

CITY OF MANHATTAN BEACH MAINTENANCE SERVICES AGREEMENT

THIS MAINTENANCE SERVICES AGREEMENT ("Agreement") is made and entered into as of October 1, 2021, by and between the CITY OF MANHATTAN BEACH, a California municipal corporation ("City") and Honeywell International, Inc., a California Corporation ("Contractor"). Contractor's DIR registration number is 1000000663.

In consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Scope of Services. Contractor shall perform the work and provide all labor, materials, equipment and services in a good and workmanlike manner for the project identified as City Facility HVAC Maintenance ("Project"), as described in this Agreement and the Scope of Work attached hereto as Exhibit A and incorporated herein by this reference. In the event of any conflict between the terms of this Agreement and the incorporated documents, the terms of this Agreement shall control.

2. Extra Work. Extra work, when ordered in writing by the Director of Public Works ("Director") and accepted by Contractor, shall be paid for in accordance with the terms of the written work order. Payment for extra work will be made at the unit price or lump sum previously agreed upon in writing between Contractor and the Director. All extra work shall be adjusted daily upon the report sheet furnished by Contractor, prepared by the Director, and signed by both parties; and the daily report shall be considered thereafter the true records of extra work done.

3. Term. This Agreement shall become effective on the date first set forth above and shall remain in effect until October 1, 2024. Additionally, there shall be two (2) one-year options to renew the Agreement upon the mutual written consent of both parties, unless sooner terminated pursuant to Section 12 of this Agreement. If not renewed prior to the anniversary date, this Agreement may continue on a month-to-month basis under the same terms and conditions as this Agreement for a maximum period not to exceed six months or until renewed or awarded to a new contractor, whichever is less.

4. Time of Performance.

A. Contractor will not perform any work under this Agreement until:

1) Contractor furnishes proof of insurance as required under Section 14 of this Agreement; and

2) City gives Contractor a written notice to proceed.

B. Should Contractor begin work in advance of receiving written authorization to proceed, any such services are at Contractor's own risk.

5. Time. Time is of the essence in this Agreement.

6. Force Majeure. Neither City nor Contractor shall be responsible for delays in performance under this Agreement due to causes beyond its control, including but not limited to acts of God, acts of public enemies, acts of the government, fires, floods or other casualty, epidemics, earthquakes, labor stoppages or slowdowns, freight embargoes, unusually severe weather, and supplier delays due to such causes. Neither economic nor market conditions nor the financial condition of either party shall be considered a cause to excuse delay pursuant to this Section. Each party shall notify the other promptly in writing of each such excusable delay, its cause and its expected delay, and shall upon request update such notice.

7. Compensation.

A. In consideration of the services rendered hereunder, City shall pay Contractor a fee not to exceed four hundred forty-six thousand nine-hundred fifty-six dollars and eighty-one cents (\$446,956.81) for the initial three-year Term of the Agreement, in accordance with the prices as submitted in Exhibit B. Fees for the two one-year extensions shall be as set forth in Exhibit B. In no event shall the total five-year (3 contract years + 2 optional years) compensation paid Contractor exceed seven hundred sixty-nine thousand three hundred sixty-nine dollars and seven cents (\$769,369.07).

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

8. Payments. Contractor 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 Contractor in writing within ten business days of receipt of any disputed invoice amounts.

City shall make payments within 30 days after receipt of an undisputed and properly submitted payment request from Contractor. City shall return to Contractor any payment request determined not to be a proper payment request as soon as practicable, but not later than seven days after receipt, and shall explain in writing the reason(s) why the payment request is not proper.

9. Taxes. Contractor shall calculate payment for all sales, unemployment, and other taxes imposed by local, State of California and federal law. These payments are included in the total amounts in Exhibit B.

10. Audit. City or its representative shall have the option of inspecting and/or auditing all records and other written materials used by Contractor in preparing its billings to City as a condition precedent to any payment to Contractor. Contractor will promptly furnish documents requested by City. Additionally, Contractor shall be subject to State Auditor examination and audit at the request of City or as part of any audit of City, for a period of three years after final payment under this Agreement.

11. Unresolved Disputes. In the event of any dispute or controversy with City over any matter whatsoever, Contractor shall not cause any delay or cessation in or of work, but shall proceed with the performance of the work in dispute. Manhattan Beach Municipal Code Chapter 2.56 ("Matters Requiring Filing of Claims") shall govern the procedures of the claim process, and these provisions are incorporated herein by this reference.

12. Termination. This Agreement may be canceled by City at any time with or without cause and without penalty upon 30 days' written notice. In the event of termination without fault of Contractor, City shall pay Contractor for all services satisfactorily rendered prior to date of termination, and such payment shall be in full satisfaction of all services rendered hereunder.

13. Indemnification, Hold Harmless, and Duty to Defend.

A. Indemnities.

1) To the fullest extent permitted by law, Contractor 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 Contractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Contractor 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 judicial decision or by the agreement of the parties. Contractor 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. Contractor shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Contractor shall pay all required taxes on amounts paid to Contractor 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. Contractor shall fully comply with the workers' compensation law regarding Contractor and Contractor's employees. Contractor shall indemnify and hold City harmless from any failure of Contractor to comply with applicable workers' compensation laws. City may 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 subparagraph A.2.

3) Contractor 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 Contractor in the performance of this Agreement. If Contractor fails to obtain such indemnity obligations, Contractor 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 Contractor's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Contractor'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. Contractor'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. Contractor 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 Contractor 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. Contractor's indemnifications and obligations under this Section shall survive the expiration or termination of this Agreement.

14. Insurance Requirements.

A. Minimum Scope and Limits of Insurance. Contractor 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 \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000.00 per project or location. If Contractor is a limited liability company, the commercial general liability coverage shall be amended so that Contractor and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) 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 \$2,000,000.00 per accident for bodily injury and property damage. If Contractor does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Contractor shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Contractor has no employees while performing Services under this Agreement, a workers' compensation policy is not required, but Contractor shall execute a declaration that it has no employees.

B. Acceptability of Insurers. The insurance policies required under this Section shall be issued by an insurer admitted 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 and automobile liability policies shall contain an endorsement naming City, its officers, employees, agents and volunteers as additional insureds.

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 officers, employees, agents or volunteers, shall be in excess of Contractor's insurance and shall not contribute with it.

E. Contractor's Waiver of Subrogation. The insurance policies required under this Section shall not prohibit Contractor and Contractor's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Contractor 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, Contractor shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Contractor shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Contractor 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, Contractor 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 Contractor 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 Contractor'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 Contractor's expense, the premium thereon. Contractor shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Contractor.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Contractor 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. Contractor may provide complete, certified copies of all required insurance policies to City. Contractor shall maintain current endorsements on file with City's Risk Manager. Contractor 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. Contractor shall furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Contractor shall not be construed as a limitation of Contractor's liability or as full performance of Contractor's duty to indemnify City under Section 13 of this Agreement.

K. Broader Coverage/Higher Limits. If Contractor maintains broader coverage and/or higher limits than the minimums required above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

L. Subcontractor Insurance Requirements. Contractor 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.

15. Antitrust Claims. Contractor offers and agrees to assign to City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the California Business and Professions Code) arising from purchases of goods, services, or materials pursuant to this Agreement. This assignment shall be made and become effective at the time City tenders final payment to Contractor without further acknowledgment by the parties.

16. Familiarity with Work.

A. By executing this Agreement, Contractor represents that it has

- 1) Thoroughly investigated and considered the scope of services to be performed;
- 2) Carefully considered how the services should be performed; and
- 3) Understands the facilities, difficulties, and restrictions attending performance of the services under this Agreement.

B. If services involve work upon any site, Contractor warrants that it has or will investigate the site and is or will be fully acquainted with the conditions there existing, before commencing the services hereunder. Should Contractor discover any latent or unknown conditions that may materially affect the performance of the services, Contractor will immediately inform City of such fact and will not proceed except at Contractor's own risk until written instructions are received from City.

17. Independent Contractor. Contractor is and shall at all times remain, as to City, a wholly independent contractor. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as herein set forth; and Contractor is free to dispose of all portions of its time and activities which it is not obligated to devote to City in such a manner and to such persons, firms, or corporations as Contractor wishes except as expressly provided in this Agreement. Contractor shall have no power to incur any debt, obligation, or liability on behalf of City, bind City in any manner, or otherwise act on behalf of City as an agent. Contractor shall not, at any time or in any manner, represent that it or any of its agents, servants or employees, are in any manner agents, servants or employees of City. Contractor agrees to pay all required taxes on amounts paid to Contractor under this Agreement, and to 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. Contractor shall fully comply with the workers' compensation law regarding Contractor and its employees. Contractor further agrees to indemnify and hold City harmless from any failure of Contractor to comply with applicable workers' compensation laws. City shall have the right to offset against the amount of any compensation due to Contractor under this Agreement any amount due to City from Contractor as a result of its failure to promptly pay to City any reimbursement or indemnification arising under this Section.

18. Prevailing Wages. City and Contractor acknowledge that this project is a public work to which prevailing wages apply. Contractor shall comply in all respects with all applicable provisions of the California Labor Code, including those set forth in Exhibit C, attached hereto and incorporated herein by this reference.

19. Workers' Compensation Insurance. California Labor Code Sections 1860 and 3700 provide that every contractor 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 provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

20. Nondiscriminatory Employment. Contractor shall not unlawfully discriminate against any individual based on race, color, religion, nationality, gender, sex, sexual orientation, age or condition of disability. Contractor understands and agrees that it is bound by and will comply with the nondiscrimination mandates of all statutes and local ordinances and regulations.

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

22. 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.

23. Payment Bond: ☒ **REQUIRED** – or – ☐ **NOT REQUIRED**

Contractor shall obtain a payment bond in an amount that is not less than the total compensation amount of this Agreement, and nothing in this Agreement shall be read to excuse this requirement. The required form entitled Payment Bond (Labor and Materials) is attached hereto as Exhibit D and incorporated herein by this reference. The payment bond must be maintained for the term of any extension.

24. 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.

25. Warranty. The work shall be warranted by Contractor against defective materials and workmanship for a period of one year. The warranty period shall start on the date the work is completed as determined by the Director.

The warranty period for specific items covered under manufacturers' or suppliers' warranties shall commence on the date they are placed into service at the direction of or as approved by the Director in writing.

All warranties, express or implied, from subcontractors, manufacturers, or suppliers, of any tier, for the materials furnished and work performed shall be assigned, in writing, to City, and such warranties shall be delivered to the Director prior to acceptance of Contractor's performance of the Agreement.

Contractor shall replace or repair defective materials and workmanship in a manner satisfactory to the Director, after notice to do so from the Director, and within the time specified in the notice. If Contractor fails to make such replacement or repairs within the time specified in the notice, City may perform the replacement or repairs at Contractor's expense. If Contractor fails to reimburse City for the actual costs, Contractor's Surety shall be liable for the cost thereof.

26. Conflicts of Interest. Contractor agrees not to accept any employment or representation during the term of this Agreement or within 12 months after completion of the services under this Agreement which is or may likely make Contractor "financially interested," as provided in Government Code Sections 1090 and 87100, in any decisions made by City on any matter in connection with which Contractor has been retained pursuant to this Agreement.

27. Third Party Claims. City shall have full authority to compromise or otherwise settle any claim relating to this Agreement at any time. City shall timely notify Contractor of the receipt of any third-party claim relating to this Agreement. City shall be entitled to recover its reasonable costs incurred in providing this notice.

28. Non-Assignability; Subcontracting. Contractor shall not assign or transfer any interest in this Agreement nor any part thereof, whether by assignment or novation, without City's prior written consent. Any purported assignment without written consent shall be null, void, and of no effect; and Contractor shall hold harmless, defend and indemnify City and its officers, officials, employees, agents and representatives with respect to any claim, demand or action arising from or relating to any unauthorized assignment.

29. Applicable Law. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to this Agreement shall be in the Los Angeles County Superior Court.

30. Attorneys' Fees. If any legal action or other proceeding, including action for declaratory relief, is brought for the enforcement of this Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with 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 any other relief to which the party may be entitled.

31. Titles. The titles used in this Agreement are for convenience only and shall in no way define, limit or describe the scope or intent of this Agreement or any part of it.

32. Authority. The persons executing this Agreement on behalf of Contractor warrant and represent that they have the authority to execute this Agreement on behalf of Contractor and have the authority to bind Contractor to the performance of its obligations hereunder.

33. Incorporation by Reference. All Exhibits attached hereto are incorporated herein by reference. The documents, payment and performance bonds, City insurance requirements, together with this written Agreement (and all Exhibits, documents and laws referenced therein), shall constitute the entire agreement between the parties as to the subject matter of this Agreement. In the event of any conflict between this Agreement and any Exhibit hereto, the provisions of this Agreement shall control.

34. Entire Agreement. This Agreement, including any other documents incorporated herein by specific reference, represents the entire and integrated agreement between City and Contractor. This Agreement supersedes all prior oral or written negotiations, representations or agreements. This Agreement may not be modified or amended, nor any provision or breach waived, except in a writing signed by both parties which expressly refers to this Agreement.

35. 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 this Agreement or who drafted that portion of this Agreement.

36. 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 City of any payment to Contractor constitute or be construed as a waiver by 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 City shall in no way impair or prejudice any right or remedy available to City with regard to such breach or default.

37. Notice. Except as otherwise required by law, any notice or other communication authorized or required by this Agreement shall be in writing and shall be deemed received on (a) the day of delivery if delivered by hand or overnight courier service during Contractor's or City's regular business hours or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or at such other address as one party may notify the other:

To City:

Erick Lee
Director of Public Works
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266
elee@manhattanbeach.gov

To Contractor:

John Parker or Serge Cardinal
Honeywell International, Inc.
c/o Honeywell Business Solutions
22 Centerpointe Drive
La Palma, CA 90623
John.Parker2@Honeywell.com or Serge.Cardinal@Honeywell.com

38. 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.

39. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed the within Agreement the day and year first above written.

City:

City of Manhattan Beach,
a California municipal corporation

Contractor:

Honeywell International, Inc.,
a California Corporation

By: _____

Name: Bruce Moe
Title: City Manager

By: _____

Name: Serge Cardinal
Title: Service Business Mgr. –
California

ATTEST:

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

By: _____

Name: Liza Tamura
Title: City Clerk

APPROVED AS TO FORM:

By: _____

Name: Quinn M. Barrow
Title: City Attorney

APPROVED AS TO FISCAL CONTENT:

By: _____

Name: Steve S. Charelian
Title: Finance Director

APPROVED AS TO CONTENT:

By: _____

Name: Erick Lee
Title: Director of Public Works

EXHIBIT A

Scope of Work

SCOPE OF WORK (excerpt of Section 4 from RFP No. 1258-21)

Request for Proposal #1258-21
Title: Citywide HVAC Maintenance and Warranty Services

4. SCOPE OF WORK

4.1. Summary

The City of Manhattan Beach is requesting proposals from professional Heating, Ventilation, and Air Conditioning (HVAC) contractors for the overall maintenance and warranty of the City's HVAC systems for all City properties. The full coverage maintenance shall be defined as the maintenance, adjustment, repair and/or replacement of any part of the HVAC systems. This shall include, but not be limited to, any and all plumbing, wiring, control devices, sensors, boilers, chillers, compressors, thermostats and ducting, that is utilized for the HVAC systems. Please note it is estimated that the City Hall building will receive new HVAC equipment by 6/30/22. This new HVAC equipment at City Hall will consist of chillers, air handlers, package units, and split systems. In addition, the current HVAC equipment list has been included in this RFP for your reference. Lastly, the City is looking for an annual lump sum fee for the Citywide HVAC maintenance and warranty services.

4.2. HVAC Equipment Audit

Perform a citywide equipment audit within 60 days of the start of the award of the contract. Use the report findings generated to complete an inventory of the existing HVAC equipment, controls, ducting and hardware including life cycle schedule, current condition, updated manufacturer information and recommended manufacturer maintenance schedule and any other pertinent information. The digital report must identify the maintenance, replacement and/or adjustment intervals for the various components of the HVAC systems. Include on this form: the date of service, type of service, person performing the service, and the next scheduled date of service. Lastly, include the materials, quantities, and sizes of materials used.

4.3. Software Support

Contractor will maintain the present systems within the functional limitations of presently installed hardware and/or software included in the List(s) of Covered Equipment and Software. City Hall and the Public Safety Facility are currently the only facilities with BACnet compatible equipment. This may include providing software patches, revisions and/or bug fixes to standard Contractor software that may be periodically created by Contractor to maintain present system operations.

4.4. Emergency Services

The HVAC maintenance requirements under this RFP are designed to minimize the incidence of emergency situations. However, should an emergency arise, Contractor personnel will assess the situation either by phone and/or remote diagnostics as needed and will determine the required course of action for the City. If it is determined that a site visit is required, Contractor will arrive at the City site within four (4) hours .

4.5. Reporting

Utilizing the HVAC equipment audit report, monthly report updates must be provided to the City including all service, maintenance, repairs, parts and replacements.

In conjunction with the HVAC equipment audit report, an annual report must be submitted to the City within 30 days of the end of the City's fiscal year (which ends on June 30). The annual report to the City should include, but not be limited to the following: statistics outlining total service repairs performed, total replacements performed, locations requiring service over and above the maintenance schedule and any notable occurrences. City may add reasonable requirements to this report during the term of the contract.

4.6. General Maintenance and Warranty of HVAC Equipment

The general maintenance and the warranty of the HVAC equipment is as follows:

When reviewing the maintenance and warranty HVAC requirements below there may be a conflict with the manufacturer's suggested maintenance requirements, when this occurs the more stringent requirement will supersede.

1. APPURTENANT DEVICES AND SYSTEMS: The Contractor's responsibility to provide preventative and predictive maintenance shall not be limited to only the major components as referenced on "HVAC Equipment List", but shall also include all appurtenant devices and systems as listed below that are related to the heating, ventilating, and air conditioning system.

a) **HEATING SYSTEM:** Boilers, burners, furnaces, pumps, cleaning of heating coils, water strainers, unit heaters, duct heaters, heat exchangers, humidifiers, etc.

b) **COOLING SYSTEM:** Air conditioning compressor(s), evaporative condensers, air cooled condensers, pumps, water chillers, cleaning of cooling coils, etc.

c) **AIR HANDLING SYSTEM:** Fans, motors, air grills (cleaning), registers (cleaning), air filters, dampers, induction units, mixing boxes, fan coil units, electric heat elements, etc.

d) **MISCELLANEOUS EQUIPMENT:** Exhaust fans, manual valves, float valves, direct expansion valves, thermometers, gauges, magnetic starters, manual motor starters, pump and fan motor drives, belts, electrical wiring from motor starter to their respective motor, check valves, and refrigerant.

e) **MISCELLANEOUS EQUIPMENT** includes all parts, labor and materials necessary to make the repairs or the necessary replacement of any units, including:

- Water circulating pumps pertaining to heating and cooling systems;
- Water Regulating Valves;
- Float Valves;
- Hand Valves;
- Supply and Exhaust Fans;
- Electric Motors;
- Belts;
- Electric Starters (all);

- Heating Coils; (cleaning only)
- Cooling Coils; (cleaning only)
- Belt Drives;
- All water Strainers;
- Capacity and Safety Devices with controls
- Unit Heaters;
- Fan Cabinets, Air Handling Units;
- Boilers and Controls;
- Compressors; and
- Air Cooled Condensers.

2. PARTS AND COMPONENT REPLACEMENT: Contractor will repair or replace any worn, defective, or doubtful components on parts that are part of the maintained systems covered as part of this agreement. There will be no additional cost to the City for these replacements.

(a) In order to maintain standardization and integrity of the existing equipment and control system, all components must be repaired, and/or replaced with new parts, components, or devices as may be recommended or approved by the original equipment manufacturer(s).

(b) When equipment or parts are replaced in their entirety, and a newer design of this device is available and is functionally equivalent, compatible, and approved for use by the original equipment manufacturer, the newer device may be used as the replacement.

(c) The Contractor may not make any modification to the existing system that will violate the Underwriter's Laboratory listing and approval requirements as a system. (d) All miscellaneous parts and supplies necessary to maintain the HVAC system and equipment shall be supplied by the Contractor and included in the cost of the service program.

(e) The Contractor shall not be responsible for repair or replacement due to misuse of the equipment by others, or by reason of any other cause beyond the control of the Contractor, except ordinary wear and tear of the equipment.

(f) The Contractor shall provide and maintain a parts supply located in a secure, designated area at the City jobsite. Access to this storage area will be restricted to the Contractor, and City Facilities Supervisor. Critical, unique, or frequently used parts and supplies shall be stocked therein. This equipment shall remain the property of the Contractor until used and/or installed in the environmental systems.

3. PREVENTIVE AND PREDICTIVE MAINTENANCE:

(a) System analysis will be performed on the equipment covered under this agreement to detect early signs of deteriorating performance and to predict potential equipment failures. Upon identifying potential problem areas, Contractor shall complete corrective action as required and outlined in this

specification. All preventive maintenance services shall be completed in accordance with the service schedule included in this contract specification.

(b) The specific general maintenance services described below apply to the covered equipment, and shall be completed a minimum of four (4) times per year, including startup and shutdown, unless otherwise determined by either equipment run time or a frequency determined from consideration of manufacturer's recommendations, equipment operation, application, location, or criticality of end use.

(c) The Contractor shall control and adjust the scheduling intervals for required preventive maintenance and task functions to be performed by either / both calendar periods and operating hours (runtime) as pertinent to each piece of equipment. Any changes to the initial service schedule shall be approved in writing by the City.

(d) After each preventive maintenance service call is completed, a service report shall be furnished to City's designated representative for digital signature.

(e) Minimum services to be provided at each scheduled service interval (to be performed quarterly except as noted) for the HVAC mechanical systems and equipment shall include:

(i) THERMOSTATS AND TEMPERATURE CONTROLLERS

- (1) Remove cover and remove foreign particles
- (2) Clean the cover
- (3) Check set point of control
- (4) Check throttling range and reset
- (5) Calibrate as necessary
- (6) Check all pilot bleed ports
- (7) Check general condition

(ii) ELECTRICAL COMPONENTS

- (1) Energize relay to ensure operation, replace if needed
- (2) Inspect contactors and clean if required
- (3) Check pressure switches
- (4) Check overloads

(iii) DAMPERS

- (1) Lubricate dampers
- (2) Check for proper travel and close off, adjust as required
- (3) Tighten linkage and ball joints
- (4) Check operations bellows

(iv) ELECTRIC MOTORS

- (1) Check motor mounting and tighten if necessary
- (2) Check motor pulley for security, alignment, and tighten if necessary
- (3) Check bearing wear
- (4) Check belt wear, replace if needed
- (5) Check wiring and conduit (motor to starter) for condition
- (6) Check electrical connections and tighten
- (7) Check rotation of motor
- (8) Check motor for excessive heat and noise
- (9) Check air passages and windings
- (10) Check starter and clean/tighten contacts
- (11) Oil or grease motor bearings as required
- (12) Measure voltage and current draw and record

(v) AIR COMPRESSORS

- (1) Change the crankcase oil
- (2) Oil the compressor motors
- (3) Lubricate packing as required, replace as required
- (4) Check for moisture, oil or dirt in the lines
- (5) Clean the intake air filter, felt, and screen types
- (6) Clean the compressor belt
- (7) Clean the pressure relief valve
- (8) Replace cartridge-type, intake air-filter

(vi) REFRIGERATION COMPRESSORS

- (1) Check oil condition and level
- (2) Check for oil leaks
- (3) Check refrigerant charge and condition
- (4) Check condition and alignment of compressor drive
- (5) Check for unusual noises and vibration
- (6) Check refrigeration compressor and refrigeration piping for leaks

(7) Check operation of safety and capacity controls for proper operation, including high and low pressure cut-outs

(8) Check compressor mounting, and tighten if needed

(9) Check condition of refrigerant insulation

(10) Lubricate per manufacturer's instruction

(11) Perform start-up procedure per manufacturer's recommendation

(12) Perform efficiency test(s) (suction and head pressure and records results)

(vii) EVAPORATORS

(1) Check and clean tubes and fins as required

(2) Inspect and wash coils

(3) Check for rust and scale

(4) Check and paint if required

(viii) CONDENSATE DRAINS

(1) Inspect/clean drain pan

(2) Inspect/clean drain line

(ix) IR COOLED CONDENSERS

(1) Check fan for corrosion and wear

(2) Check fan blade and clean dirt accumulation

(3) Lubricate fan bearings and check for end play, excessive bearing temperature and unusual bearing wear

(4) Clean finned coil surfaces

(5) Check coil for damage or leaks

(6) Straighten bent fins

(7) Check pipe clamps for security and vibration

(8) Lubricate motor bearings

(9) Examine motor mount resiliency

(10) Tighten all electrical connections

(11) Inspect motor starter coils and contact

(12) Note general condition of enclosure, inspect for corrosion, deterioration, and damage. Tighten bolts and screws

(x) HOT WATER PUMPS

- (1) Check pump head for operation, wear, and capacity
- (2) Check mechanical seal or stuffing box for leaks
- (3) Check motor and pump mounting – tighten
- (4) Check attached piping insulation and repair if necessary
- (5) Check wiring and conduit for condition from motor to starter
- (6) Inspect all hand valves for proper operation and leaks
- (7) Check and lubricate motor and pump head bearings
- (8) Check motor pump coupling for alignment, condition, and security to shaft

(xi) AIR HANDLERS

- (1) Check blower mounting and tighten if necessary
- (2) Check shaft alignment to motor
- (3) Check blower pulley for security to shaft
- (4) Check blower belt for condition and tension – adjust or replace
- (5) Check blower rotation
- (6) Oil or grease blower bearing
- (7) Check blower scroll for dirt and clean
- (8) Check housing for rust and repair as necessary
- (9) Check coil faces
- (10) Note general condition of enclosure, inspect for corrosion, deterioration and damage, and tighten bolts and screws

(xii) HOT WATER BOILERS

- (1) Record and report abnormal conditions, measurements taken
- (2) Drain boiler as required to perform tests and inspections
- (3) Verify operation of makeup water system
- (4) Inspect condition of flues and report
- (5) Inspect refractory and firebrick for defects and report
- (6) Visually inspect boiler exterior for possible leaks and report
- (7) Clean or replace sight glass

- (8) Inspect all electrical connections for tightness
- (9) Verify accuracy of temperature gauges
- (10) Inspect air lines for obvious problems
- (11) Inspect wire insulation for signs of overheating, burns
- (12) Verify accuracy of pressure gauges
- (13) Report boiler condition and repair requirements (if any)
- (f) ADDITIONAL Contractor RESPONSIBILITIES SHALL INCLUDE:
 - (i) Examine each piece of equipment and device to see that it is functioning properly and is in good operational condition.
 - (ii) Clean all components of built-up dust, old lubricants, etc. to allow the equipment to function as designed.
 - (iii) Paint all equipment as needed to prevent and protect against corrosion and deterioration.
 - (iv) Lubricate all equipment where needed to permit bearings, gears, and all contact wearing points to operate freely and without undue wear.
 - (v) Adjust all linkages, motors, drives, etc. that have drifted from the initial design settings and positions.
 - (vi) Calibrate all sensing, monitoring, output, safety, and readout devices for proper ranges, settings, and optimum efficiencies.
 - (vii) Repair or replace the device should the above maintenance not be adequate.
 - (viii) Overhaul and tear down major pieces of equipment such as refrigeration compressors, water chillers, boilers, etc. periodically based on accumulated operating hours, to prevent breakdowns and to improve operational conditions.
 - (ix) Test and cycle all equipment as a system after it has been cleaned, lubricated, adjusted and calibrated to ensure that it operates to original design specifications.
- (g) AIR FILTER SERVICE AND AIR FILTRATION EQUIPMENT: Pre-filters, frame filters, pouch filters, fan coil filters, automatic roll-type filters and bag filters. Minimum services to be provided include:
 - (i) The Contractor shall provide, install and regularly change all air filters as a frequency dictated by dirt conditions, but no less than four (4) times per year for frame media, and as often as necessary for roll-type media.
 - (ii) Filter media (frame or roll type systems) shall be with an average AFI gravimetric rating of not less than 70% efficiency.
 - (iii) Filter media shall be standard polyester fiber and shall be bonded together preventing fiber shedding and blow through for maximum efficiency and shall be of the fire retardant type of at least Class 2 rating. Efficiency of 40 percent on pleated filters and 90 percent on bag filters.

(iv) Filter frames shall be sized to fill the entire cross section of the units to prevent blow-by and eliminate filter spacers in the system.

(h) AIR FILTER SERVICE AND AIR FILTRATION EQUIPMENT: Pre-filters, frame filters, pouch filters, fan coil filters, automatic roll-type filters and bag filters. Minimum services to be provided include:

(i) The Contractor shall provide, install and regularly change all air filters as a frequency dictated by dirt conditions, but no less than six (6) times per year for frame media, and as often as necessary for roll-type media.

(ii) Filter media (frame or roll type systems) shall be with an average AFI gravimetric rating of not less than 70% efficiency.

(iii) Filter media shall be standard polyester fiber and shall be bonded together preventing fiber shedding and blow through for maximum efficiency and shall be of the fire retardant type of at least Class 2 rating. Efficiency of 40 percent on pleated filters and 90 percent on bag filters.

(iv) Filter frames shall be sized to fill the entire cross section of the units to prevent blow-by and eliminate filter spacers in the system.

(i) WATER TREATMENT SYSTEM equipment includes: Hot water system, steam system, chilled water system (open or closed), evaporative condensers, cooling towers, and chilled and hot water circulating pumps.

(i) The Contractor shall provide the necessary labor and chemicals to properly maintain all water within the heating and cooling circulating system to control metal corrosion, scale formation, biological fouling, or contaminated discharge.

(ii) The chemicals provided must meet OSHA, Environmental Protection Agency and OEQC and any other governmental regulations and/or requirements for safety to personnel and the environment. All chemicals supplied must be biodegradable, and all discharged effluents must be non-polluting. Contractor to provide City staff with access to the most recent MSDS (Material Safety Data Sheets) for all chemicals used for each service location.

(iii) Contractor shall maintain all necessary control panels, bleed valves, injection pumps, associated piping and fittings, and all labor to maintain this monitoring equipment shall be supplied by the Contractor and shall be included in the cost of the service program.

(iv) The Contractor shall provide all labor to take test samples, adjust feed rates, change settings, drain and flush systems, service automatic monitoring equipment, manually inject chemicals (for closed systems), and provide a detailed water analysis and service report after performing those services as outlined above.

(v) For hot water heating systems and chilled water systems, the Contractor shall:

(vi) Drain system of existing water and chromate compound;

(vii) Refill system with clean water and add the required dosage of chemical treatment. Chemical shall be a non-chromate corrosion inhibitor such as the borate nitrite type. It shall be acceptable to all Federal, State, Local governmental regulations/requirements.

(j) PERIODIC TESTS:

(i) Perform quarterly vibration analysis of the equipment to be maintained. This analysis shall be made on all equipment above one (1) HP. The analysis shall be provided as a digital report showing the vibration measured.

(ii) An infrared scanner shall be used for a site inspection at least semiannually to evaluate the condition of all portions of mechanical system to include, but not limited to, all motors, pumps, chillers, boilers, motor starters, and electrical panels for proper predictive/preventive maintenance.

(iii) Contractor shall perform spectrochemical analysis of refrigeration compressor oil to determine the concentration levels of each of the following chemicals: aluminum, antimony, barium, boron, cadmium, calcium, chromium, copper, iron, lead, magnesium, molybdenum, nickel, phosphorous, silicon, silver, sodium, tin, titanium, and zinc.

(iv) This analysis will consist on a minimum of the following four (4) tests:

(1) Total Acid (ASTMD 664)

(2) Viscosity (ASTMD 445)

(3) Water Content (ASTMD 1744)

(4) Total Solids (ASTMD 91)

(v) Oil analysis shall be performed by Contractor annually at the beginning of March by a qualified laboratory. Contractor shall provide City with a detailed report of said analysis.

(vi) Boiler flue-gas analysis shall be performed by Contractor at the start of each Fall season with an Electric Flue Gas Analyzer to determine the proper energy efficiency of boiler burner system to maximize burner efficiency and Contractor shall provide City with a detailed report of said analysis.

(k) ZONE TEMPERATURE CONTROL SYSTEMS: Covered zone temperature control equipment shall also include: thermostats, pressure controls, relays, limits, valves, valve operators, damper motors, humidity controls, step switches, time clocks, contactors, controllers, capacity controls, safety controls, recorders, control panels, gauges, and air compressors.]

EXHIBIT B

Fee Schedule

Honeywell Building Solutions

SERVICE AGREEMENT

Date: August 13, 2021 Proposal Number: 0001393815-187597 Agreement Number: _____

(HONEYWELL)
Honeywell Building Solutions
22 Centerpointe Drive
La Palma, CA 90623

(CUSTOMER)
Customer's Name

City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach CA US 90266

Contact: Dru Leonard
Email: dleonard@citymb.info
Office: 310-802-5569

Area of Work: see below

Location	Total Price 1st Year	Total Price 2nd Year	Total Price 3rd Year	Total Price 4th Year	Total Price 5th Year
Public Safety	\$65,109.25	\$66,736.98	\$68,405.41	\$70,115.54	\$71,868.43
Metlox	\$2,408.46	\$2,468.67	\$2,530.39	\$2,593.65	\$2,658.49
Scout House	\$1,057.64	\$1,084.08	\$1,111.18	\$1,138.96	\$1,167.44
Round House	\$1,376.85	\$1,411.27	\$1,446.55	\$1,482.72	\$1,519.78
Red House	\$1,206.97	\$1,237.14	\$1,268.07	\$1,299.77	\$1,332.27
Public Works Bld A	\$4,260.15	\$4,366.66	\$4,475.82	\$4,587.72	\$4,702.41
Public Works Bld B	\$5,460.82	\$5,597.34	\$5,737.27	\$5,880.71	\$6,027.72
Public Works Bld C	\$7,876.13	\$8,073.03	\$8,274.86	\$8,481.73	\$8,693.77
Marine Park Ave	\$1,426.17	\$1,461.82	\$1,498.37	\$1,535.83	\$1,574.22
Manhattan Heights	\$5,090.92	\$5,218.19	\$5,348.65	\$5,482.36	\$5,619.42
Live Oak Park Tennis	\$2,165.97	\$2,220.12	\$2,275.62	\$2,332.51	\$2,390.83
Live Oak Park Rec	\$3,507.23	\$3,594.91	\$3,684.78	\$3,776.90	\$3,871.32
Joslyn Center	\$6,739.03	\$6,907.51	\$7,080.19	\$7,257.20	\$7,438.63
Fire Station #2	\$13,868.51	\$14,215.22	\$14,570.60	\$14,934.87	\$15,308.24
Creative Arts Center	\$2,544.09	\$2,607.69	\$2,672.88	\$2,739.71	\$2,808.20
City Hall	\$11,043.57	\$19,281.50	\$19,763.54	\$20,257.63	\$20,764.07
City Hall Annex	\$3,124.97	\$3,203.09	\$3,283.17	\$3,365.25	\$3,449.38
Block 35	\$1,813.44	\$1,858.78	\$1,905.25	\$1,952.88	\$2,001.70
Total Price 1st Year	\$140,080.17	\$151,544.02	\$155,332.62	\$159,215.93	\$163,196.33

EXHIBIT C

Terms for Compliance with California Labor Law Requirements

1. Contractor acknowledges that the project as defined in this Agreement between Contractor and City, to which this Agreement to Comply 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”), and 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. Contractor shall perform all work on the project as a public work. 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 Contractor or any subcontractor cease 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. Contractor shall, as a penalty to the City, forfeit two hundred dollars (\$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 (1) keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776, (2) certify and make such payroll records available for inspection as provided by Section 1776, and (3) inform the City of the location of the records.

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 the City a verified statement of the journeyman and apprentice hours performed under this Agreement.

9. 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. Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25.00) for each worker employed in the performance of this Agreement by 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.

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

11. 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.

12. To the maximum extent permitted by law, Contractor shall indemnify, hold harmless and defend (at Contractor'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 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 termination of the Agreement.

EXHIBIT D
PAYMENT BOND
(LABOR AND MATERIALS)

Bond No. _____

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Manhattan Beach ("City"), State of California, has awarded to Honeywell International, Inc. ("Principal") a contract (the "Contract") for City facility HVAC maintenance services.

WHEREAS, under the terms of the Contract, the Principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code.

NOW, THEREFORE, we, the undersigned Principal, and _____

(Name and address of Surety)

("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the City and all contractors, subcontractors, laborers, material suppliers, and other persons employed in the performance of the Contract and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the penal sum of four hundred forty-six thousand nine-hundred fifty-six dollars and eighty-one cents (\$446,956.81), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by City in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this Bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this Bond.

Upon expiration of the time within which the California Labor Commissioner may serve a civil wage and penalty assessment against the principal, any of its subcontractors, or both the principal and its subcontractors pursuant to Labor Code Section 1741, and upon expiration of the time within which a joint labor management committee may commence an action against the principal, any of its subcontractors, or both the principal and its subcontractors pursuant to Labor Code Section 1771.2, if the condition of this Bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract or the specifications accompanying the same shall in any manner affect its obligations on this Bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

IN WITNESS WHEREOF, two identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Principal and Surety, on the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: _____

“Principal”

“Surety”

By: _____
Its: _____

By: _____
Its: _____

(Seal)

(Seal)

Note: This Bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached. IF CONTRACTOR IS A PARTNERSHIP, ALL PARTNERS MUST EXECUTE BOND. DATE OF BOND MUST NOT BE PRIOR TO DATE OF CONTRACT. Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the State where the project is located.

