
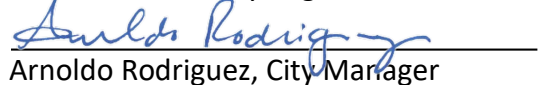


REPORT TO CITY COUNCIL

Approved by:



Keith Helmuth, City Engineer



Arnaldo Rodriguez, City Manager

Council Meeting of: June 12, 2024

Agenda Number: A-2

SUBJECT:

Contract Award for the Avenue 13 Sewer Interceptor Rehabilitation, City Project No. SS-00014

RECOMMENDATION:

Adopt a Resolution:

1. Adopting a Class 1 (Existing Facilities) and Class 2 (Replacement or Reconstruction) Categorical Exemptions under California Environmental Quality Act (CEQA) Guidelines Section 15301 and 15302; and
2. Approving the Contract Award for the Avenue 13 Sewer Interceptor Rehabilitation Project, City Project No. SS-00014 in the amount of \$8,328,452.00 to SAK Construction, LLC, as to its material terms; and
3. Authorizing a Contingency of 20 percent of the Contract amount; and
4. Authorizing the City Manager to Execute the Agreement on behalf of the City.

SUMMARY:

As part of a prior condition assessment project, the City has inspected its sewer lines using closed-circuit television (CCTV). During a CCTV inspection, the City learned that several lines were in need of maintenance, one of which was an approximate 4.6-mile portion of the sewer interceptor along Schnoor Avenue and Avenue 13 between Granada Avenue and Road 21 ½ at the Waste Water Treatment Plant (WWTP). The City hired MKN Associates (MKN) for professional engineering and construction management services for this Project. Consistent with State and industry requirements, MKN engaged in assessment, design, engineering, etc. The project was divided into three phases, prioritized by assessed need. Phases 1 and 2 collectively combine to rehabilitate the sewer interceptor along Avenue 13 from Granada to the WWTP. Phase 3 will include rehabilitation of the sewer interceptor upstream of Phases 1 and 2. Due to additional funding availability, Phases 1 and 2 were combined into one bid package to facilitate a more cost-effective rehabilitation project. An advertisement for bids for the combined Phases 1 and 2, the Avenue 13 Sewer Interceptor Rehabilitation Project (Project), resulted in four (4) bids being

received, including from SAK Construction, LLC, (SAK) deemed the lowest responsive and responsible bidder. The requested action is to award the bid to SAK, with authorized contingencies up to twenty percent (20%).

DISCUSSION:

As a result of a CCTV condition assessment, the City has planned as part of its Capital Improvement Project (CIP) budget rehabilitation of the sewer interceptor along Schnoor Avenue and Avenue 13 between Granada Avenue and Road 21 ½ at the WWTP. MKN was retained for professional engineering and project management services in November 2021. Since being retained, MKN has conducted an assessment and provided design and general engineering services. These services resulted in a recommended three-phase project for the rehabilitation of the line. The phases were based on the assessed condition of the pipe, with Phase 1 receiving the highest priority. The general scope of the project under consideration of award for Phases 1 and 2 includes rehabilitation of the existing pipeline from Granada Avenue to Road 21 ½ at the WWTP. The project includes the rehabilitation of approximately 18,680 linear feet of 42-inch and 48-inch pipeline by installation of Cured in Place Pipeline (CIPP) liner.

On April 17, 2024, an “Advertisement for Bids” was published in the Madera Tribune as well as released for public bidding on the City’s PlanetBids web portal. On May 22, 2024, four (4) bids were received. The bids were checked for accuracy against bidding requirements, validity of licenses, and bid security. To determine the low bidder, bids were compared to the Bid Schedule and are summarized by the Bid Overview in Table 1.

Table 1: Bid Overview	
<i>Bidder</i>	<i>Total Base Bid</i>
1. SAK Construction	\$8,328,452.00
2. Insituform Technologies, LLC	\$10,291,186.00
3. Lamassu Utility Services, Inc	\$11,377,197.49
4. Spinello Infrastructure West, Inc	\$12,187,830.00
<i>Engineer’s Opinion of Cost</i>	
Phases 1 and 2	\$11,250,960.00

At the conclusion of this comparison SAK Construction was deemed to have submitted the lowest-cost, responsive and responsible bid that meets the contract requirements.

The date of contract award is not part of the project timeline as advertised, nor does it have bearing on the award of agreement. Due to recent unanticipated failures in the line, staff expedited processing the contract documents to prepare them for Council’s consideration.

ENVIRONMENTAL:

City staff performed a preliminary environmental assessment and determined that a Class 1 (Existing Facilities) and Class 2 (Replacement or Reconstruction) set forth in CEQA Guidelines Sections

15301 and 15302 apply to this project, as the rehabilitation applies to existing City sewer distribution pipeline facilities used to provide sewerage and public utility services involving negligible or no expansion to those existing facilities beyond that existing at the time of the City's determination and will be located on the same site and have the same purpose and capacity. Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines 15300.2 apply to this project.

FINANCIAL IMPACT:

The project recommended for award was included in the City's adopted FY 2023-2024 Capital Improvement Projects budget. There is no fiscal impact on the City's General Fund. Funding sources will be the American Rescue Plan Act and monies received from the State of California specifically for this rehabilitation project.

The recommended project budget includes the SAK project construction bid amount of \$8,328,452.00; a twenty percent (20%) contingency as approved by the City Engineer; plus an estimated ten percent (10%) for various construction management, administration, testing, and inspection services; for a total project budget of \$10,826,987.60. The project budget is outlined in Table 2.

Table 2. Project Budget	
<i>Line Item</i>	<i>Amount</i>
SAK construction contract	\$8,328,452.00
Project contingency	\$1,665,690.40
Various related services	\$832,845.20
Total Project Budget	\$10,826,987.60

ALTERNATIVES:

The Council may reject all bids and rebid the project. This will delay rehabilitation of the sewer line by several months.

ATTACHMENTS:

1. Resolution approving Contract
 - a. Exhibit A – Contract (Contract Document attachments are located at <https://www.madera.gov/wp-content/uploads/2024/06/Contract-Documents-SAK-Construction.pdf>)

Attachment 1

Resolution

RESOLUTION NO. 24-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,
CALIFORNIA ADOPTING A CALIFORNIA ENVIRONMENTAL QUALITY
ACT (CEQA) CLASS 1 AND CLASS 2 CATEGORICAL EXEMPTIONS AND
APPROVING THE CONTRACT AWARD FOR THE AVENUE 13 SEWER
INTERCEPTOR REHABILITATION PROJECT IN THE AMOUNT OF
\$8,328,452.00 AND AUTHORIZING THE CITY MANAGER TO EXECUTE
THE AGREEMENT ON BEHALF OF THE CITY**

WHEREAS, on April 17, 2024, the City of Madera (City) Engineering Department advertised a solicitation for construction bids for the Avenue 13 Sewer Interceptor Rehabilitation, City Project SS-00014, hereinafter referred to as “the Project;” and

WHEREAS, four sealed bids were received on May 29, 2024, and opened by the City Engineer as follows:

1.	SAK Construction	\$8,328,452.00
2.	Insituform Technologies, LLC	\$10,291,186.00
3.	Lamassu Utility Services, Inc	\$11,377,197.49
4.	Spinello Infrastructure West, Inc	\$12,187,830.00

; and

WHEREAS, SAK Construction, LLC, was selected as the lowest responsive and responsible bidder; and

WHEREAS, funding for the Project is programmed in the Capital Improvement Projects Budget for Fiscal Year 2023/24 under CIP Projects Avenue 13 Sewer Interceptor Rehabilitation; and

WHEREAS, the City has performed a preliminary environmental assessment of the Project, and has determined that a Class 1 and Class 2 Categorical Exemptions set forth in the California Environmental Quality Act (CEQA) Guidelines, Sections 15301 and 15302, applies to the Project; and

WHEREAS, the City desires to award the bid to SAK Construction, LLC, and enter into an agreement to construct the City of Madera Avenue 13 Sewer Interceptor Rehabilitation, City Project No. SS-00014.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA HEREBY finds, orders and resolves as follows:

1. The above recitals are true and correct and are incorporated herein as if set forth in

full.

2. The City Council finds and determines that a Class 1 (Existing Facilities) and Class 2 (Replacement or Reconstruction) as set forth in CEQA Guidelines Sections 15301 and 15302 apply to the Project, as the rehabilitation applies to existing City sewer distribution pipeline facilities used to provide sewerage and public utility services involving negligible or no expansion to those existing facilities beyond that existing at the time of the City's determination and will be located on the same site and have the same purpose and capacity. Further, none of the exceptions to Categorical Exemptions set forth in CEQA Guidelines 15300.2 apply to the Project.
3. The City Council (Council) has reviewed and considered all of the information presented including the report to Council from the Engineering Department.
4. The City Council finds that SAK Construction, LLC, is the lowest qualified responsible and responsive bidder, and does hereby accept the bid of SAK Construction, LLC.
5. The City Council awards the bid to SAK Construction, LLC, with the finding it is in the best interests of the City. The City Council approves an Agreement for the project, attached as Exhibit "A," in the amount of \$8,328,452.00 with SAK Construction, LLC, and authorizes the City Manager to execute the same on behalf of the City. The City Manager is further authorized to make any non-material, technical, and clerical edits and corrections to the Agreement, including performance and payment bonds completed after the award, subject to approval as to form by City Attorney.
6. Council authorizes construction contingencies of up to 20 percent as approved by the City Engineer.
7. This Resolution is effective immediately upon adoption.

Exhibit A

Contract Agreement

AGREEMENT

THIS AGREEMENT, made this 10th day of June 2024, between the City of Madera, hereinafter called "**OWNER**", and **SAK Construction, LLC**, doing business as (an individual), or (a partnership), or (a corporation), hereinafter called "**CONTRACTOR**".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The **CONTRACTOR** shall commence and complete all **WORK** required for the
**"CITY OF MADERA AVENUE 13 SEWER INTERCEPTOR REHABILITATION,
CITY PROJECT NO. SS-00014"**
2. The **CONTRACTOR** shall furnish all of the material, supplies, tools, equipment, labor and other services necessary for the construction and completion of the **WORK** described herein.
3. The **CONTRACTOR** shall commence the **WORK** required by the **CONTRACT DOCUMENTS** within 10 calendar days after the date of the **NOTICE TO PROCEED** and will complete the same within the time period set forth in the **CONTRACT DOCUMENTS**. The **CONTRACTOR** shall submit a Payment Bond and Performance Bond in the amount of \$8,328,452.00, each and Insurance Certificates as specified in the **CONTRACT DOCUMENTS** prior to commencing any **WORK**.
4. The **CONTRACTOR** agrees to perform all of the **WORK** described in the **DOCUMENTS** for the unit and lump sum prices set forth in the Bid Schedule.
5. The term "**CONTRACT DOCUMENTS**" means and includes the following:
 - (A) Advertisement for Bids
 - (B) Information for Bidders
 - (C) Bid Proposal
 - (D) Bid Bond
 - (E) Agreement
 - (F) Payment Bond
 - (G) Performance Bond
 - (H) Insurance Requirements for Contractors
 - (I) Section 1, General Conditions
 - (J) Section 2, Special Conditions
 - (K) Section 3, City of Madera Standard Specifications and Drawings
 - (L) Section 4, Bid Items
 - (M) Section 5, Technical Specifications
 - (N) State Standard Plans and Specifications
 - (O) Plans and Specification prepared or issued by City of Madera entitled "**CITY OF MADERA AVENUE 13 SEWER INTERCEPTOR REHABILITATION**" dated **April, 2024**

Addenda No. 1, dated May 9, 2024

Addenda No. 2, dated May 21, 2024

6. In the event the **CONTRACTOR** does not complete the **WORK** within the time limit specified herein or within such further time as authorized, the **CONTRACTOR** shall pay to the **OWNER** liquidated damages in the amount of **Two Thousand and Five Hundred Dollars (\$2,500.00)** per day for each and every calendar day delay in finishing the **WORK** beyond the completion date so specified.

7. The **OWNER** will pay to the **CONTRACTOR** in the manner and at such times as set forth in the General Conditions such amounts as required by the **CONTRACT DOCUMENTS**. For any moneys earned by the **CONTRACTOR** and withheld by the **OWNER** to ensure the performance of the Contract, the **CONTRACTOR** may, at his request and expense, substitute securities equivalent to the amount withheld in the form and manner and subject to the conditions provided in Division 2, Part 5, Section 22300 of the Public Contract Code of the State of California.

8. In the event of a dispute between the **OWNER** and the **CONTRACTOR** as to an interpretation of any of the specifications or as to the quality or sufficiency of material or workmanship, the decision of the **OWNER** shall for the time being prevail and the **CONTRACTOR**, without delaying the job, shall proceed as directed by the **OWNER** without prejudice to a final determination by negotiation, arbitration by mutual consent or litigation, and should the **CONTRACTOR** be finally determined to be either wholly or partially correct, the **OWNER** shall reimburse him for any added costs he may have incurred by reason of work done or material supplied beyond the terms of the contract as a result of complying with the **OWNER'S** directions as aforesaid. In the event the **CONTRACTOR** shall neglect to prosecute the work properly or fail to perform any provisions of the **CONTRACT**, the **OWNER**, after three days written notice to the **CONTRACTOR**, may, without prejudice to any other remedy it may have, make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due to the **CONTRACTOR**, subject to final settlement between the parties as in this paragraph herein above provided.

8A. CLAIMS RESOLUTION PROCESS FOR DISPUTES.

It is the intent of this Contract that disputes regarding the Contract be resolved promptly and fairly between the Contractor and the Owner. However, it is recognized that some disputes will require detailed investigation and review by one or both parties before a determination and resolution can be reached. For the protection of the rights of both the Contractor and the Owner, the following provisions are provided for the resolution of disputes which cannot be resolved by the Owner and the Contractor within three business days after either party gives verbal notice of dispute or potential dispute to the other's attention and prior to the commencement of such work.

The following provisions are intended by Contractor and Owner to comply with Public Contract Code Sections 9204 and 20104 et. seq.

A. Claims:

The term "claim" refers to a separate demand by Contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:

1. A time extension, including, without limitation, for relief from damages or penalties for delay assessed by Owner under this Contract.
2. Payment by the Owner of money or damages arising from work done by, or on behalf of, the Contractor pursuant to the Contract and payment for which is not otherwise expressly provided or to which the Contractor is not otherwise entitled.
3. Payment of an amount that is disputed by the Owner.

B. The Claim Must Be Timely and in Writing:

For all claims the claim must be in writing and include the documents necessary to substantiate the claim. A notice of potential claim must be filed within five (5) business days of Contractor's completion of work that is a potential claim. Notice of an actual claim must be filed on or before the date of final payment.

C. Receipt of Claim by Owner:

Upon receipt of a claim pursuant to this section, the Owner will conduct a reasonable review of the claim and, within a period not to exceed 45 days from the date of receipt, will provide the Contractor with a written statement identifying what portion of the claim is disputed and what portion is undisputed. Upon receipt of a claim, Owner and Contractor may, by mutual agreement, extend the time period provided in this section.

The Contractor shall furnish reasonable documentation to support the claim. If additional information is thereafter required, it shall be requested and provided upon mutual agreement by the Owner and the Contractor. The District's written response to the claim, as further documented, shall be submitted to the claimant within 30 days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation.

D. City Council Approval:

If the Owner needs approval from the City Council to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the claim, and the City Council does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, the Owner shall have up to three days following the next duly publicly noticed regular meeting of the City Council after the 45-day period or extension expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

E. Payment of Claim:

Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the Owner issues its written statement. If the Owner fails to issue a written statement, paragraph F below shall apply.

F. Meet and Confer:

If the Contractor disputes the Owner's written response, or if the Owner fails to respond to a claim issued pursuant to this section within the time prescribed, the Contractor may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, the Owner shall schedule a meet and confer conference within 30 days for settlement of the dispute.

Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, the Owner shall provide the Contractor a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the Owner issues its written statement. Any disputed portion of the claim, as identified by the contractor in writing, shall be submitted to nonbinding mediation, with the Owner and the Contractor sharing the associated costs equally. The Owner and Contractor shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those

mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject to applicable procedures outside this section.

Under this Contract, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

Unless otherwise agreed to by the Owner and the Contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Public Contract Code Section 20104.4 to mediate after litigation has been commenced.

If mediation as set forth above does not resolve the parties' dispute, the parties will proceed to arbitration of disputes under private arbitration or the Public Works Contract Arbitration Program.

G. Filing a Government Code Written Claim Notice:

Following the meet and confer conference, if the claim or any portion remains in dispute, the Contractor may file a claim under the Torts Claims Act as provided in Chapter 1 (commencing with Section 900) and Chapter 2 commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code Section 900.

H. Owner's Failure to Respond to Claim:

Failure by the Owner to respond to a claim from Contractor within the time periods described above or to otherwise meet the time requirements set forth above shall result in the claim being deemed rejected in its entirety. A claim that is denied by reason of the Owner's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this section, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility or qualifications of the Contractor.

I. Interest:

Amounts not paid in a timely manner as required by this section shall bear interest at 7 percent per annum.

J. Subcontractor Claims:

If a subcontractor or a lower tier subcontractor lacks legal standing to assert a claim against Owner because privity of contract does not exist, the Contractor may present to the Owner a claim on behalf of a subcontractor or lower tier subcontractor. For purposes of this paragraph, the term "subcontractor" means any type of subcontractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who either is in direct contract with the Contractor or is a lower tier subcontractor. A subcontractor may request in writing, either on his or her own behalf or on behalf of a lower tier subcontractor, that the Contractor present a claim for work which was performed by the subcontractor or by a lower tier subcontractor on behalf of the subcontractor. The subcontractor requesting that the claim be presented to the Owner shall furnish reasonable documentation to support the claim. Within 45 days of receipt of this written request, the Contractor shall notify the subcontractor in writing as to whether the contractor presented the claim to the Owner and, if the original contractor did not present the claim, provide the subcontractor with a statement of the reasons for not having done so.

K. Filing of Action on Unresolved Claims:

The parties shall follow the procedures set forth in Public Contracts Code Section 20104.4 if an action is filed to resolve claims under the foregoing provisions. Any action shall be filed in Madera County.

9. Attention is directed to Section 1735 of the Labor Code, which reads as follows:

“No discrimination shall be made in the employment of persons upon public works because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical conditions, marital status, or sex of such persons except as provided in Section 12940 of the Government Code, and every contractor for public works violating this section is subject to all the penalties imposed for by violation of this chapter”.

10. In accordance with the provisions of Article 5, Chapter 1, Part 7, Division 2 (commencing with Section 1860) and Chapter 4, Part 1, Division 4 (commencing with Section 3700) of the Labor Code of the State of California, the **CONTRACTOR** is required to secure the payment of compensation to his employees and shall for that purpose obtain and keep in effect adequate Worker’s Compensation Insurance.

The undersigned **CONTRACTOR** is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against Liability for Worker’s Compensation or to undertake self-insurance in accordance with the provisions before commencing the performance of the **WORK** of this Agreement.

11. The **CONTRACTOR** shall comply with Part 7, Chapter 1, Article 2, Section 1775 of the Labor Code of the State of California. The **CONTRACTOR** shall, as a penalty to the **OWNER**, forfeit fifty dollars (\$50.00) for each calendar day, or portion thereof, for each workman paid less than the prevailing rates for such work or craft in which such workman is employed for any public work done under the Contract by him or by any **SUBCONTRACTOR** under him. The difference between such prevailing wage rates and the amount paid to each workman for each calendar day or portion thereof for which each workman was paid less than a prevailing wage rate, shall be paid to each workman by the **CONTRACTOR**.

12. The **CONTRACTOR** shall comply with Part 7, Chapter 1, Article 2, Section 1776 of the Labor Code of the State of California. The **CONTRACTOR** shall keep and require that all **SUBCONTRACTORS** keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice worker or other employee employed by him in connection with public work. Such payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of the **CONTRACTOR** by the **OWNER**, its officers and agents and to the representatives of the Division of Labor Law Enforcement of the State Department of Industrial Relations. In the event of non-compliance with the requirements of Section 1776, the **CONTRACTOR** shall have 10 days in which to comply subsequent to receipt of written notice specifying in what respects the **CONTRACTOR** must comply. Should non-compliance still be evident after the ten (10) day period, the **CONTRACTOR** shall, as a penalty to the **OWNER** forfeit twenty-five dollars (\$25.00) for each calendar day, or portion thereof, for each worker until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due.

13. Attention is directed to the provisions in Sections 1777.5 and 1777.6 of the Labor Code concerning the employment of apprentices by the **CONTRACTOR** or any **SUBCONTRACTOR** under him. It is the **CONTRACTOR'S** responsibility to ensure compliance by both itself and all **SUBCONTRACTORS**.

Section 1777.5 provides, in part, as follows:

The **CONTRACTOR** or **SUBCONTRACTOR**, if he is covered by this section, upon the issuance of the approval certificate, or if he has been previously approved in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeyman stipulated in the apprenticeship standards. Upon proper showing by the **CONTRACTOR** that he employs apprentices in the craft or trade in the State on all of his/her contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by a journeyman, or in the land surveyor classification, one apprentice for each five journeyman, the Division of Apprenticeship Standards may grant a certification exempting the **CONTRACTOR** from the one (1) to five (5) hourly ratio as set forth in this section. This section shall not apply to contracts of general **CONTRACTORS** or to contracts of specialty contractors not bidding for work through a general or prime **CONTRACTOR**, when the contracts of general **CONTRACTORS**, or those specialty **CONTRACTORS** involve less than thirty thousand dollars (\$30,000). Any work performed by a journeyman in excess of eight hours per day or forty (40) hours per week shall not be used to calculate the hourly ratio required by this section.

Apprenticeable craft or trade, as used in this section, shall mean a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the Apprenticeship Council. The joint apprenticeship committee shall have the discretion to grant a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting a **CONTRACTOR** from the 1 to 5 ratio set forth in this section when it finds that any one of the following conditions is met:

- (a) In the event unemployment for the previous three-month period in such area exceeds an average of 15 percent, or
- (b) In the event the number of apprentices in training in such area exceeds a ratio of 1 to 5, or
- (c) If there is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either (1) on a statewide basis, or (2) on a local basis, or
- (d) If assignment of an apprentice to any work performed under a public works contract would create a condition which should jeopardize his life or the life, safety, or property of fellow employees, or the public at large or if the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.

When such exemptions are granted to an organization which represents **CONTRACTORS** in a specific trade from the 1 to 5 ratio on a local or statewide basis the member **CONTRACTORS** will not be required to submit individual applications for approval to local joint apprenticeship committees, provided they are already covered by the local apprenticeship standards.

The **CONTRACTOR** is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in apprenticeable trade on such contracts and if other **CONTRACTORS** on the public work site are making such contributions. The **CONTRACTOR**, and any **SUBCONTRACTOR** under him, shall comply with the requirements of Sections 1777.5 and 1777.6 of the Labor Code in the employment of apprentices. Information relative to number of apprentices, identifications, wages, hours of employment and

standards of working conditions shall be obtained from the Division of Apprenticeship Standards. Consult the white pages of your telephone directory under California, State of, Industrial Relations, Apprenticeship Standards, for the telephone number and address of the nearest office. Willful failure by the **CONTRACTOR** to comply with the provisions of Sections 1777.5 will subject the **CONTRACTOR** to the penalties set forth in Section 1777.7 of the Labor Code.

14. Pursuant to California Labor Code Section 1813, eight hours in any one calendar day and forty (40) hours in any calendar week shall be the maximum hours any workman is required or permitted to work, except in cases of extraordinary emergency caused by fires, flood, or danger to life and property. The **CONTRACTOR** doing the work, or his duly authorized agent, shall file with **OWNER** a report, verified by his oath, setting forth the nature of the said emergency, which report shall contain the name of said worker and the hours worked by him on the said day, and the **CONTRACTOR** and each **SUBCONTRACTOR** shall also keep an accurate record showing the names and actual hours worked of all workers employed by him in connection with the work contemplated by this Agreement, which record shall be open at all reasonable hours to the inspection of the **OWNER**, or its officer or agents and to the Chief of all Division of Labor Statistics and Law Enforcement of the Department of Industrial Relations, his deputies or agents; and it is hereby further agreed that said **CONTRACTOR** shall forfeit as a penalty to the **OWNER** the sum of Twenty-Five Dollars (\$25.00) for each laborer, workman or any **SUBCONTRACTOR** under him for each calendar day during which such laborer, workman or mechanic is required or permitted to labor more than eight (8) hours in violation of this stipulation.

Overtime and shift work may be established as a regular procedure by the **CONTRACTOR** with reasonable notice and written permission of the **OWNER**. No work other than overtime and shift work established as a regular procedure shall be performed between the hours of 6:00 P.M. and 7:00 A.M. nor on Saturdays, Sundays or holidays except such work as is necessary for the proper care and protection of the work already performed or in case of an emergency.

CONTRACTOR agrees to pay the costs of overtime inspection except those occurring as a result of overtime and shift work established as a regular procedure. Overtime inspection shall include inspection required during holidays, Saturdays, Sundays and weekdays. Costs of overtime inspection will cover engineering, inspection, general supervision and overhead expenses which are directly chargeable to the overtime work. **CONTRACTOR** agrees that **OWNER** shall deduct such charges from payments due the **CONTRACTOR**.

15. The **CONTRACTOR** shall comply with Division 2, Chapter 4, Part 1 of the Public Contract Code relating to subletting and subcontracting, specifically included but not limited to Sections 4104, 4106, and 4110, which by this reference are incorporated into this Agreement as though fully set forth herein.

16. The **CONTRACTOR** and the **OWNER** agree that changes in this Agreement or in the work to be done under this Agreement shall become effective only when written in the form of a supplemental agreement or change order and approved and signed by the **OWNER** and the **CONTRACTOR**. It is specifically agreed that the **OWNER** shall have the right to request any alterations, deviations, reductions or additions to the contract or the plans and specifications or any of them, and the amount of the cost thereof shall be added to or deducted from the amount of the contract price aforesaid by fair and reasonable valuations thereof.

This contract shall be held to be completed when the work is finished in accordance with the original plans and specifications as amended by such changes. No such change or modification shall release or exonerate any surety upon any guaranty or bond given in connection with this contract.

17. **Contractor** shall indemnify, defend with legal counsel approved by City, and hold harmless City, its officers, officials, employees, and volunteers from and against all liability, loss, damage, expense, and cost (including without limitation reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with **Contractor's** negligence, recklessness, or willful misconduct in the performance of work hereunder, or its failure to comply with any of its obligations contained in this AGREEMENT, except such loss or damage caused by the sole active negligence or willful misconduct of the City. Should conflict of interest principles preclude a single legal counsel from representing both City and **Contractor**, or should City otherwise find **Contractor's** legal counsel unacceptable, then **Contractor** shall reimburse the City its costs of defense, including without limitation, reasonable legal counsel fees, expert fees, and all other costs and fees of litigation. The **Contractor** shall promptly pay any final judgment rendered against the City (and its officers, officials, employees and volunteers) with respect to claims determined by a trier of fact to have been the result of the **Contractor's** negligent, reckless, or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

Contractor obligations under this section apply regardless of whether or not such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgment, civil fine or penalty, or liability was caused in part or contributed to by an Indemnitee. However, without affecting the rights of City under any provision of this agreement, **Contractor** shall not be required to indemnify and hold harmless City for liability attributable to the active negligence of City, provided such active negligence is determined by agreement between the parties or by the findings of a court of competent jurisdiction. In instances where City is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of **Contractor** will be for that entire portion or percentage of liability not attributable to the active negligence of City.

Contractor agrees to obtain or cause to be obtained executed defense and indemnity agreements with provisions identical to those set forth in this Section from each and every Subcontractor and Subconsultant, of every Tier. In the event the **Contractor** fails to do so, **Contractor** agrees to be fully responsible to provide such defense and indemnification according to the terms of this Section.

18. **Contractor** must comply with the insurance requirements as described in the section "INSURANCE REQUIREMENTS FOR CONTRACTOR", pages 39-40 of the Contract Documents.

19. Amendments- Any changes to this Agreement requested by either City or **SAK Construction, LLC** may only be effected if mutually agreed upon in writing by duly authorized representatives of the parties hereto. This Agreement shall not be modified or amended or any rights of a party to it waived except by such writing.

20. Termination.

A. This Agreement may be terminated at any time by either party upon fifteen (15) calendar days written notice. In the event the Agreement is terminated by either party, **SAK Construction, LLC** shall be compensated for services performed to the date of termination based upon the compensation rates and subject to the maximum amounts payable agreed to together with such additional services performed after termination which are authorized in writing by the City representative to wind up the work performed to date of termination.

B. City may immediately suspend or terminate this Agreement in whole or in part by written notice where, if in the determination of City, there is:

1. An illegal use of funds by **SAK Construction, LLC**;
2. A failure by **SAK Construction, LLC** to comply with any material term of this Agreement;

3. A substantially incorrect or incomplete report submitted by **SAK Construction, LLC** to City.

In no event shall any payment by City or acceptance by **SAK Construction, LLC** constitute a waiver by such party of any breach of this Agreement or any default which may then exist on the part of either party. Neither shall such payment impair or prejudice any remedy available to either party with respect to such breach or default. City shall have the right to demand of **SAK Construction, LLC** the repayment to City of any funds disbursed to **SAK Construction, LLC** under this Agreement which, as determined by the appropriate court or arbitrator, were not expended in accordance with the terms of this Agreement.

Notice of termination shall be mailed to the City:

City of Madera
Engineering Department
428 E. Yosemite Avenue
Madera, Ca 93638

To the Contractor **SAK Construction, LLC**

Notices. All notices and communications from the **SAK Construction, LLC** shall be to City's designated Project Manager or Principal-In-Charge. Verbal communications shall be confirmed in writing. All written notices shall be provided and addressed as soon as possible, but not later than thirty (30) days after termination.

21. Compliance With Laws- City shall comply with all Federal, State and local laws, ordinances, regulations and provisions applicable in the performance of City's services.

Wherever reference is made in this Agreement to standards or codes in accordance with which work is to be performed or tested, the edition or revision of the standards or codes current on the effective date of this Agreement shall apply, unless otherwise expressly stated.

22. Attorneys' Fees/Venue- In the event that any action is brought to enforce the terms of this Agreement, the party found by the court to be in default agrees to pay reasonable attorneys' fees to the successful party in an amount to be fixed by the Court. The venue for any claim being brought for breach of this Agreement shall be in Madera County or as appropriate in the U.S. District Court for the Eastern District of California, located in the City of Madera.

23. Governing Law- The laws of the State of California shall govern the rights and obligations of the parties under the Agreement, including the interpretation of the Agreement. If any part of the Agreement is adjudged to be invalid or unenforceable, such invalidity shall not affect the full force and effect of the remainder of the Agreement.

24. City's Authority- Each individual executing or attesting to this Agreement on behalf of the City hereby covenants and represents: (i) that he or she is duly authorized to execute or attest and deliver this Agreement on behalf of such corporation in accordance with a duly adopted resolution of the corporation's articles of incorporation or charter and bylaws; (ii) that this Agreement is binding upon such corporation; and (iii) that Contractor is a duly organized and legally existing municipal corporation in good standing in the State of California.

25. Contractor's Legal Authority - Each individual executing or attesting this Agreement on behalf of **SAK Construction, LLC** hereby covenants and represents: (i) that he or she is duly authorized to execute or attest and deliver this Agreement on behalf of such corporation in accordance with such corporation's articles of incorporation or charter and by-laws; (ii) that this Agreement is binding upon such corporation; and (iii) that **SAK Construction, LLC** is a duly organized and legally existing corporation in good standing in the State of California.

26. Remedies for Default. Failure by a party to perform any term, condition or covenant required of the party under this Agreement shall constitute a "default" of the offending party under this Agreement. In the event that a default remains uncured for more than ten (10) days following receipt of written notice of default from the other party, a "breach" shall be deemed to have occurred. Any failure or delay by a party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any rights or remedies associated with a default.

27. Independent Contractor. In performance of the work, duties, and obligations assumed by the Contractor under this Agreement, it is mutually understood and agreed that the City, including any and all of City's officers, agents and employees will, at all times, be acting and performing as an independent contractor, and shall act in an independent capacity and not as an officer, agent, servant, employee, joint venturer, partner, or associate of City. Furthermore, City shall have no right to control or supervise or direct the manner or method by which City shall perform its work and functions. The City shall comply with all applicable provisions of law and the rules and regulations, if any, of governmental authorities having jurisdiction over the subject matter hereof.

Because of its status as an independent contractor, City shall have absolutely no right to employment rights and benefits available to City employees. City shall be solely liable and responsible for providing to, or on behalf of, its employees all legally required employee benefits. In addition, City shall be solely responsible and hold City harmless from all matters relating to payment of City's employees, including compliance with Social Security, withholding and all other regulations governing such matters. It is acknowledged that during the term of this Agreement, City may be providing services to others unrelated to City or to this Agreement.

28. Sole Agreement- This instrument constitutes the sole and only Agreement between City and **SAK Construction, LLC** in connection to the Project and correctly sets forth the obligations of the City and **SAK Construction, LLC** to each other as of its date. Any Agreements or representations in connection with the Project, not expressly set forth in this instrument are null and void.

29. Assignment-Neither the **SAK Construction, LLC** nor City will assign its interest in this Agreement without the written consent of the other.

30. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

IN WITNESS WHEREOF the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in THREE copies, each of which shall be deemed an original on the date first above written.

City of Madera
Herein Called OWNER

By: _____
Arnoldo Rodriguez, City Manager

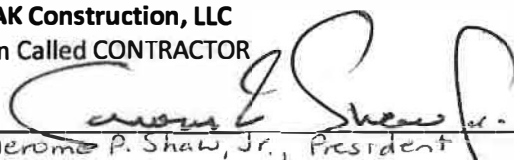
APPROVE AS TO FORM:

Shannon L. Chaffin, City Attorney

ATTEST:

Alicia Gonzales, City Clerk

BY: **SAK Construction, LLC**
Herein Called CONTRACTOR

BY: 
Jerome P. Shaw, Jr., President

20-4193988

Federal Tax I.D. No.

984560 A

Contractor License Number

100002435

DIR Registration Number

NOTE: This Notary Acknowledgment on the following page is required for verification of Contractor's signature.

Acknowledgment

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

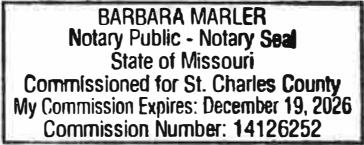
California Notary acknowledgement required to be attached.

State of ~~California~~ ^{Missouri} }
County of St. Charles } ss.

On 6/11/24 before me, Jerome P. Shaw Jr., President
Date Here Insert Name and Title of the Officer

Personally appeared Jerome P. Shaw, Jr.
Name(s) of Signer(s)

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of ~~California~~ ^{Missouri} that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Barbara Marler
Signature of Notary Public

Place Notary Seal/Stamp Above