

## **AGREEMENT BETWEEN THE CITY OF SALINAS AND GRANITE CONSTRUCTION COMPANY FOR SUPPLY OF ASPHALT AND CONCRETE MATERIALS**

THIS Agreement for Supply of Asphalt and Concrete Materials ("Agreement") is made and entered into this 30th day of September 2025, by and between the City of Salinas, a California Charter city and municipal corporation (hereinafter "City") and Granite Construction Company, a California corporation (hereinafter "Supplier").

City and Supplier agree as follows:

1. Scope. The City desires Supplier to provide asphalt and concrete materials and related products ("Materials") to the City per the specifications attached hereto, and incorporated herein by this reference, as Exhibit A.
2. Term. This Agreement shall commence July 1, 2025, and shall continue through June 30, 2027 unless City grants a written extension of time. This Agreement may be terminated by the City without cause.
3. Payment. The City shall pay Supplier for Materials purchased by City in arrears per invoice provided by Supplier in accordance with the prices set forth in the Supplier's proposal attached hereto as Exhibit B, incorporated herein by this reference. The total amount of compensation to be paid by the City to Supplier under this Agreement shall not exceed Seven Hundred Fifty Thousand Dollars (\$750,000). All prices and fees set forth in Exhibit B are firm and shall not be subject to change without the written approval of the City. No extra charges of any kind will be allowed unless specifically agreed to in writing by the Public Works Director. The total price shall include all federal, state, local, and other taxes applicable to the Materials supplied to City hereunder and all charges for packing, freight, transportation, and delivery.
4. Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefor by the Salinas City Council for each fiscal year covered by the term of this Agreement. If such appropriation is not made, this Agreement shall automatically terminate without any penalty to the City.
5. Meet and Confer. Supplier agrees to meet and confer with City or its agents or employees with regard to services as set forth herein as may be required by City to insure timely and adequate performance under this Agreement.
6. Indemnification. Supplier shall hold harmless, defend at its own expense, and indemnify City and its officers, officials, employees, agents, and volunteers from and against all liability, claims, damages, losses, and/or expenses including reasonable City attorney fees arising from all acts or omissions of Supplier or its officers, agents, or employees arising out of the performance of this Agreement, caused in whole or in part by any negligent act or omission of the Supplier, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, except where caused by the sole negligence or willful misconduct of the City.

7. Insurance. Supplier shall procure and maintain for the duration of this Agreement insurance meeting the requirements specified in Exhibit C, attached hereto.
8. Licensing. Supplier warrants that it is properly licensed to supply Materials specified under this Agreement, including but not limited to possession of a current City business license.
4. Termination. City may terminate this Agreement without cause upon ten days' written notice. The amount of damages, if any, as a result of such termination may be decided by negotiations between the parties or before a court of competent jurisdiction.
5. Agency. In performing the services specified under this Agreement, Supplier is hereby deemed to be an independent contractor and not an agent or employee of City.
6. Non-Assignability. The rights and obligations of Supplier hereunder are not assignable and cannot be delegated without written consent of City.
7. Entire Agreement. This Agreement constitutes the entire Agreement between the parties hereto and supersedes any and all prior agreements, whether oral or written, relating to the subject matter thereof. Any modification of the Agreement will be effective only if it is in writing signed by both parties hereto.
8. Validity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will continue in full force without being impaired or invalidated in any way.
9. Counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.
10. Laws. Supplier agrees that in the performance of this Agreement it will comply with all applicable State, Federal and local laws and regulations including, but not limited to, prevailing wages laws applicable to Supplier's provision of Materials to the City. This Agreement shall be governed by and construed in accordance with the laws of the State of California, County of Monterey, and City of Salinas.

IN WITNESS WHEREOF, this Agreement is entered into by the parties hereto on the day and year first written above.

CITY OF SALINAS

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René Mendez, City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Christopher A. Callihan, City Attorney, or  
Rhonda Combs, Assistant City Attorney

SUPPLIER

DocuSigned by:



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By (Printed Name): Brent Fogg

Its (Title): VP Regional Operations

## **Exhibit A**

### **NOTICE TO MATERIAL SUPPLIERS**

Notice is hereby given that the City of Salinas (hereinafter referred to as "City"), hereby invites Bid Proposals for the following materials to be purchased:

#### **ROADWAY PAVEMENT & CONCRETE MATERIALS; CIP 9438**

A scanned copy of the Bid Proposal Package ("Bids") for the above-mentioned work shall be submitted electronically via the PlanetBids website until 2:00 p.m. Pacific Time on August 22, 2025, at which time or thereafter said bids will be electronically opened and available online. It is the Bidder's responsibility to ensure that said Bid shall be fully uploaded/transmitted via the PlanetBids website, prior to the aforementioned designated date and time. The City Clerk's Office will not be accepting paper bids.

Prospective Bidders are permitted to access and download all information and documents available for the project on the PlanetBids website. Registered Prospective Bidders for the particular City of Salinas project will automatically receive updates, notifications, and addenda when issued, however, it is the Bidders' responsibility to ensure that the forgoing have been received.

Bidders can register as a Prospective Bidder in two ways:

- (1) Bidders are encouraged to register for **FREE** through PlanetBids Vendor Portal for the City of Salinas at <https://www.planetbids.com/portal/portal.cfm?CompanyID=22949>.
- (2) Bidders may also register to PlanetBids' website directly for a **FEE** at <https://vendorline.com/register> and sign up for City of Salinas' bid opportunities. The link "View Current Construction Projects Out for Bid" on the City of Salinas website listed below will take you to the registration page on the PlanetBids Vendor Portal for the City of Salinas website: [PlanetBids Vendor Portal](#)

For assistance with PlanetBids registration, contact PlanetBids online or by calling 818-992-1771.

The City reserves the right to award up to three materials suppliers and reserves the right to reject any or all Proposals, and to waive any informality in Proposals received.

All questions regarding this Request for Proposal should be directed to: Marcos Quintero, Street Maintenance Manager, City of Salinas Public Works Department, at (831) 758-7919 or email: [marcosq@ci.salinas.ca.us](mailto:marcosq@ci.salinas.ca.us).

**PROPOSAL  
FOR  
ROADWAY PAVEMENT MATERIALS  
FOR THE CITY OF SALINAS**

SALINAS, CALIFORNIA

FROM:

NAME OF SUPPLIER: \_\_\_\_\_

BUSINESS ADDRESS: \_\_\_\_\_

(Street Address)

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

PHONE: \_\_\_\_\_

RESIDENCE ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

PHONE: \_\_\_\_\_



**ROADWAY PAVEMENT MATERIALS; CIP 9438  
FOR THE CITY OF SALINAS**

Will Supply? Y N	Item No.	DESCRIPTION	UNIT	UNIT PRICE
	1	½" BITUMINOUS HOT MIX ASPHALT (HMA): Materials Only City will pick up materials at plant, up to 100 tons/day as needed.	TON	
	2	COLD MIX ASPHALT PAVEMENT (CMA): Materials Only City will pick up materials at plant, up to 100 tons/day as needed.	TON	
	3	CLASS II AGGREGATE BASE City will pick up materials at plant, up to 100 tons/day as needed	TON	
	4	GRANITE PATCH City will pick up materials on an as-needed basis	TON	
	5	DIKE MIX – City will pick up materials on an as needed basis	TON	
	6	FILL SAND – City will pick up materials on an as needed basis	TON	
	7	TACK COAT – RS1 City will pick up materials on an as needed basis (under 50 gal.)	GAL	
	8	TACK COAT – SS1 City will pick up materials on an as needed basis (under 50 gal.)	GAL	
	9	CRACK SEAL – City will pick up materials on an as needed basis	PALLET	
	10	MASTIC – GAP – PATCH 550 – City will pick up on an as needed basis	PALLET	
	11	TOP SOIL – City will pick up on an as needed basis	TON	
	12	6-sack Cement Mix	YARD	

All of the Proposal items above includes the cost of materials only and does not include delivery of materials or labor.

In responding to the above request, the supplier/vendor is only required to provide the unit cost of the material(s) that their company supplies.

Recycled base rock is acceptable as long as it meets the gradation requirements for Class 2 per Caltrans's Standards.

The HMA prices may increase or decrease contingent on the liquid asphalt refinery's posted price. A liquid asphalt surcharge of 30 cents per ton will be added/subtracted for each \$5.00 increase/decrease in liquid asphalt refinery's posted price based on the refinery rack-rate as updated at the beginning of each month.

For other materials, the unit price as stated above shall be set for one year from the date of this Proposal, subject to a yearly price adjustment based on the Engineering News Records (ENR) Materials Cost Index.

The contract will be for a term of two years with an opportunity to renew/extend for two additional years, with a maximum combined amount not to exceed \$1,500,000 per fiscal year.

By signing below, the supplier/vendor agrees to supply the above materials (as noted with a unit price) with HMA unit price adjustment as stated above when applicable. The City or the vendor has the right to terminate this agreement at any given time.

Company Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Name & Title of Person Signing for the Company: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit B**

**PROPOSAL  
FOR  
ROADWAY PAVEMENT MATERIALS  
FOR THE CITY OF SALINAS**

SALINAS, CALIFORNIA

FROM:

NAME OF SUPPLIER: GRANITE CONSTRUCTION COMPANY

BUSINESS ADDRESS: 721 Work Street

(Street Address)

CITY: Salinas STATE: California ZIP: 93901

PHONE: (831) 769-8165 - Mark Saucedo: (831) 750-0361

RESIDENCE ADDRESS: (Home office) 580 West Beach Street

CITY: Watsonville STATE: California ZIP: 95076

PHONE: (831) 763-6100

**GRANITE**

**ROADWAY PAVEMENT MATERIALS; CIP 9438  
FOR THE CITY OF SALINAS**

Will Supply?		Item No.	DESCRIPTION	UNIT	UNIT PRICE
Y	N				
<input checked="" type="checkbox"/>		1	½" BITUMINOUS HOT MIX ASPHALT (HMA): Materials Only City will pick up materials at plant, up to 100 tons/day as needed.	TON	\$103.00
<input checked="" type="checkbox"/>		2	COLD MIX ASPHALT PAVEMENT (CMA): Materials Only City will pick up materials at plant, up to 100 tons/day as needed.	TON	\$125.00
<input checked="" type="checkbox"/>		3	CLASS II AGGREGATE BASE City will pick up materials at plant, up to 100 tons/day as needed	TON	\$18.00
<input checked="" type="checkbox"/>		4	GRANITE PATCH City will pick up materials on an as-needed basis	TON	\$225.00
<input checked="" type="checkbox"/>		5	DIKE MIX – City will pick up materials on an as needed basis	TON	\$113.00
<input checked="" type="checkbox"/>		6	FILL SAND – City will pick up materials on an as needed basis	TON	\$16.00
	<input checked="" type="checkbox"/>	7	TACK COAT – RS1 City will pick up materials on an as needed basis (under 50 gal.)	GAL	N/A
<input checked="" type="checkbox"/>		8	TACK COAT – SS1 City will pick up materials on an as needed basis (under 50 gal.)	GAL	\$7.00
	<input checked="" type="checkbox"/>	9	CRACK SEAL – City will pick up materials on an as needed basis	PALLET	N/A
	<input checked="" type="checkbox"/>	10	MASTIC – GAP – PATCH 550 – City will pick up on an as needed basis	PALLET	N/A
	<input checked="" type="checkbox"/>	11	TOP SOIL – City will pick up on an as needed basis	TON	N/A
	<input checked="" type="checkbox"/>	12	6-sack Cement Mix	YARD	N/A

**See Attached List for Locations of Materials**

All of the Proposal items above includes the cost of materials only and does not include delivery of materials or labor.

In responding to the above request, the supplier/vendor is only required to provide the unit cost of the material(s) that their company supplies.

Recycled base rock is acceptable as long as it meets the gradation requirements for Class 2 per Caltrans' Standards.

The HMA prices may increase or decrease contingent on the liquid asphalt refinery's posted price. A liquid asphalt surcharge of 30 cents per ton will be added/subtracted for each \$5.00 increase/decrease in liquid asphalt refinery's posted price based on the refinery rack-rate as updated at the beginning of each month.

For other materials, the unit price as stated above shall be set for one year from the date of this Proposal, subject to a yearly price adjustment based on the Engineering News Records (ENR) Materials Cost Index.

The contract will be for a term of two years with an opportunity to renew/extend for two additional years, with a maximum combined amount not to exceed \$1,500,000 per fiscal year.

By signing below, the supplier/vendor agrees to supply the above materials (as noted with a unit price) with HMA unit price adjustment as stated above when applicable. The City or the vendor has the right to terminate this agreement at any given time.

Company Name: GRANITE CONSTRUCTION COMPANY

Signature: 

Name & Title of Person Signing for the Company: Brian D. Hussar, Construction Manager

Date: August 22, 2025

**GRANITE**



Quote #MQ0059982 8/15/2025 Page 1 of 2



Quote Number: MQ0059982\_0  
 Quote Date: Aug 20, 2025  
 Bid Date: Aug 22, 2025  
 Agreement Expiration: Aug 22, 2026

## Material Quotation

Attn: MARCOS QUINTERO  
 Customer: SALINAS CITY OF

Project Name: ROADWAY PAVEMENT MATERIALS  
 Project Description: CIP 9438  
 Address: 721 WORK STREET  
 City, State, Zip: SALINAS CA 93901-5009

Material Description (ID #)	Est. Quantity	Units	Price	Plant Name
1/2"HMA64-10R15 (1056)	1	TONS	\$103.00	SALINAS AC
3/8" CMASC250 (1705)	1	TONS	\$125.00	SALINAS AC
3/4" RECYCLED AGGREGATE BASE (1823)	1	TONS	\$18.00	SALINAS RAP PLANT
EZ STREET (3942)	1	TONS	\$225.00	SALINAS AC
3/8"HMA64-10R15 (2641)	1	TONS	\$113.00	SALINAS AC
FILL SAND (2621)	1	TONS	\$16.00	HANDLEY RANCH QUARRY
SS1-H GAL (2711)	1	GALLON	\$7.00	SALINAS EMULSIONS
13955-ENERGY SURCHARGE AC	1	EA	\$0.42	PER TON ON ASPHALT
13958-ENERGY SURCHARGE AG	1	EA	\$0.04	PER TON ON AGGREGATES
1947-ENVIRONMENTAL FEE	1	EA	\$15.00	PER LOAD

ASPHALT PRICING BASED ON CURRENT RACK OIL BUY AT \$710.00. OIL ESCALATION TERMS WILL APPLY AT TIME OF PAVING.

ENERGY SURCHARGE - [www.graniteconstruction.com/energy-surge](http://www.graniteconstruction.com/energy-surge).

### Special Conditions:

For Aggregates sold after Aug 22, 2026 the price will increase by \$1.00 per ton,  
 For Asphalt Concrete sold after Aug 22, 2026 the price will increase by \$4.00 per ton,  
 For Aggregates sold after the price will increase by per ton,  
 For Asphalt Concrete sold after the price will increase by per ton,

**Asphalt Concrete pricing** is based on the rack oil buy price for liquid asphalt as stated. Any increase in the rack oil buy will result in an AC unit price increase of \$0.06 per \$1.00 of the difference in the rack oil buy price.

**All force account & change order work** will be billed at a mutually agreed upon price.

**Plant opening fees** for nights, Saturday, Sunday or Holiday will be assessed as stated.

**Prices excludes Quality Control Plan** and any field testing, i.e data herein, HMA temperature, straightedge, etc.

**No back charges** from plant breakdowns will be accepted.

### General Conditions:

Prices quoted do not include sales tax.

This quote is limited to acceptance within 30 days from the bid date of this quotation after which time this quote is subject to review/revision.

Please contact your sales person before placing an order against this quote.

The offer to sell these materials is contingent upon customer completing and signing Granite's credit application and being approved for credit.

Additional terms and conditions are on page two of this quote.

Prices subject to change after Agreement Expiration date above.

Aggregate and Asphalt products are subject to Granite energy surcharge published on Granite website based on EIA diesel prices <https://www.graniteconstruction.com/energy-surge> and included in the Terms and Conditions.

By: Mark Saucedo

Office: 831-763-5586  
 Cell: 831-750-0361  
 Email: [mark.saucedo@qcinc.com](mailto:mark.saucedo@qcinc.com)  
 Website: [www.graniteconstruction.com](http://www.graniteconstruction.com)

Accepted By: \_\_\_\_\_  
 Signature Date

Printed Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Email: \_\_\_\_\_

## Terms and Conditions

1. **MATERIAL/SPECIFICATION:** All materials quoted ("Materials") are subject to availability. Products delivered will meet specifications stated on this material quote ("MQ") (or material submittal if provided) at the point and time of delivery (as delivery is indicated on the face page).
2. **DELIVERY:** If applicable, Material shall be delivered in accordance with a schedule mutually agreed upon by Purchaser and Seller. Any charges at the point of delivery for spotting, switching, handling, storage and/or other accessorial services, and demurrage, shall be additional charges and paid by Purchaser. Damages caused by Purchaser or Purchaser's trucker, plant standby time, job cancellation, and added surcharges will be the responsibility of Purchaser. Title to Material and risk of loss shall pass to Purchaser upon delivery to Purchaser.
3. **PRICE/TERMS OF PAYMENT:** Purchaser shall pay Seller the amount set forth in the quote table together with applicable surcharges and fees. The environmental fee is not a tax, surcharge, or fee mandated by or remitted to any governmental or regulatory agency but used to recover direct and indirect costs for Granite and its subsidiaries operations to be conducted in an environmentally sustainable manner. Payment shall be made in accordance with the payment terms contained in Seller's Application for Credit and Account Agreement (the "Credit App") executed by Purchaser in favor of Seller (by this reference incorporated herein) unless Material purchased C.O.D. Purchaser's failure to pay all amounts owed when due shall be deemed a material breach of this MQ and Seller may, in addition to any other rights it may have under law, at its option, (i) terminate this MQ or (ii) place future deliveries on a C.O.D. basis. The prices set forth in this MQ were premised upon fuel prices in effect as of December 27, 2021, as reported by the U.S. Energy Information Administration ("EIA") (<https://www.eia.gov/energy/sum/gasdiesel/>) ("Original Energy Price"). To reflect current energy pricing, a energy surcharge ("Energy Surcharge") shall be included on each invoice equal to the difference between (a) the energy prices reported by EIA on the fourth Monday of the calendar month preceding the invoice date ("Invoice Energy Price") and (b) the Original Energy Price, multiplied by (a) 0.2 gallons/ton for aggregate; and/or (b) 2.25 gallons/ton for asphalt. For example, if the Invoice Energy Price has increased by \$1.00/gallon over the Original Energy Price, the Energy Surcharge for aggregate will be \$0.20/ton (\$1.00 times .2) and the Energy Surcharge for asphalt will be \$2.25/ton (\$1.00 times 2.25). There will be no Energy Surcharge added to the Invoice Energy Price in a month if the Invoice Energy Price does not reflect an increase over the Original Energy Price.
4. **ACCEPTANCE:** This MQ is valid for thirty (30) days from the Bid Date unless otherwise stated in the Special Conditions of this MQ. The terms and conditions of this MQ may be accepted by the Purchaser only by one of the following alternatives performed within such thirty (30) day period: (i) Purchaser's execution and delivery to Seller of this MQ; or (ii) the Purchaser placing either a written or oral order for all or a portion of the Material quoted under this MQ or (iii) Seller's commencement of performance. This MQ can only be modified in writing when signed by Purchaser and Seller.
5. **FORCE MAJEURE:** Seller shall not be liable for failure delay in delivery by reason of any contingency or occurrence beyond Seller's reasonable control or which makes Seller's performance commercially impractical. If such contingency or occurrence prevents Seller's performance for a period of more than sixty (60) days, Purchaser shall have the right, upon seven (7) days written notice to Seller, to terminate this MQ.
6. **INTEGRATED AGREEMENT:** This MQ, together with the Credit Application (if executed by Purchaser), constitutes the entire agreement between Seller and Purchaser, and there are no understandings, agreements or representations, express or implied, either oral or written, not stated or identified in this MQ and the Credit App, if any. Any additional or different terms proposed either orally or in writing by Purchaser including those contained in Purchaser's purchase order, delivery tickets or accompanying Purchaser's performance are rejected and shall be of no force or effect unless expressly assented to in a separate writing by Seller.
7. **WARRANTY:** FOR A PERIOD NOT TO EXTEND BEYOND ONE YEAR FROM THE POINT AND TIME OF DELIVERY OF THE MATERIAL, SELLER WARRANTS THAT THE MATERIAL WILL CONFORM TO THE SPECIFICATIONS SET FORTH IN SECTION 1. NO OTHER WARRANTIES OF ANY KIND ARE MADE BY SELLER AND SELLER EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES TO THE FULLEST EXTENT PERMITTED BY LAW, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE. PURCHASER SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS SELLER AGAINST ANY AND ALL CLAIMS, SUITS, ACTIONS, LEGAL PROCEEDINGS, DAMAGES, LIABILITIES, INTEREST, ACTUAL ATTORNEY'S FEES, COSTS AND EXPENSES OF ANY KIND AS A RESULT OF PURCHASER'S USE OF THE MATERIAL.



**GRANITE CONSTRUCTION COMPANY**

**CERTIFICATE OF SECRETARY**

**RESOLVED**, that, effective January 1, 2025 through December 31, 2025, the individuals named on the attached Exhibit 1 are authorized to negotiate, execute and/or attest electronic and paper documents necessary for the conduct of the Company's affairs with respect to the submission and execution of construction project bids, bid proposals, bid addenda and all other bid-related documents prepared and submitted on behalf of the Company not to exceed \$75 million, relating to any and all domestic construction projects arising out of the Company's operations.

**RESOLVED FURTHER**, that, effective January 1, 2025 through December 31, 2025, the individuals named on the attached Exhibit 2 are authorized to negotiate, execute and/or attest electronic and paper documents necessary for the conduct of the Company's affairs with respect to the submission and execution of construction project bids, bid proposals, bid addenda and all other bid-related documents prepared and submitted on behalf of the Company in excess of \$75 million, relating to any and all domestic construction projects arising out of the Company's operations.

**RESOLVED FURTHER**, that, effective January 1, 2025 through December 31, 2025, the individuals named on the attached Exhibit 1 and Exhibit 2 are authorized to negotiate, execute and/or attest electronic and paper construction contract documents prepared and submitted on behalf of the Company relating to domestic construction projects arising out of the Company's operations.

**RESOLVED FURTHER**, that the authority provided for herein shall be in accordance with applicable policies, procedures, and limits of authority previously approved and the Granite Construction Incorporated Delegation of Authority and Policy then in effect.

I, M. Craig Hall, Secretary of GRANITE CONSTRUCTION COMPANY, a California corporation (the "Company"), do hereby certify that the following is a true and correct copy of resolutions duly adopted effective January 1, 2025 by a Unanimous Written Consent of the Board of Directors in accordance with the provisions of Article III, Section 9 of the Bylaws of the Company; that the Directors acting were duly and regularly elected; and that the resolutions adopted have not been repealed and are still in full force and effect:

Dated: January 1, 2025

  
M. Craig Hall



**EXHIBIT 2**

**AUTHORIZED SIGNERS**  
**Granite Construction Company**

**AUTHORIZED SIGNERS**

Kyle T. Larkin, President & CEO  
Staci M. Woolsey, Executive Vice President  
James A. Radich, Executive Vice President & Chief Operating Officer  
Brian R. Dowd, Senior Vice President  
Michael G. Tatusko, Senior Vice President  
Bradley J. Williams, Senior Vice President  
Bradley J. Estes, Senior Vice President



## **Exhibit C**

### **Insurance Requirements**

Contractor shall procure and maintain for the duration of the contract, and for three years thereafter, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his/her/its officers, agents, representatives, employees, and/or subcontractors.

#### **MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. **Commercial General Liability** ("CGL"): Insurance Services Office ("ISO") Form CG 00 01 covering CGL on an occurrence basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO Form CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability**: ISO Form CA 0001 covering Code 1 (any auto), with limits no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation**: as required by the State of California, with Statutory Limits, and Employers' Liability insurance with a limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. **Contractors' Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions** (if project involves environmental hazards): with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate, on an annual basis.

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

#### ***Self-Insured Retentions***

Self-insured retentions must be declared to and approved by the City. At the option of the City, either: the Contractor shall cause the insurer shall to reduce or eliminate such self-insured retentions as respects the City, its officers, officials, employees, and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

#### ***Other Insurance Provisions***

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **The City, its officers, officials, employees, and volunteers are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed

by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

2. For any claims related to this project, the **Contractor's insurance coverage shall be primary** insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall provide that coverage shall not be canceled, except with notice to the City.

4. A copy of the claims reporting requirements must be submitted by Contractor to the City.

5. If the services involve lead-based paint or asbestos identification/remediation, the Contractor's Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractor's Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

#### ***Acceptability of Insurers***

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best rating of no less than A: VII, unless otherwise acceptable to the City.

#### ***Waiver of Subrogation***

Contractor hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

#### ***Verification of Coverage***

Contractor shall furnish the City with original Certificates of Insurance including an additional insured endorsement and all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

#### ***Subcontractors***

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

***Maintenance of Insurance***

Maintenance of insurance by Contractor as specified shall in no way be interpreted as relieving Contractor of its indemnification obligations or any responsibility whatsoever and the Contractor may carry, at its own expense, such additional insurance as it deems necessary.

***Special Risks or Circumstances***

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.