 - 27018, as applicable, or successor standards thereto. The Services (including all data storage, shall be provided solely from within the continental United States and on computing and data storage devices residing therein. Verified cloud storage services provided by Amazon Web Services or Microsoft Azure, shall be deemed to comply with this Section.

E. Consultant's covenants under this Section shall survive the expiration or termination of this Agreement.

**8. Conflicts of Interest.** Consultant affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of the Services contemplated by this Agreement. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's Services under this Agreement, including the Political Reform Act (Gov. Code § 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar Services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section into any subcontract that Consultant executes in connection with the performance of this Agreement.

**9. Indemnification, Hold Harmless, and Duty to Defend.**

A. Indemnities.

1) To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify City and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement, and indemnify and hold City harmless from any and all

taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement.

3) Consultant shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws.

4) City may offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this subparagraph A.2).

5) Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and obligations under this Section, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

## 10. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project or location or the general aggregate limit shall be twice the required occurrence limit. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Sexual Abuse or Molestation (SAM) Liability: If the CGL policy referenced above is not endorsed to include affirmative coverage for Sexual Abuse or Molestation, Consultant shall obtain and maintain coverage for Sexual Abuse or Molestation. Consultant shall obtain and maintain a policy covering Sexual Abuse and Molestation with a limit no less than \$1,000,000 per occurrence or claim.

3) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of \$5,000,000 per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section.

4) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000 per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has no employees.

5) Cyber Insurance, with limits not less than \$2,000,000 per occurrence and \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic information. The policy shall provide coverage for breach response costs, regulatory fines and penalties as well as credit monitoring expenses.

B. Acceptability of Insurers. The insurance policies required under this Section shall be issued by an insurer authorized to write insurance in the State of California with

a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section.

C. Additional Insured. The commercial general, automobile and sexual abuse and molestation liability policies shall contain an endorsement naming City and its elected and appointed officials, officers, employees, agents and volunteers as additional insureds. This provision shall also apply to any excess/umbrella liability policies.

D. Primary and Non-Contributing. The insurance policies required under this Section shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its elected and appointed officials, officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At City's option, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to City. If any insurance policy required under this Section is canceled or reduced in coverage or limits, Consultant shall, within two Business Days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages

required under this Section. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 9 of this Agreement.

K. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section.

## **11. Mutual Cooperation.**

A. City's Cooperation. City shall provide Consultant with all pertinent Data, documents and other requested information as is reasonably available for Consultant's proper performance of the Services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against City relating to Consultant's performance of Services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

**12. Records and Inspections.** Consultant shall maintain complete and accurate records with respect to time, costs, expenses, receipts, correspondence, 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. Consultant shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit the 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 three years after receipt of final payment.

## **13. Termination of Agreement.**

A. Right to Terminate.

(1) City may terminate this Agreement, in whole or in part, at any time, at will, without cause, after giving written notice to Consultant at least 60 calendar days before the termination is to be effective. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination, or such other date specified in the notice. Notwithstanding the foregoing, if Consultant defaults in the performance of any of the terms or conditions of this Agreement, Consultant shall have ten calendar days after service upon it of written notice of such default in which to cure the default by

rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, 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. If City terminates a portion of this Agreement, such termination shall not make void or invalidate the remainder of this Agreement.

(2) Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least 60 calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the Services required by this Agreement. Consultant shall have no other claim against City by reason of such termination, including any claim for compensation.

**14. Force Majeure.** Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, judicial orders, enemy or hostile governmental action, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

**15. Default.**

A. Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default.

B. In addition to the right to terminate pursuant to Section 13, if the City Manager determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, City shall serve Consultant with written notice of the default. Consultant shall have ten calendar days after service upon it of the notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City may, notwithstanding any other provision of this Agreement, 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.

**16. Notices.** Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant’s and City’s regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

If to City:

Attn: Erik Zandvliet  
City of Manhattan Beach  
1400 Highland Avenue  
Manhattan Beach, California 90266  
Telephone: (310) 802-5522  
Email: [ezandvliet@manhattanbeach.gov](mailto:ezandvliet@manhattanbeach.gov)

If to Consultant:

Attn: Daniel Kramer  
Circuit Transit, Inc.  
501 East Las Olas Boulevard  
Suite 300  
Fort Lauderdale, Florida 33301  
Telephone: (626) 675-9509  
Email: [daniel@ridecircuit.com](mailto:daniel@ridecircuit.com)

With a courtesy copy to:

Quinn M. Barrow, City Attorney  
1400 Highland Avenue  
Manhattan Beach, California 90266  
Telephone: (310) 802-5061  
Email: [gbarrow@rwqlaw.com](mailto:gbarrow@rwqlaw.com)

Attn: Legal  
Circuit Transit Inc.  
501 East Las Olas Boulevard Ste 300  
Fort Lauderdale, Florida 33301  
Email: [legal@ridecircuit.com](mailto:legal@ridecircuit.com)

**17. Non-Discrimination and Equal Employment Opportunity.** In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

**18. Prohibition of Assignment and Delegation.** Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City’s prior written consent. City’s consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Notwithstanding the foregoing, City consents to Consultant’s assignment of its rights to receive payments or accounts receivable due under this Agreement to Silicon Valley Bank, a division of First-Citizens Bank & Trust Company (“SVB”), in connection with a revolving line of credit or other financing facility. Any such assignment shall be strictly limited to Consultant’s rights to payment and shall not modify any other rights or obligations under this Agreement but shall be subject to assignee assuming all obligations of Consultant under this Agreement

related to the rights assigned. Any other assignment or delegation in violation of this Section shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

**19. No Third Party Beneficiaries Intended.** This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

**20. Waiver.** No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the Party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

**21. Final Payment Acceptance Constitutes Release.** The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of City from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of City's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by City shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by City for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

**22. Corrections.** In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by City, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, City may deduct the cost of such correction from any retention amount held by City or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

**23. Non-Appropriation of Funds.** Payments to be made to Consultant by City for services performed within the current fiscal year are within the current fiscal budget and within an available, unexhausted fund. In the event that City does not appropriate sufficient funds for payment of Consultant's services beyond the current fiscal year, this Agreement shall cover payment for Consultant's services only to the conclusion of the

last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

**24. Exhibits.** Exhibits A, B, C, D and E constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

**25. Entire Agreement and Modification of Agreement.** This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by both Parties.

**26. Headings.** The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the Parties to this Agreement.

**27. Word Usage.** Unless the context clearly requires otherwise, (a) the words "shall," "will" and "agrees" are mandatory and "may" is permissive; (b) "or" is not exclusive; and (c) "includes" or "including" are not limiting.

**28. Time of the Essence.** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

**29. Business Days.** "Business days" means days Manhattan Beach City Hall is open for business.

**30. Governing Law and Choice of Forum.** This Agreement, and any dispute arising from the relationship between the Parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a superior court with geographic jurisdiction over the City of Manhattan Beach.

**31. Attorneys' Fees.** In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

**32. Severability.** If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

**33. Counterparts.** This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument.

**34. Corporate Authority.** Each person executing this Agreement on behalf of his or her Party warrants that he or she is duly authorized to execute this Agreement on behalf of that Party and that by such execution, that Party is formally bound to the provisions of this Agreement.

*[SIGNATURE PAGE FOLLOWS]*

The Parties, through their duly authorized representatives are signing this Agreement on the date stated in the introductory clause.

City:

City of Manhattan Beach,  
a California municipal corporation

Consultant:

Circuit Transit Inc.,  
a Florida corporation

Signed by:  
By: Talyn Mirzakhanian  
E8EEED107389443  
Name: Talyn Mirzakhanian  
Title: City Manager  
Date: 5/7/2026

DocuSigned by:  
By: Daniel Kramer  
D56F1CF304C84DB  
Name: Daniel Kramer  
Title: Vice President of Business Development, West

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

DocuSigned by:  
By: Liza Tamura, City Clerk  
975D2FFB9D0440B...  
Name: Liza Tamura  
Title: City Clerk  
Date: 5/7/2026

**PROOF OF AUTHORITY TO BIND  
CONTRACTING PARTY REQUIRED**

APPROVED AS TO FORM:

DocuSigned by:  
By: Quinn M. Barrow, City Attorney  
C24C6E263545445...  
Name: Quinn M. Barrow  
Title: City Attorney  
Date: 5/6/2026

APPROVED AS TO FISCAL IMPACT:

Signed by:  
By: Libby Bretthauer  
146B48F2F0AC450...  
Name: Libby Bretthauer  
Title: Finance Director  
Date: 5/4/2026

APPROVED AS TO CONTENT:

Signed by:  
By: Masa Alkire  
468BDE40DF614A3...  
Name: Masa Alkire  
Title: Community Development Director  
Date: 5/4/2026

## **EXHIBIT A-SCOPE OF WORK**

This Exhibit sets forth the Scope of Work to be provided by Circuit. In the event of any conflict or inconsistency between the Scope of Work set forth herein, and the provisions of the Professional Services Agreement between the City of Manhattan Beach (“City”) and Circuit Transit Inc., a Florida corporation (“Circuit”), the provisions of the Professional Services Agreement shall control.

Circuit shall provide, operate, and manage a fully turnkey, end-to-end microtransit solution in accordance with the Scope of Work defined herein, furnishing the vehicles, drivers, technology, maintenance, and operational management necessary for the City Microtransit Shuttle, and all capabilities outlined below and within a geo-fenced coverage area as shown below in Exhibit D.

The coverage area and details of the service are subject to change based on utilization and decisions made by Circuit and the City. Please note that any changes to Hours of Operation or service hours may impact the total cost of the program.

The City may elect to scale service up to increase or adjust Hours of Operations, subject to mutual agreement between the parties. To request an increased service level, the City must provide written notice at least two (2) weeks prior to the start of the upcoming month, and no later than the fifteenth (15th) day of the preceding month, to allow for necessary planning and coordination. Please note that any changes to the Hours of Operation and/or number of vehicles may impact the total cost of the Services.

### **Program Purpose & Goals**

The primary objectives of the service are to:

- Provide a safe, clean, reliable, and efficient microtransit service throughout the boundaries of the service area.
- Provide a safe and pleasing passenger experience with capable, qualified, and courteous drivers that will serve as ambassadors. Allow users to get to their destination within the service area.

### **Product Overview**

For the purpose of this solicitation, the microtransit service is characterized by the following:

- Dynamic routing with flexible start and end of route within designated zones.
- Technology-enabled: app-based service request within a geofenced area and real-time vehicle tracking features.
- Fully electric vehicles.
- Shared mobility with pooled rides.
- Local branding and/or advertising to offset operating cost.

### **Circuit’s Responsibilities**

Circuit shall provide accessible, efficient, and environmentally sustainable transportation within the zone described in Exhibit D.

**Changes and Amendments**

Any requested change in the Scope of Work, additional services or special requests will require fifteen (15) days minimum notice, and sixty (60) days for any indefinite service reduction greater than 10%, and a Change Order to be executed and signed by both parties unless otherwise mutually agreed to in writing.

**Holidays**

Service will be closed on Thanksgiving, Christmas Day and New Year’s Day. The day before and after each of the listed Holidays will operate on normal service hours.

**Employee Wages**

Circuit is not subject to any local wage requirements that vary from State statutory requirements by entering into this Agreement.

**Extraordinary Costs**

In the event that the costs of providing the services outlined in this Agreement increase by more than 5% due to circumstances beyond the control of Circuit, including but not limited to, changes in applicable laws or regulations, significant market fluctuations, material shortages, or increased insurance and/or labor costs, Circuit may request an adjustment to the service fees. Circuit shall provide written notice of the extraordinary cost increase, including supporting documentation, to the City. The parties shall negotiate in good faith to determine an appropriate adjustment to the service fees or other mutually acceptable resolution.

**Definitions**

**Hours of Operation** is defined as the hours City wants the service to be available on a weekly basis.

**Service Design**

Any requested change to the Service Design will require mutual agreement and a subsequent Change Order to be executed by both parties. Changes to the Service Design may result in financial changes to the existing Agreement based on the nature of and impact of the change requested.

**Vehicles**

Circuit shall supply the vehicle types and quantities, while operating according to the operating status designation, as listed in Table 1 below. All vehicles shall be properly licensed and maintained in good working order for the duration of the Performance Period.

**Table 1 - Vehicles**

Type	Quantity	Status
GEM Shuttles	2	Active
Sedans (or equivalent)	2	Active

Accessible Van	1	Active
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**Vehicle Repairs & Maintenance**

Circuit will adhere to a structured preventative maintenance plan to mitigate the need for any potential further repairs and maintenance. However, Circuit and the City agree that there will be unexpected repairs and maintenance at times throughout the Performance Period and it shall be Circuit's sole responsibility to work with any necessary licensed technician, both internal and external, to perform such repairs and optimize up time of the vehicles.

When repairs and/or maintenance are not able to be performed outside of the Hours of Operation, Circuit will use best efforts to minimize the impact to service hours and does not imply service will be impacted at all during the time needed for repair. Those efforts could include, but are not limited to, expediting and prioritizing maintenance work, sending the vehicle to an outside repair shop to expedite the work, increasing the scheduled service hours on other vehicles in the fleet, procuring temporary, unbranded, rental vehicles or sourcing replacement vehicles from adjacent locations.

**Hours of Operation**

Hours of Operation is defined as the hours the City wants the service to be available on a weekly basis.

Service will run 7 days per week during the Hours of Operation starting from the Performance Date. These services will include a total of 70 weekly operating hours (a “Service Week”), to be allocated during the designated Hours of Operation as outlined in Table 2 below. For scheduling and measurement purposes, a “Service Week” means a consecutive seven (7) day period.

**Table 2 - Hours of Operation**

<b>Hours of Operation</b>			
<b>Day</b>	<b>Open</b>	<b>Close</b>	<b>Hours</b>
<b>Monday</b>	11AM	9PM	10
<b>Tuesday</b>	11AM	9PM	10
<b>Wednesday</b>	11AM	9PM	10
<b>Thursday</b>	11AM	9PM	10
<b>Friday</b>	11AM	10PM	11
<b>Saturday</b>	11AM	10PM	11
<b>Sunday</b>	12PM	8PM	8
<b>WEEKLY HOURS OF OPERATION</b>			<b>70</b>

There may be downtime for driver breaks, vehicle charging, and/or maintenance during the hours of operation.

### **Charging & Storage**

Circuit shall be solely responsible for securing and funding all electric vehicle charging infrastructure, electricity costs associated with vehicle charging, and vehicle storage for the duration of the Term.

The City shall, at its sole cost and expense, provide Circuit with complimentary parking permits for Circuit staff assigned to service under this Agreement. Such permits shall remain valid throughout the Term of this Agreement.

### **Hiring & Employee Expectations**

#### **a. Employment Status**

All drivers providing Services under this Agreement shall be employees of Circuit and not of the City. Circuit retains sole and exclusive responsibility for the hiring, onboarding, management, training, supervision, compensation, and, where necessary, termination of its employees. At no time shall the City be considered the employer, co-employer, or joint employer of any Circuit personnel.

#### **b. Licensing and Qualifications**

All drivers shall be properly licensed to operate the vehicles assigned to the Service and shall comply with all applicable federal, state, and local laws and regulations related to the operation of passenger vehicles. Circuit shall ensure that each driver maintains a valid driver's license and meets all regulatory and internal safety, training, and conduct standards.

#### **c. Background Checks and Training**

Circuit shall be responsible for conducting pre-employment background checks, drug screenings (where required), and other applicable due diligence for all drivers in accordance with industry practices and applicable laws. All drivers shall undergo comprehensive training covering safe vehicle operation, customer service, ADA compliance, emergency procedures, and any project-specific protocols prior to deployment.

#### **d. Workforce Conduct**

Circuit shall require its employees to perform their duties in a professional, courteous, and responsible manner consistent with community standards, the City's expectations, and Circuit's internal policies. Circuit shall promptly address any substantiated complaints or misconduct involving its personnel.

#### **e. Right to Accept Tips**

Circuit's drivers may accept voluntary tips or gratuities from passengers. Circuit shall have no obligation to track, report, or remit such tips unless otherwise required by applicable law. The City shall not impose any restrictions or conditions on driver gratuities.

**f. Compliance with Labor and Employment Laws**

Circuit shall comply with all applicable employment-related laws and regulations, including but not limited to wage and hour laws, workers' compensation, unemployment insurance, and any other federal, state, or local labor laws.

**g. City Communications and Authority Limitations**

The City agrees not to direct, supervise, or assign work to any Circuit employee, including drivers, without prior written authorization from Circuit's designated representative. All service-related directions shall be communicated through the Circuit project manager or designee.

## **Operational Details**

Any requested change to the Operational Details as agreed to herein will require mutual agreement and a subsequent Change Order to be executed by both parties. Changes to the Operational Details may result in financial changes to the existing Agreement based on the nature of and impact of the change requested.

**a. App, Tech & Request System**

As described above, Circuit will provide on-demand shuttle services using all-electric cars within a geo-fenced coverage area as shown below in Exhibit D. On-demand service will be hailed using an app. The coverage area and details of the service are subject to change based on utilization and decisions made by Circuit and the City.

**b. Circuit Connect**

Service will not utilize Circuit Connect's system of virtual, fixed stops.

**c. Branding**

The City will have rights to branding on the vehicle(s) contracted, aka "Default Branding". The City will provide vehicle wrap design files on Circuit provided templates for vehicle branding at the cost referenced in Exhibit B.

**d. WAV Service**

Service will consist of one (1) WAV vehicle in service throughout the service area

**e. Data Reporting**

Circuit will provide a monthly data report including:

- Operating data by hour, day, week and month
  - Requests
  - Passengers
  - Rides
  - Cancellations
- Operating data by day, week and month
  - WAV completed rides
  - No Show %
  - Avg Pax / Trip
  - AVG Wait Time
  - AVG Trip Time
  - AVG Response Time

- Total Trip Miles
- AVG User Rating
- Gallons of Gas Saved
- Passenger Miles Traveled
- Additional Operating Data, various formats and timeframes
  - Unique users
  - AVG User Age
  - Top pickup and drop off locations / addresses
  - Connection Rate

**f. Pets**

Pets are allowed to accompany a passenger per Circuit's standard Terms and Conditions. However, the driver of the vehicle and other existing passengers reserve the right to refuse service if they are uncomfortable with the pet, within reason.

**EXHIBIT B- FEE SCHEDULE**

<b>Cost for Vehicle Wraps:</b>	\$	17,333 (One-time upfront cost)
<b>Monthly Service Fee:</b>	\$	87,216
<b>Total Estimated Six-Month Cost for Services:</b>	\$	<b>540,626</b>

**Services Cost include:** Vehicles, Vehicle Storage and Charging, Paid W-2 Drivers, Management, Training, Insurance, Maintenance, Phones, App Hosting and Usage, Web Fees, and Basic Marketing Materials.

**Vehicle Wraps include:** Artwork, printing, installation, and removal. The Parties acknowledge that the total cost for standard vehicle wraps is estimated at \$2,670 for GEMs and Sedans and \$6,670 for Vans.

**Billing:** The upfront costs will be billed at contract signing. Circuit will send monthly invoices at the beginning of each month for services provided the previous month. Payment is due (ACH, Wire, or credit card) within 30 days of the end of the month of service.

The monthly invoice will include:

- Month of service
- Summary of services provided
- Amount due

Please note any changes to the Services, including, but not limited to, vehicles, the vehicle operating hours, coverage area, and/or data reporting may impact the total amount of the Contract. If the scope of services should change, modifications to the Statement of Work or a new Statement of Work may be necessary.

**Advertising**

Upon written approval by the City, Circuit may lease space not utilized by the City's collateral or materials, including vehicle wraps, to generate advertising revenue. Net Advertising Revenue shall be shared with the City based on a 50/50 split. The City's share of net advertising revenue shall be applied as a credit on monthly invoices. Net Advertising Revenue means the gross advertising revenue collected, less all other costs and expenses, including, but not limited to advertisement design, production costs, installation and removal costs and customary commissions paid to media sales representatives, incurred by Circuit in connection with providing the advertisement sales.

**Fares**

Up to 30 days after the Performance Date, Circuit will work with the City to implement a passenger fare up to \$5.00 per rider, and discounted or free rides for an Older Adult rider (55 years or older). Circuit shall implement a fare payment mechanism via the mobile app via credit and/or debit cards. Gross Fare Revenue shall be shared between the Parties such that the City shall receive seventy percent (70%) and Circuit shall receive thirty percent (30%) (the "Fare Split"). The City's share of Gross Fare Revenue shall be applied as a credit on monthly invoices. The Parties may modify the passenger fare amount (including any discounts, exemptions, or eligibility criteria such as the Older Adult free-ride program) and/or the Fare Split only upon the Parties' mutual written agreement (e.g., a written amendment or change order executed by authorized

representatives of both Parties). Any such modification shall specify its effective date and shall apply prospectively.

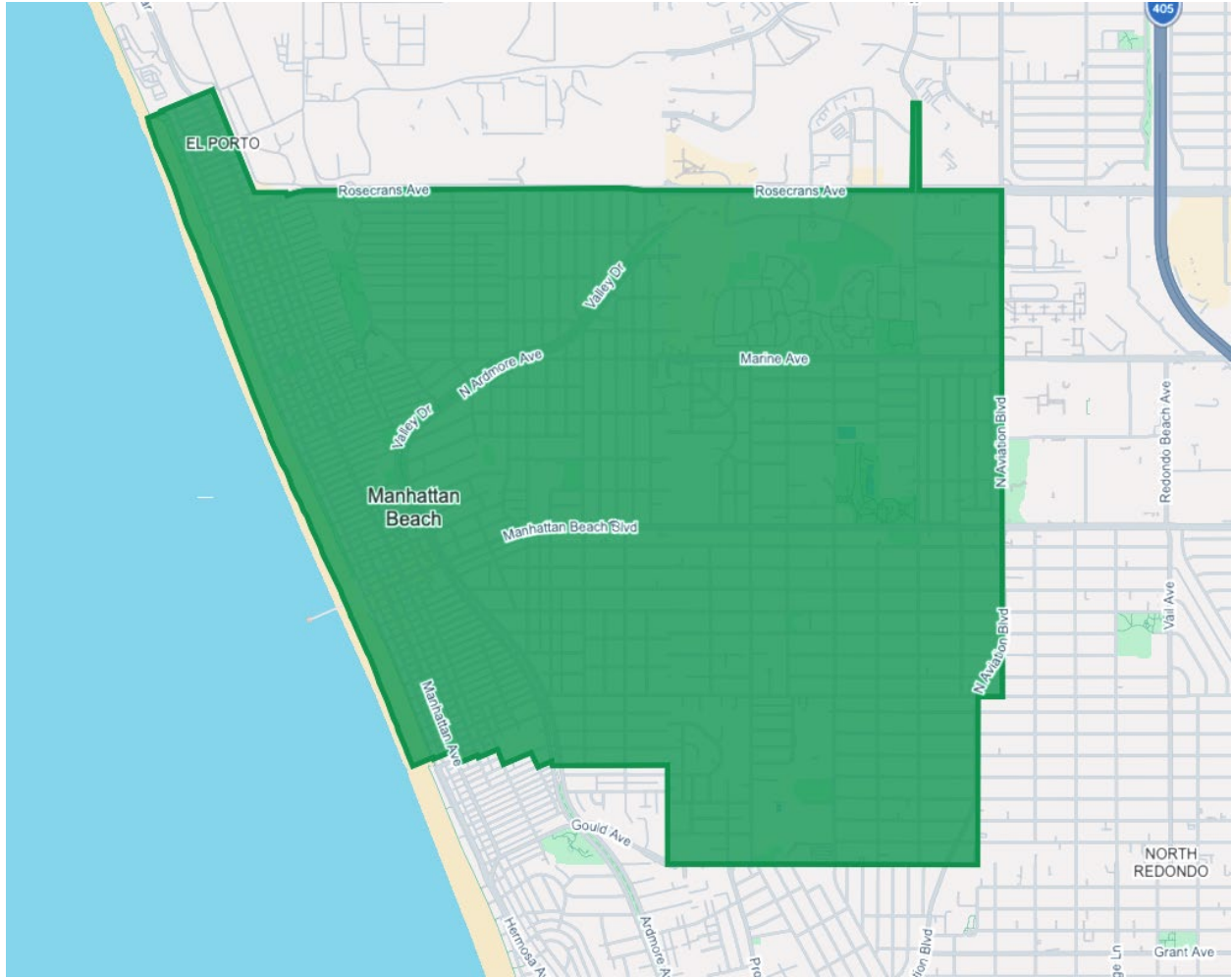
Gross Fare Revenue means all gross ridership revenue that is collected from the passengers for the services. All costs and expenses, including but not limited to sales taxes or other taxes imposed by law, Circuit's administrative expenses, credit card processing fees and other billing related charges by third parties imposing similar processing charges will be paid by Circuit, unless otherwise agreed by the Parties in writing.

## EXHIBIT C – ADVERTISING GUIDELINES

1. In its agreement with its advertising contractors, Circuit will reserve the right to reject any advertisement, commercial or noncommercial.
  
2. All advertising and promotional materials, including, without limitation, any vehicle “wraps” (collectively “**Advertising**”) must conform to the following criteria:
  - A. Defamatory Advertising. No Advertising will be permitted that falsely disparages any person, product, or company, or that is likely to damage the reputation of any person, product, or company.
  
  - B. Advertising Condoning Criminal Conduct. No Advertising will be permitted that is likely to incite or produce imminent unlawful activity.
  
  - C. Obscene Advertising. No Advertising will be permitted that contains obscene matter or matter harmful to minors.
  
  - D. False Advertising. No Advertising will be permitted that contains false or grossly misleading information.
  
  - E. Alcohol, Cannabis, Tobacco and Firearms. No Advertising will be permitted that promotes the sale of alcoholic beverages, cannabis or cannabis products, tobacco or tobacco products, electronic cigarettes, or firearms.
  
  - F. Existing Laws. All Advertising must conform to applicable federal, state, and local statutes, laws, ordinances, rules and regulations.
  
3. The City may make demand upon Circuit for the removal of any Advertising, commercial or noncommercial, that does not conform to this policy. Such demand will be in writing and will state reasonable grounds for the demand. Circuit will consider and act promptly upon the demand in accordance with this policy.

**EXHIBIT D – Service Area Boundaries**

**The coverage area and details of the service are subject to change based on utilization and decisions made by Circuit and the City.**



## EXHIBIT E

### TERMS FOR COMPLIANCE WITH CALIFORNIA LABOR LAW REQUIREMENTS

1. This Agreement calls for services that, in whole or in part, constitute “public works” as defined in Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code (“Chapter 1”). Further, Contractor acknowledges that this Agreement is subject to (a) Chapter 1 and (b) the rules and regulations established by the Department of Industrial Relations (“DIR”) implementing such statutes. Therefore, as to those Services that are “public works”, Contractor 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. Contractor shall be registered with the Department of Industrial Relations in accordance with California Labor Code Section 1725.5, and has provided proof of registration to City prior to the Effective Date of this Agreement. Contractor shall not perform work with any subcontractor that is not registered with DIR pursuant to Section 1725.5. Contractor and subcontractors shall maintain their registration with the DIR in effect throughout the duration of this Agreement. If the Contractor or any subcontractor ceases to be registered with DIR at any time during the duration of the project, Contractor shall immediately notify City.

4. Pursuant to Labor Code Section 1771.4, Contractor’s Services are subject to compliance monitoring and enforcement by DIR. Contractor shall post job site notices, as prescribed by DIR regulations.

5. 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. Contractor acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and Contractor shall post such rates at each job site covered by this Agreement.

6. Contractor 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 Contractor shall, as a penalty to City, forfeit \$200.00 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 Contractor or by any subcontractor.

7. Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Contractor and each subcontractor to: keep accurate

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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 City of the location of the records. Pursuant to Labor Code Section 1771.4, Contractor and each subcontractor shall furnish such records to the Labor Commissioner, at least monthly, in the form specified by the Labor Commissioner.

8. Contractor 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. Contractor shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Contractor shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within 60 days after concluding work pursuant to this Agreement, Contractor and each of its subcontractors shall submit to City a verified statement of the journeyman and apprentice hours performed under this Agreement.

9. The Contractor shall not perform Work with any Subcontractor that has been debarred or suspended pursuant to California Labor Code Section 1777.1 or any other federal or state law providing for the debarment of contractors from public works. The Contractor and Subcontractors shall not be debarred or suspended throughout the duration of this Contract pursuant to Labor Code Section 1777.1 or any other federal or state law providing for the debarment of contractors from public works. If the Contractor or any subcontractor becomes debarred or suspended during the duration of the project, the Contractor shall immediately notify City.

10. Contractor acknowledges that eight hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to City, forfeit \$25.00 for each worker employed in the performance of this Agreement by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and 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 Contractor in excess of eight 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 eight hours per day at not less than one and one-half times the basic rate of pay.

11. 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, Contractor 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

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provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.”

12. For every subcontractor who will perform work on the project, Contractor shall be responsible for such subcontractor’s compliance with Chapter 1 and Labor Code Sections 1860 and 3700, and Contractor 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. Contractor 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. Contractor shall diligently take corrective action to halt or rectify any failure.

13. To the maximum extent permitted by law, Contractor shall indemnify, hold harmless and defend (at Contractor’s expense with counsel reasonably acceptable to City) 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 Contractor, 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 Contractor under this Section shall survive the termination of the Agreement.