

**ON-CALL REPAIR SERVICES AGREEMENT  
WITH SANCON ENGINEERING, INC.,  
FOR AS-NEEDED REPAIR SERVICES FOR PIPE RELINING**

THIS ON-CALL REPAIR SERVICES AGREEMENT ("Agreement") is made and entered into as of this 7th day of <sup>JANUARY</sup> November, 2012<sup>3</sup> ("Effective Date"), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city ("City"), and SANCON ENGINEERING, INC., a California corporation ("Contractor"), whose principal place of business is 5841 Engineer Dr., Huntington Beach, CA 92649, and is made with reference to the following:

**RECITALS**

- A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of City.
- B. Pursuant to the authority conferred to City as a charter city under California Constitution, Article XI, Section 5, the City hereby exempts this Project from the payment of prevailing wages because the funds used to finance this Project are local funds and this Project is a matter of local concern.
- C. City desires to engage Contractor to perform on-call repair services for as-needed citywide pipe relining services ("Project").
- D. Contractor has examined the location of all proposed work, carefully reviewed and evaluated the specifications set forth by the City for the Project, and is familiar with all conditions relevant to the performance of services and has committed to perform all work required for the price specified in this Agreement.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

**1. TERM**

The term of this Agreement shall commence on the Effective Date, and shall terminate on November 30, 2014, unless terminated earlier as set forth herein.

**2. SCOPE OF WORK**

2.1 City and Contractor acknowledge that the above Recitals are true and correct and are hereby incorporated by reference. Contractor shall provide "On-Call" services as described in the Scope of Work attached hereto as Exhibit A and incorporated herein by reference ("Services" or "Work"). Upon written request from the Project Administrator (as defined below in Section 6), Contractor shall provide a letter proposal for Services requested by the City (hereinafter referred to as the "Letter Proposal"). The Letter Proposal shall include the following:

2.1.1 A detailed description of the Services to be provided;

15345

2.1.2 The position of each person to be assigned to perform the Services, and the name of the individuals to be assigned, if available;

2.1.3 The estimated number of hours and cost to complete the Services;  
and

2.1.4 The time needed to finish the specific project.

2.2 No Services shall be provided until the Project Administrator has provided written acceptance of the Letter Proposal. Once authorized to proceed, Contractor shall diligently perform the duties in the approved Letter Proposal and shall provide and furnish all the labor, materials, necessary tools, expendable equipment and all utility and transportation services necessary for the Project.

### 3. TIME OF PERFORMANCE

3.1 Time is of the essence in the performance of Services under this Agreement and Contractor shall perform the Services in accordance with the schedule included in Exhibit A. The failure by Contractor to strictly adhere to the schedule may result in termination of this Agreement by City.

3.2 Notwithstanding the foregoing, Contractor shall not be responsible for delays due to causes beyond Contractor's reasonable control. However, in the case of any such delay in the Services to be provided for the Project, each party hereby agrees to provide notice to the other party within two (2) calendar days of the occurrence of the delay so that all delays can be addressed.

3.3 Contractor shall submit all requests for extensions of time for performance in writing to the Project Administrator (as defined in Section 6 below) not later than two (2) calendar days after the start of the condition that purportedly causes a delay. The Project Administrator shall review all such requests and may grant reasonable time extensions for unforeseeable delays that are beyond Contractor's control.

3.4 For all time periods not specifically set forth herein, Contractor shall respond in the most expedient and appropriate manner under the circumstances, by fax, hand-delivery or mail.

### 4. COMPENSATION

4.1 City shall pay Contractor for the Services on a time and expense not-to-exceed basis, in accordance with the provisions of this Section and the Schedule of Rates attached hereto as Exhibit B and incorporated herein by reference. No rate changes shall be made during the term of this Agreement without the prior written approval of the City. Contractor's total compensation for Services performed in accordance with this Agreement, including all reimbursable items, shall not exceed **Seventy-Five Thousand Dollars and No/100 (\$75,000.00)** without written amendment to the Agreement.

4.2 Contractor shall submit monthly invoices to City describing the Work performed the preceding month. Contractor's bills shall include the name of the person

and/or classification of employee who performed the Work, a brief description of the Services performed and/or the specific task from the Scope of Work attached hereto to which it relates, the date the Services were performed, the number of hours spent on all Work billed on an hourly basis, and a description of any reimbursable expenditures. City shall pay Contractor no later than thirty (30) days after approval of the monthly invoice by City staff.

4.3 City shall reimburse Contractor only for those costs or expenses specifically approved in the Scope of Work and Schedule of Rates attached hereto. Unless otherwise approved, such costs shall be limited and include nothing more than the actual costs and/or other costs and/or payments specifically authorized in advance in writing and incurred by Contractor in the performance of this Agreement.

4.4 Contractor shall not receive any compensation for Extra Work without the prior written authorization of City. As used herein, "Extra Work" means any work that is determined by the Project Administrator to be necessary for the proper completion of the Project, but which is not included within the Scope of Work and which the City and Contractor did not reasonably anticipate would be necessary. Compensation for any authorized Extra Work shall be paid in accordance with the Schedule of Rates set forth in Exhibit B.

## **5. PROJECT MANAGER**

5.1 Contractor shall designate a Project Manager, who shall coordinate all phases of the Project. This Project Manager shall be available to City at all reasonable times during the Agreement term. Contractor has designated Ryan Helmuth to be its Project Manager. Contractor shall not remove or reassign the Project Manager or any key personnel listed in Exhibit A or assign any new or replacement personnel to the Project without the prior written consent of City. City's approval shall not be unreasonably withheld with respect to the removal or assignment of non-key personnel.

5.2 Contractor, at the sole discretion of City, shall remove from the Project any of its personnel assigned to the performance of Services upon written request of City. Contractor warrants this it will continuously furnish the necessary personnel to complete the Project on a timely basis as contemplated by this Agreement.

## **6. ADMINISTRATION**

This Agreement will be administered by the Municipal Operations Department. Jim Auger, Operations Support Superintendent, or designee shall be the Project Administrator and shall have the authority to act for City under this Agreement. The Project Administrator or designee shall represent City in all matters pertaining to the Services to be rendered pursuant to this Agreement.

## **7. TYPE AND INSTALLATION OF MATERIALS/STANDARD OF CARE**

7.1 Contractor shall use only the standard materials described in Exhibit A in performing Services under this Agreement. Any deviation from the materials described in Exhibit A shall not be installed or utilized unless approved in advance and in writing by the Project Administrator.

7.2 All of the Services shall be performed by Contractor or under Contractor's supervision. Contractor represents that it possesses the personnel required to perform the Services required by this Agreement, and that it will perform all Services in a manner commensurate with highest industry standards. All Services shall be performed by qualified and experienced personnel who are not employed by City. By delivery of completed Work, Contractor certifies that the Work conforms to the requirements of this Agreement and all applicable federal, state and local laws and the industry standard.

7.3 Contractor represents and warrants to City that it has, shall obtain and shall keep in full force and effect during the term hereof, at its sole cost and expense, all licenses, permits, qualifications, insurance and approvals of whatsoever nature that is legally required of Contractor to practice its profession. Contractor shall maintain a City of Newport Beach business license during the term of this Agreement.

7.4 Contractor shall not be responsible for delay, nor shall Contractor be responsible for damages or be in default or deemed to be in default by reason of strikes, lockouts, accidents, or acts of God, or the failure of City to furnish timely information or to approve or disapprove Contractor's Work promptly, or delay or faulty performance by City, contractors, or governmental agencies.

## **8. RESPONSIBILITY FOR DAMAGES OR INJURY**

8.1 City and all officers, employees and representatives thereof shall not be responsible in any manner for any loss or damage to any of the materials or other things used or employed in performing the Project or for injury to or death of any person as a result of Contractor's performance of the Services required hereunder; or for damage to property from any cause arising from the performance of the Project by Contractor, or its subcontractors, or its workers, or anyone employed by either of them.

8.2 Contractor shall be responsible for any liability imposed by law and for injuries to or death of any person or damage to property resulting from defects, obstructions or from any cause arising from Contractor's Work on the Project, or the Work of any subcontractor or supplier selected by the Contractor.

8.3 To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless City, its City Council, boards and commissions, officers, agents, volunteers, and employees (collectively, the "Indemnified Parties") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever (individually, a Claim; collectively, "Claims"), which may arise from or in any manner relate (directly or indirectly) to any breach of the terms and conditions of this Agreement, any Work performed or Services provided under this Agreement including, without limitation, defects in workmanship or materials or Contractor's presence or activities conducted on the Project (including the negligent and/or willful acts, errors and/or omissions of Contractor, its principals, officers, agents, employees, vendors, suppliers, consultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable or any or all of them).

8.4 Notwithstanding the foregoing, nothing herein shall be construed to require Contractor to indemnify the Indemnified Parties from any Claim arising from the sole negligence or willful misconduct of the Indemnified Parties. Nothing in this indemnity shall be construed as authorizing any award of attorney's fees in any action on or to enforce the terms of this Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by the Contractor.

8.5 Contractor shall perform all Work in a manner to minimize public inconvenience and possible hazard, to restore other work areas to their original condition and former usefulness as soon as possible, and to protect public and private property. Contractor shall be liable for any private or public property damaged during the performance of the Work by Contractor or its agents.

8.6 To the extent authorized by law, as much of the money due Contractor under and by virtue of the Agreement as shall be considered necessary by City may be retained by it until disposition has been made of such suits or claims for damages as aforesaid.

8.7 The rights and obligations set forth in this Section shall survive the termination of this Agreement.

## **9. INDEPENDENT CONTRACTOR**

It is understood that City has retained Contractor as an independent contractor and neither Contractor nor its employees are to be considered employees or agents of the City. The manner and means of conducting the Work are under the control of Contractor, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment shall accrue to Contractor or its employees. Nothing in this Agreement shall be deemed to constitute approval for Contractor or any of Contractor's employees or agents, to be the agents or employees of the City. Contractor shall have the responsibility for and control over the means of performing the Work, provided that Contractor is in compliance with the terms of this Agreement. Anything in this Agreement that may appear to give City the right to direct Contractor as to the details of the performance of the Work or to exercise a measure of control over Contractor shall mean only that Contractor shall follow the desires of City with respect to the results of the Services.

## **10. COOPERATION**

Contractor agrees to work closely and cooperate fully with City's designated Project Administrator and any other agencies that may have jurisdiction or interest in the Work to be performed. City agrees to cooperate with the Contractor on the Project.

## **11. CITY POLICY**

Contractor shall discuss and review all matters relating to policy and Project direction with the Project Administrator in advance of all critical decision points in order to ensure the Project proceeds in a manner consistent with City goals and policies.

## **12. PROGRESS**

Contractor is responsible for keeping the Project Administrator and/or his/her duly authorized designee informed on a regular basis regarding the status and progress of the Project, activities performed and planned, and any meetings that have been scheduled or are desired.

## **13. INSURANCE**

Without limiting Contractor's indemnification of City, and prior to commencement of Work, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement or for other periods as specified in this Agreement, policies of insurance of the type, amounts, terms and conditions described in the Insurance Requirements attached hereto as Exhibit C, and incorporated herein by reference.

## **14. PROHIBITION AGAINST ASSIGNMENTS AND TRANSFERS**

Except as specifically authorized under this Agreement, the Services to be provided under this Agreement shall not be assigned, transferred contracted or subcontracted out without the prior written approval of City. Any of the following shall be construed as an assignment: The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Contractor, or of the interest of any general partner or joint venturer or syndicate member or cotenant if Contractor is a partnership or joint-venture or syndicate or cotenancy, which shall result in changing the control of Contractor. Control means fifty percent (50%) or more of the voting power, or twenty-five percent (25%) or more of the assets of the corporation, partnership or joint-venture.

## **15. SUBCONTRACTING**

The subcontractors authorized by City, if any, to perform Work on this Project are identified in Exhibit A. Contractor shall be fully responsible to City for all acts and omissions of any subcontractors. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law. The City is an intended beneficiary of any Work performed by the subcontractor for purposes of establishing a duty of care between the subcontractor and the City. Except as specifically authorized herein, the Services to be provided under this Agreement shall not be otherwise assigned, transferred, contracted or subcontracted out without the prior written approval of City.

## **16. OWNERSHIP OF DOCUMENTS**

Each and every report, draft, record, plan, document and other writing produced (hereinafter "Documents"), prepared or caused to be prepared by Contractor, its officers, employees, agents and subcontractors, in the course of implementing this Agreement, shall become the exclusive property of City, and City shall have the sole right to use such materials in its discretion without further compensation to Contractor or

any other party. Contractor shall, at Contractor's expense, provide such Documents to City upon prior written request.

## **17. CONFIDENTIALITY**

All Documents, including drafts, notes and communications that result from the Services in this Agreement, shall be kept confidential unless City expressly authorizes in writing the release of information.

## **18. RECORDS**

Contractor shall keep records and invoices in connection with the Services to be performed under this Agreement. Contractor shall maintain complete and accurate records with respect to the costs incurred under this Agreement and any Services, expenditures and disbursements charged to City, for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Contractor under this Agreement. All such records and invoices shall be clearly identifiable. Contractor shall allow a representative of City to examine, audit and make transcripts or copies of such records and invoices during regular business hours. Contractor shall allow inspection of all Work, data, Documents, proceedings and activities related to the Agreement for a period of three (3) years from the date of final payment to Contractor under this Agreement.

## **19. WITHHOLDINGS**

City may withhold payment to Contractor of any disputed sums until satisfaction of the dispute with respect to such payment. Such withholding shall not be deemed to constitute a failure to pay according to the terms of this Agreement. Contractor shall not discontinue Work as a result of such withholding. Contractor shall have an immediate right to appeal to the City Manager or his/her designee with respect to such disputed sums. Contractor shall be entitled to receive interest on any withheld sums at the rate of return that City earned on its investments during the time period, from the date of withholding of any amounts found to have been improperly withheld.

## **20. CITY'S RIGHT TO EMPLOY OTHER CONTRACTORS**

City reserves the right to employ other Contractors in connection with the Project.

## **21. CONFLICTS OF INTEREST**

21.1 The Contractor or its employees may be subject to the provisions of the California Political Reform Act of 1974 (the "Act"), which (1) requires such persons to disclose any financial interest that may foreseeably be materially affected by the Work performed under this Agreement, and (2) prohibits such persons from making, or participating in making, decisions that will foreseeably financially affect such interest.

21.2 If subject to the Act, Contractor shall conform to all requirements of the Act. Failure to do so constitutes a material breach and is grounds for immediate termination of this Agreement by City. Contractor shall indemnify and hold harmless

City for any and all claims for damages resulting from Contractor's violation of this Section.

## 22. NOTICES

22.1 All notices, demands, requests or approvals, including any change in mailing address, to be given under the terms of this Agreement shall be given in writing, to City by Contractor and conclusively shall be deemed served when delivered personally, or on the third business day after the deposit thereof in the United States mail, postage prepaid, first-class mail, addressed as hereinafter provided. All notices, demands, requests or approvals from Contractor to City shall be addressed to City at:

Attn: Jim Auger, Operations Support Superintendent  
Municipal Operations Department  
City of Newport Beach  
3300 Newport Blvd.  
PO Box 1768  
Newport Beach, CA 92658  
Phone: 949-718-3477  
Fax: 949-650-0747

22.2 All notices, demands, requests or approvals from City to Contractor shall be addressed to Contractor at:

Attn: Ryan Helmuth  
SANCON ENGINEERING, INC.  
5841 Engineer Dr.  
Huntington Beach, CA 92649  
Phone: 714-891-2323  
Fax: 714-891-2524

## 23. NOTICE OF CLAIMS

Unless a shorter time is specified elsewhere in this Agreement, before making its final request for payment under the Agreement, Contractor shall submit to City, in writing, all claims for compensation under or arising out of this Agreement. Contractor's acceptance of the final payment shall constitute a waiver of all claims for compensation under or arising out of this Agreement except those previously made in writing and identified by Contractor in writing as unsettled at the time of its final request for payment. The Contractor and the City expressly agree that in addition to all claims filing requirements set forth in the Agreement, the Contractor shall be required to file any claim the Contractor may have against the City in strict conformance with the Tort Claims Act (Govt. Code §§ 900 *et seq.*).

## 24. TERMINATION

24.1 In the event that either party fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, that party shall be deemed in default in the performance of this Agreement. If such default is not cured

within a period of two (2) calendar days, or if more than two (2) calendar days are reasonably required to cure the default and the defaulting party fails to give adequate assurance of due performance within two (2) calendar days after receipt of written notice of default, specifying the nature of such default and the steps necessary to cure such default, the non-defaulting party may terminate the Agreement forthwith by giving to the defaulting party written notice thereof.

24.2 Notwithstanding the above provisions, City shall have the right, at its sole and absolute discretion and without cause, of terminating this Agreement at any time by giving no less than thirty (30) calendar days prior written notice to Contractor. In the event of termination under this Section, City shall pay Contractor for Services satisfactorily performed and costs incurred up to the effective date of termination for which Contractor has not been previously paid. On the effective date of termination, Contractor shall deliver to City all materials purchased and Documents created in performance of this Agreement.

## **25. LABOR**

25.1 Contractor shall conform with all applicable provisions of State and Federal law including, but not limited to, applicable provisions of the Federal Fair Labor Standards Act ("FLSA") (29 USCA § 201, *et seq.*).

25.2 Whenever Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Agreement, Contractor shall immediately give written notice to City, and provide all relevant information.

25.3 Contractor represents that all persons working under this Agreement are verified to be U.S. citizens or persons legally authorized to work in the United States.

25.4 To the fullest extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the City, its City Council, boards and commissions, officers, agents, volunteers, and employees from loss or damage, including but not limited to attorney's fees, and other costs of defense by reason of actual or alleged violations of any applicable Federal, State and local labor laws or law, rules, and/or regulations. This obligation shall survive the expiration and/or termination of the Agreement.

## **26. STANDARD PROVISIONS**

26.1 Compliance with all Laws. Contractor shall at its own cost and expense comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted.

26.2 Waiver. A waiver by City of any term, covenant, or condition in the Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition.

26.3 Integrated Contract. This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all

preliminary negotiations and Agreements of whatsoever kind or nature are merged herein. No verbal Contract or implied covenant shall be held to vary the provisions herein.

26.4 Conflicts or Inconsistencies. In the event there are any conflicts or inconsistencies between this Agreement and the Exhibits attached hereto, the terms of this Agreement shall govern.

26.5 Amendments. This Agreement may be modified or amended only by a written document executed by both Contractor and City and approved as to form by the City Attorney.

26.6 Effect of Contractor's Execution. Execution of this Agreement by Contractor is a representation that Contractor has visited the Project Site, has become familiar with the local conditions under which the Work is to be performed, and has taken into consideration these factors in submitting its Project proposal and Scope of Work.

26.7 Controlling Law and Venue. The laws of the State of California shall govern this Agreement and all matters relating to it and any action brought relating to this Agreement shall be adjudicated in a court of competent jurisdiction in the County of Orange, State of California.

26.8 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, age or any other impermissible basis under law.

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

26.10 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.

26.11 No Attorney's Fees. In the event of any dispute or legal action arising under this Agreement, the prevailing party shall not be entitled to attorney's fees.

26.12 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) and the same instrument.

**[SIGNATURES ON NEXT PAGE]**

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates written below.

**APPROVED AS TO FORM:  
CITY ATTORNEY'S OFFICE**

Date: 11/19/12

By: [Signature]  
Aaron G. Harp  
City Attorney

mb 11-19

**CITY OF NEWPORT BEACH,  
a California municipal corporation**

Date: 12/20/12

By: [Signature]  
Mark Harmon  
Municipal Operations Director

**ATTEST:**

Date: 1.7.13

By: [Signature]  
Leilani I. Brown  
City Clerk



**CONTRACTOR:  
SANCON ENGINEERING, INC.,  
a California corporation**

Date: 11/26/12

By: [Signature]  
Chuck Parsons  
Vice President

Date: 11-28-12

By: [Signature]  
Chris DiBenedetto  
Secretary

**[END OF SIGNATURES]**

- Attachments: Exhibit A – Scope of Work  
Exhibit B – Schedule of Rates  
Exhibit C – Insurance Requirements

A12-00762

**EXHIBIT A  
SCOPE OF WORK**

## ATTACHMENT A: SCOPE OF SERVICES

*Instructions: Initial the bottom of each page of the Scope of Services in the space provided and remit as part of your Proposal as Attachment A, acknowledging a demonstrated understanding of the Scope of Services.*

### 1. SCOPE OF SERVICES: CONTRACTOR RESPONSIBILITIES/PROVISIONS

Contractor shall:

- 1.1 Furnish all labor, equipment, materials, and supervision to install Cured in Place Pipe Lining (CIPP), as-needed, in the City's storm drains and sewer pipes.
- 1.2 Prior to CIPP installation, clean roots, silt, gravel and other debris from sewer line or storm drain in a manner that does not flush rocks, sand, sludge, dirt, grease or other solid or semi-solid material or debris into downstream sections of the sewer system, or storm drains.
  - 1.2.1 May include high pressure hydro-vacuum cleaning, hydro-jetting cleaning, hydro excavation services, coring services, and similar related services.
- 1.3 Video inspect sewer, water and storm drainage pipes to determine the interior condition and location of the pipeline with the use of a video camera or other special pipe inspection equipment.
- 1.4 Provide Video tape of pipe condition before and after the installation of CIPP in DVD-format to the Project Administrator. The Video inspection is not a separate pay item and shall be included in cost of the liner system.
- 1.5 Be responsible for the delivery, storage and handling of products.
- 1.6 Ensure that all work performed under this contract shall be performed in such a manner as to provide maximum safety to the public and where applicable comply with all safety standards required by CAL-OSHA. The City reserves the right to issue restraint, or cease and desist orders to the Contractor when unsafe or harmful acts are observed or reported relative to the performance under this contract. All contractor employees shall have access to a W.A.T.C.H. (Work Area Traffic Control Handbook) at all times.
- 1.7 Maintain all work sites free of hazards to persons and/or property resulting from his/her operations. Any hazardous condition noted by the Contractor, which is not a result of his/her operations, shall be immediately reported to the City.
- 1.8 Upon acceptance work, restore the project area affected by the operations to a condition at least equal to that existing prior to the work, including the removal of all debris.

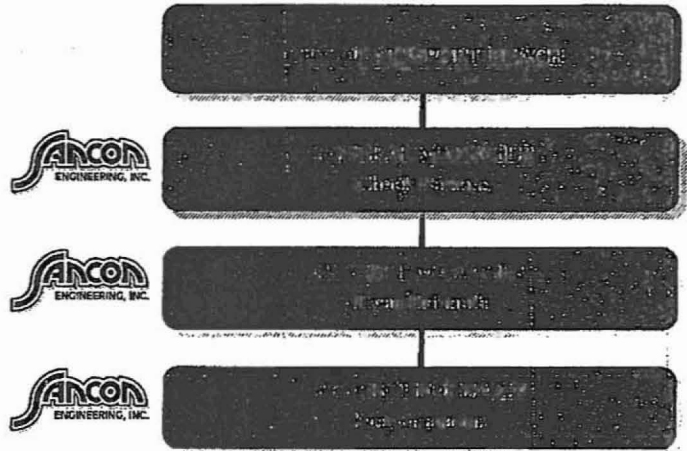
Proposer Initials: EH

- 1.9 Provide callback within twenty four hours after initial request from the City for pipe lining services.
- 1.10 Upon verbal or written request from the Project Administrator, submit a letter proposal for services requested by the City (hereinafter referred to as the "Letter Proposal"). The Letter Proposal shall include the following:
  - 1.10.1 A detailed description of the services to be provided;
  - 1.10.2 The position of each person to be assigned to perform the services, and the name of the individuals to be assigned, if available;
  - 1.10.3 The estimated number of hours and cost to complete the services;
  - 1.10.4 The time needed to finish the project; and
  - 1.10.5 No services shall be provided until the Project Administrator has provided written acceptance of the Letter Proposal. Once authorized to proceed, Contractor shall diligently perform the duties in the approved Proposal.

Proposer Initials: PH

## PROJECT TEAM

### Project Team Organizational Chart



### Key Personnel

**Title:** Vice President

**Years with Firm:** 16

**Years as Vice President:** 4

**Years with other Firms:** 3

**Education:** BS, ITE

**Certification / Registration:** CA  
 General Engineering Contractor  
 (Class A, B, C10) – 682352

#### Chuck Parsons Project Director

Chuck Parsons has worked in the sewer rehabilitation field for the past 18 years. He is responsible for Sancon's large diameter pipeline and tunnel rehabilitation projects, manhole rehabilitation work, short liners and lateral lining.

**Title:** Project Manager

**Years with Firm:** 2

**Education:** BS, Construction  
 Management

#### Ryan Helmuth Project Manager

Ryan Helmuth has been with Sancon since 2010. Mr. Helmuth has experience managing similar large scale pipeline improvement projects for local utility districts, municipalities and agencies.

Mr. Helmuth's experience includes managing such projects as:

- Citywide Sanitary Sewer System Repair & Rehabilitation Program Phase II – City of Anaheim  
 Installed 8,000' of 8" & 15" CIPP - \$222,976.00



## REQUEST FOR PROPOSAL – AS-NEEDED PIPELINE SERVICES

Annual Lining of Existing Sewer Mains Project No. 1-S-11 – City of La Habra

Installed 27,000' of 8" & 10" CIPP - \$1,001,296.00

Title: Foreman

Years with Firm: 16

### Noe Granados

#### Sancon Pipelining Foreman/Superintendent

Mr. Granados has been employed by Sancon since 1996. He has had increasing responsibilities since his hire date and has been a job foreman on countless pipe lining projects since Sancon began CIPP installations in 1998. His knowledge and experience have proven to be invaluable in our pipe lining projects, including many of our larger and more complex projects. His supervisory experience encompasses well over one million linear feet of trenchless liners installed successfully and on schedule.

### Capacity to Perform

Our capacity to perform the work for the City of Newport Beach is excellent at this time. Having recently completed a majority of our construction backlog with other regional agencies, our management and construction crews are energized and prepared to start another exciting project.

Sancon maintains dedicated teams, with senior level oversight employed at essential positions and throughout the project. As mentioned, our team member firms have completed the bulk of our primary project responsibilities and therefore have the available and appropriately experienced staff to commit for the duration of this contract.



Organizational Information

## PROJECT APPROACH

**Sancon Engineering** has performed over a million linear feet of Sanitary Sewer and Storm Drain Rehabilitation since its inception. The process begins by surveying the project through the use of the proposed Project Foreman and the estimator, who upon award will become the acting Project Manager. Surveying the job consists of measuring each lining segment to confirm lengths for material order as well as determining installation procedures and lengths, confirming manhole depths and flows, traffic and business concerns, and checking access for installation purposes including any required bypass setups. Sancon feels that this system allows for better understanding of the project by both the project manager in the office and the foreman in the field, for a seamless transition from scheduling to performance in the field.

While most Pipe Lining Contractors utilize a Clean & CCTV contractor to clean and inspect the segments prior to lining, Sancon's philosophy is that by self-performing this task using the project team results in better risk management, better understanding of the required lining segment and bypass concerns, and a quicker response on any required point repairs that may inhibit lining of the sewer. Cleaning will consist of the removal of all roots, silt, gravel and other debris that may prevent a successful liner installation through the utilization of high pressure hydro-jetting equipment. Care will be taken to ensure that none of the dislodged debris will enter the downstream sewer or storm drain system. Once cleaned, video recorded with a specialized robotic camera system, and condition of the host pipe verified through PACP trained technicians, material will be delivered and stored until installation at our Huntington Beach facility.

After confirmation of sewer line lengths through CCTV work by the project team, Sancon performs the CIPP wetout process at our facility in Huntington Beach, unlike most Pipe Lining Contractors who have the product wetout and shipped from out of state. By doing this work at our own facility and using our own forces, we ensure the best quality control possible, as well as the opportunity for City Inspectors to witness and verify the wetout process, including verification that the proper resin and felt thicknesses are being used. Once the liner has completed the wetout process, it is ready for installation. Upon completion of the CIPP liner installation, the ends of the CIPP liner are neatly trimmed and sealed to the existing host pipe. The final step is performing of a post video inspection to confirm the reinstatement of all lateral connections and the successful installation of the liner.

For scheduling of larger projects, lines that are ready to install are overlaid with the initial survey schedule and adjusted accordingly in regards to total installation lengths and service lateral reinstatements required in order to create an efficient and effective project schedule, ensuring the project runs as smooth as possible. This is assisted by efficient project management by completing any point repairs that are tied to lining segments first in order to keep the project moving forward without contractors interfering with other trades. At this point, point repairs and lining work can happen concurrently allowing the project to finish as early as possible. If any segments are unable to be lined as determined by the pre-CCTV video due to infiltration or a required point repair, or the Sancon project team feels there may be risk in lining a particular segment, the City will be contacted immediately in order to review the video and either direct Sancon how to proceed or present alternative technologies of which Sancon has several. This ensures the City is aware at all times of the progress of the project, resulting in less risk for delay and that the City receives the best product possible.

All work performed under the contract will be performed by professionally trained, safety minded technicians. All Sancon employees are confined space certified and regularly take part in Cal-OSHA training seminars. In addition to personal and public safety around our project sites, vehicular traffic

## REQUEST FOR PROPOSAL – AS-NEEDED PIPE LINING SERVICES

safety is also an utmost priority. Every Sancon vehicle carries a Work Area Traffic Control Handbook at all times. Here at Sancon we pride ourselves in maintaining work sites as free of potential hazards, and restoring jobsites to their pre-work condition in an effort to ensure a positive relationship and experience between the City, the Public, and all parties involved.

Upon communication of required services from the City, Sancon will be able to effectively respond within twenty-four hours providing a written Letter Proposal outlining our services to be provided, personnel that will be assigned to the work, estimated durations and costs for the work, and the total amount of time that the project will require.

**EXHIBIT B**  
**SCHEDULE OF BILLING RATES**

### SCHEDULE OF BILLING RATES

Pipe Size	Price per linear foot			
	6 inch	12 inch	18 inch	24 inch
<b>Footage</b>				
0 - 100 ft	\$ 165	\$ 170	\$ 250	\$ 238
101 - 150 ft	\$ 70	\$ 75	\$ 105	\$ 118
151 - 200 ft	\$ 65	\$ 71	\$ 82	\$ 95
201 - 250 ft	\$ 52	\$ 58	\$ 69	\$ 82
250 ft - greater	\$ 48	\$ 54	\$ 65	\$ 78

\* The price does include cutting out laterals.

<b>Hourly Rate</b> <i>(includes cleaning and CCTV services)</i>	\$ 450	(Crew of 3)
<b>Mobilization</b> <i>(per project)</i>	\$ 1,500	
<b>Traffic Control</b>	\$ 1,500	

Please clarify basis :  
Daily  
(daily, per project, etc)

## EXHIBIT C

### 1. INSURANCE REQUIREMENTS – MAINTENANCE AND REPAIR

1.1 Provision of Insurance. Without limiting Contractor's indemnification of City, and prior to commencement of Work, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City. Contractor agrees to provide insurance in accordance with requirements set forth here. If Contractor uses existing coverage to comply and that coverage does not meet these requirements, Contractor agrees to amend, supplement or endorse the existing coverage.

1.2 Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

#### 1.3 Coverage Requirements.

1.3.1 Workers' Compensation Insurance. Contractor shall maintain Workers' Compensation Insurance, statutory limits, and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000) each accident for bodily injury by accident and each employee for bodily injury by disease in accordance with the laws of the State of California, Section 3700 of the Labor Code.

1.3.1.1 Contractor shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, officials, employees and agents.

1.3.2 General Liability Insurance. Contractor shall maintain commercial general liability insurance, and if necessary umbrella liability insurance, with coverage at least as broad as provided by Insurance Services Office form CG 00 01, in an amount not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) general aggregate and two million dollars (\$2,000,000) completed operations aggregate. The policy shall cover liability arising from premises, operations, products-completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract) with no endorsement or modification limiting the scope of coverage for liability assumed under a contract.

1.3.3 Automobile Liability Insurance. Contractor shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Contractor arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than one million dollars (\$1,000,000) combined single limit for each accident.

1.4 Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:

1.4.1 Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Contractor or others providing insurance evidence in compliance with these requirements to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against City, and shall require similar written express waivers from each of its subcontractors.

1.4.2 Additional Insured Status. All liability policies including general liability, excess liability, pollution liability, and automobile liability, but not including professional liability (if required), shall provide or be endorsed to provide that City and its officers, officials, employees, and agents shall be included as insureds under such policies.

1.4.3 Primary and Non Contributory. All liability coverage shall apply on a primary basis and shall not require contribution from any insurance or self-insurance maintained by City.

1.4.4 Notice of Cancellation. All policies shall provide City with thirty (30) days notice of cancellation (except for nonpayment for which ten (10) days notice is required) or nonrenewal of coverage for each required coverage.

1.5 Additional Agreements Between the Parties. The parties hereby agree to the following:

1.5.1 Evidence of Insurance. Contractor shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation and other endorsements as specified herein for each coverage. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

1.5.2 City's Right to Revise Requirements. The City reserves the right at any time during the term of this Agreement to change the amounts and types of insurance required by giving the Contractor ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Contractor, the City and Contractor may renegotiate Contractor's compensation.

1.5.3 Right to Review Subcontracts. Contractor agrees that upon request, all contracts with subcontractors or others with whom Contractor enters into contracts with on behalf of City will be submitted to City for review. Failure of City to request copies of such contracts will not impose any liability on City, or its employees.

1.5.4 Enforcement of Contract Provisions. Contractor acknowledges and agrees that any actual or alleged failure on the part of the City to inform Contractor of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

1.5.5 Requirements not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage,

limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

1.5.6 Self-insured Retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these requirements unless approved by City.

1.5.7 City Remedies for Non Compliance If Contractor or any subcontractor fails to provide and maintain insurance as required herein, then City shall have the right but not the obligation, to purchase such insurance, to terminate this agreement, or to suspend Contractor's right to proceed until proper evidence of insurance is provided. Any amounts paid by City shall, at City's sole option, be deducted from amounts payable to Contractor or reimbursed by Contractor upon demand.

1.5.8 Timely Notice of Claims. Contractor shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

1.5.9 Contractor's Insurance. Contractor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.

**CERTIFICATE OF INSURANCE  
CHECKLIST**

**City of Newport Beach**

**This checklist is comprised of requirements as outlined by the City of Newport Beach. \***

Date Received: 12/18/12 Dept./Contact Received From: Raymund  
Date Completed: 12/18/12 Sent to: Raymund By: Renee  
Company/Person required to have certificate: Sancon Engineering, Inc.  
Type of contract: All Other

**I. GENERAL LIABILITY**

- EFFECTIVE/EXPIRATION DATE: 10/1/12 to 10/1/13
- A. INSURANCE COMPANY: Travelers Indemnity Company of CT
- B. AM BEST RATING (A- : VII or greater): A+; XV
- C. ADMITTED Company (Must be California Admitted):  
Is Company admitted in California?  Yes  No
- D. LIMITS (Must be \$1M or greater): What is limit provided? \$1,000,000 / \$2,000,000
- E. ADDITIONAL INSURED ENDORSEMENT – please attach  Yes  No
- F. PRODUCTS AND COMPLETED OPERATIONS (Must include): Is it included? (completed Operations status does not apply to Waste Haulers or Recreation)  Yes  No
- G. ADDITIONAL INSURED FOR PRODUCTS AND COMPLETED OPERATIONS ENDORSEMENT (completed Operations status does not apply to Waste Haulers)  Yes  No
- H. ADDITIONAL INSURED WORDING TO INCLUDE (The City its officers, officials, employees and volunteers): Is it included?  Yes  No
- I. PRIMARY & NON-CONTRIBUTORY WORDING (Must be included): Is it included?  Yes  No
- J. CAUTION! (Confirm that loss or liability of the named insured is not limited solely by their negligence) Does endorsement include "solely by negligence" wording?  Yes  No
- K. ELECTED SCMAF COVERAGE (RECREATION ONLY):  N/A  Yes  No
- L. NOTICE OF CANCELLATION:  N/A  Yes  No

**II. AUTOMOBILE LIABILITY**

- EFFECTIVE/EXPIRATION DATE: 10/1/12 to 10/1/13
- A. INSURANCE COMPANY: Travelers Indemnity Company of CT
- B. AM BEST RATING (A- : VII or greater) A+; XV
- C. ADMITTED COMPANY (Must be California Admitted):  
Is Company admitted in California?  Yes  No
- D. LIMITS - If Employees (Must be \$1M min. BI & PD and \$500,000 UM, \$2M min for Waste Haulers): What is limits provided? \$1,000,000
- E. LIMITS Waiver of Auto Insurance / Proof of coverage (if individual) (What is limits provided?) N/A
- F. PRIMARY & NON-CONTRIBUTORY WORDING (For Waste Haulers only):  N/A  Yes  No
- G. HIRED AND NON-OWNED AUTO ONLY:  N/A  Yes  No
- H. NOTICE OF CANCELLATION:  N/A  Yes  No

III. WORKERS' COMPENSATION

EFFECTIVE/EXPIRATION DATE: 10/1/12 to 10/1/13

- A. INSURANCE COMPANY: Travelers Property & Casualty Co of America
- B. AM BEST RATING (A- : VII or greater): A+; XV
- C. ADMITTED Company (Must be California Admitted):  Yes  No
- D. WORKERS' COMPENSATION LIMIT: Statutory  Yes  No
- E. EMPLOYERS' LIABILITY LIMIT (Must be \$1M or greater) \$1,000,000
- F. WAIVER OF SUBROGATION (To include): Is it included?  Yes  No
- G. SIGNED WORKERS' COMPENSATION EXEMPTION FORM:  N/A  Yes  No
- H. NOTICE OF CANCELLATION:  N/A  Yes  No

ADDITIONAL COVERAGE'S THAT MAYBE REQUIRED

IV. PROFESSIONAL LIABILITY

N/A  Yes  No

V POLLUTION LIABILITY

N/A  Yes  No

V BUILDERS RISK

N/A  Yes  No

**HAVE ALL ABOVE REQUIREMENTS BEEN MET?  
IF NO, WHICH ITEMS NEED TO BE COMPLETED?**

Yes  No

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Approved:



12/19/12

Agent of Alliant Insurance Services  
Broker of record for the City of Newport Beach

Date

**RISK MANAGEMENT APPROVAL REQUIRED** (Non-admitted carrier rated less than \_\_\_;

Self Insured Retention or Deductible greater than \$\_\_\_\_\_ )  N/A  Yes  No

Reason for Risk Management approval/exception/waiver:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Approved:

Risk Management

Date

\* Subject to the terms of the contract.