

AGREEMENT

THIS AGREEMENT, made and entered into this **20th day of June, 2017**, by and between CITY OF SALINAS, a municipal corporation of the State of California, hereinafter called "City", and **Granite Construction Company** of hereinafter called "Contractor",

W I T N E S S E T H

FIRST: Contractor hereby covenants and agrees to furnish and provide all labor, materials, tools, appliances, equipment, plant and transportation, and all other things required or necessary to be furnished, provide or done, and build, erect, construct and complete the work at the time and in the manner provided, and in strict accordance with, the Contract Documents therefore, for

**JOB ORDER CONTRACTING (JOC)
for Miscellaneous Street Maintenance Work
CONTRACT No. 2015-JOB01-Class A**

adopted by the Council of the City of Salinas on **June 20, 2017**, and identified by the signature of Contractor and the signature of the Mayor of the City of Salinas.

The Contract is an indefinite-quantity contract for construction work and services. The Minimum Contract Value of Job Orders that the Contractor is guaranteed the opportunity to perform under this Contract is \$50,000. The Maximum Contract Value is \$1,000,000. At the discretion of the Owner and if deemed to be in the public interest, the Maximum Contract Value of this Contract may be increased.

SECOND: It is expressly understood and agreed that this Contract consists of the following documents, all of which are incorporated into this agreement and made a part hereof as fully and completely as if set forth herein verbatim, to wit:

- a) Notice to Bidders;
- b) Signed and executed Bid and Proposal of Contractor, and if any signed Addendum, as accepted by City of Salinas;
- c) Bidder's Statement of Financial Responsibility, Technical Ability, and Experience;
- d) Insurance Certification;
- e) Completely executed and signed all required City of Salinas forms;
- f) Instructions to Successful Bidder and General Conditions;
- g) Bond of Faithful Performance;
- h) Bond of Faithful Performance-Addendum;
- i) Payment Bond (Labor and Materials);
- j) Payment Bond-Addendum (Labor and Materials);
- k) Certificate of Insurance;
- l) Bidder's Statement of Subcontractors-Part I;
- m) JOC Special Conditions
- n) Construction Task Catalog®;
- o) Standard Specifications, Design Standards, and Standard Plans, Public Works Department, City of Salinas, 2008 Edition, or as amended, or otherwise indicated in the Specifications;

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- p) **Technical Specifications; and**
- q) **this Agreement**

THIRD: That said Contractor agrees to receive and accept the following Adjustment Factors and Construction Task Catalog® Unit Prices as full compensation for furnishing all materials and for doing all the work embraced and contemplated in this Agreement and as set forth in the Proposal adopted by the City of Salinas, a true copy thereof hereto attached; also, for all loss or damage arising out of the nature of said work or from the action of the elements or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until the acceptance thereof by the City of Salinas and for all risk connected with the work, and for well and faithfully completing the work, and the whole thereof, in the manner and according to the said Contract Documents and the provisions of this agreement, and the requirements of the City Engineer under them, to wit: The Adjustment Factors as set forth in the Proposal of said Contractor for the work to be constructed and completed under this Agreement, which Adjustment Factors shall be considered as though repeated herein.

The Contractor shall perform all work required, necessary, proper for or incidental to completing the Detailed Scope of Work called for in each individual Job Order issued pursuant to this Contract for the Unit Prices set forth in the Construction Task Catalog® and the following Adjustment Factors as described on Exhibit A:

Normal Working Hours Adjustment Factor 7:00 am to 4:00 pm Monday to Friday, except for Owner Holidays:

Other Than Normal Working Hours Adjustment Factor 4:00 pm to 7:00 am Monday to Friday, and all day Saturday, Sunday and Owner Holidays:

The undersigned Contractor further agrees to so plan the work and to prosecute it with such diligence that said work, and all of it, shall be completed on or before the expiration of the time specified in the Job Order after execution of the Contract on behalf of the City of Salinas and the receipt from the City of Salinas of a notice to proceed with the work.

Labor and materials to be billed to the city on rate schedule as shown on Exhibit A. These rates are subject to the average Adjustment Factor from the San Francisco ENR Construction Cost Index for the San Francisco area, and is effective on June 20, 2017.

FOURTH: The City of Salinas hereby promises and agrees with said Contractor to employ, and does hereby employ, said Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the price aforesaid, and hereby Contracts to pay the same at the time, in the manner and upon the conditions set forth in the Specifications and the said parties, for themselves, their heirs, executors, administrators, successors, and assigns, do hereby agree to the full performance of the covenants herein contained.

FIFTH: No interest in this agreement shall be transferred by the Contractor to any other party, and any such transfer shall cause the annulment of this Contract, so far as the City of Salinas is concerned. All rights of action, however, for any breach of this Contract are reserved to the City of Salinas.

SIXTH: The Contractor shall keep harmless and indemnify the City of Salinas, its officers, employees and agents, from all loss, damage, cost or expense that arises or is set up for infringement of patent rights of anyone for use by the City of Salinas, its officers, employees, or agents, or articles supplied by the Contractor under this Contract of which he/she is not entitled to use or sell. Contractor agrees to, at his/her own cost and expense, defend in court the City of Salinas, its officers, agents, and employees, in any action which may be commenced or maintained against them or any of the, on account of any claimed infringement

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of patent rights, arising out of this agreement.

Contractor shall indemnify and save the City of Salinas and its officers, agents, and employees harmless against all claims for damages to person or property arising out of Contractor's execution of the work, or otherwise by the conduct of the Contractor or its employees, agents, Subcontractors, or others (including the active and passive negligence of the City of Salinas, its officers, agents, and employees) in connection with the execution of the work covered by this Contract and any and all costs, expenses, attorneys' fees and liability incurred by the City of Salinas, its officers, agents, or employees in defending against such claims, whether the same proceed to judgment or not, except only those claims arising from the sole negligence or willful conduct of the City of Salinas, its officers, agents, or employees. Further, Contractor at its own expense shall, upon written request by the City of Salinas, defend any such suit or action brought against the City of Salinas, its officers, agents, or employees.

Contractor shall reimburse the City of Salinas for all costs and expense (including but not limited to fees and charge of architects, engineers, attorneys, and other professional and court costs) incurred by the City of Salinas in enforcing the provisions of this Section.

SEVENTH: The Contractor agrees to immediately repair and replace all defective material and workmanship discovered within 1 year after acceptance of final payment for each individual Job Order by Contractor and to indemnify said City of Salinas against all loss and damage occasioned by any such defect, discovered within said year, even though the damage or loss may not be ascertained until after the expiration thereof. Provided, however, that if such failure of the Contractor to perform should not, by reasonable diligence, be discoverable or discovered within said 1 year, then the obligation of the Contractor to repair and replace said defective material or workmanship shall continue until 1 year after the actual discovery thereof.

EIGHTH: The Contractor agrees at all times during the progress of the work to carry with insurance carriers approved by the City of Salinas full coverage workmen's compensation and public liability insurance in the form and to the extent called for in Section 7-1.12 of both the State of California Standard Specifications, Standard Specifications, Design Standards, and Standard Plans, Development and Engineering Services Department, City of Salinas, 2008 Edition. Certificates of Insurance shall specify whether coverage is on a "claims occurrence" or "claims made" form. If the policy is "claims made", Contractor shall be required to obtain a bond, which shall remain in effect until 12 months following work completions.

Contractor shall also advise the insurance carrier to inform the City of Salinas of the unpaid limits of the policy. Such insurance policy shall contain an endorsement that the same shall not be canceled nor the amount of coverage be reduced until at least 30 calendar days after receipt by the City of Salinas by certified or registered mail of a written notice of such cancellation or reduction in coverage.

It is acknowledged by the parties to this agreement that all insurance coverage required to be provided by the Contractor or any other party in favor of the City of Salinas/additional insured is intended to apply first on a primary and non-contributing basis in relation to any other insurance of self-insurance (primary or excess) available to the City of Salinas and any employee of the City of Salinas. The Contractor agrees to have its policies endorsed accordingly. In addition, the Contractor also accepts to provide commercial general liability (CGL) endorsement form CG 20 10 11 85. An acceptable alternative would be the use of two ISO forms together: The CG 20 10 04 13 ("ongoing operations") and the CG 20 37 04 13 ("completed operations"). The City of Salinas may also accept any other comparable endorsement, which does not further limit coverage and which may be approved and accepted by the City's Legal Department staff.

NINTH: Contractor agrees to comply with all applicable federal, state and municipal laws and regulations, including but not limited to California Labor Code Division 2, Part 7, Chapter 1.

Apprenticeship Utilization: The Contractor agrees to comply with the Department of Apprenticeship

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Standards of the California Labor Code Section 1777.5, and the following:

Prior to commencing work on the Awarded Contract, the Contractor shall submit Contract Award information (form DAS 140) to all applicable apprenticeship programs that can supply apprentices to the site of the public work. **A copy of this information shall also be provided to the City of Salinas.**

The ratio of work performed by apprentices to journeyman employed in a particular craft or trade on the public work shall be no less than 1 hour of apprentice work for every 5 hours of journeyman work. The Contractor shall request dispatch of required apprentices from an Apprenticeship Program at least 72 hours prior to beginning of their work on the project. **Provide written documentation in the event no apprentices are dispatched.**

At the end of each month of work on the Contract, the Contractor and Subcontractors shall **submit a record of the utilization of apprentices for the previous months work.**

Within **60 calendar days** after concluding work on the Contract, each Contractor and Subcontractor shall **submit to the City of Salinas and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the Contract.**

TENTH: Contractor agrees to comply with all requirements of the City of Salinas Local Hiring Preference Ordinance 2330, Salinas City Code Chapter 12, Article IV, which hereby establishes a local hiring requirement procedures on Public Works Contracts, with respect to person(s) hired directly by the Contractor and all persons hired by the Contractor's Subcontractor(s).

IN WITNESS WHEREOF, City of Salinas has caused this instrument to be executed and its corporate name and seal to be hereunto attached by its Mayor, pursuant to resolution theretofore duly adopted by the Council of the City of Salinas, and Contractor has caused this instrument to be executed, the day and year first herein above written.

CITY OF SALINAS, A Municipal Corporation


By: _____
Mayor

ATTEST:

City Clerk _____

Granite Construction Company _____

(Attach Notary Acknowledgment)

By: 
Contractor (signature in blue ink)
Kenneth B. Olson, Assistant Secretary



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.

ACKNOWLEDGMENT

State of California
County of Santa Cruz)

On June 8, 2017 before me, V.J. Fox, Notary Public
(insert name and title of the officer)

personally appeared Kenneth B. Olson,
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 authorized capacity(ies), and that by 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.

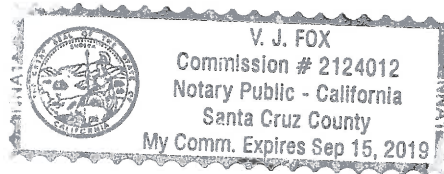
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature

V.J. Fox, Notary Public

(Seal)



AGREEMENT-cont.

NOTE: Please refer to the “General Instructions to Low Bidder” for specific signature requirements.

I hereby approved the form of the foregoing Contract this _____ day of
_____, 20_____.

Attorney for the City of Salinas

Checked by the City Engineer on _____

City Engineer

ALL SIGNATURES SHALL BE NOTARIZED EXCEPT THOSE OF THE CITY OFFICIALS

CONTRACT 2015-JOB01-Class-A
Granite Construction Company
Job Order Contract
J01A

FIRST RENEWAL OPTION PERIOD

Pursuant to the agreement between the parties, the following are the Adjustment Factors for the next option period, effective on June 20, 2017 and expiring on June 20, 2019:

ENR Construction Cost index for San Francisco

Base Year			Option Year		
	Date	Index		Date	Index
1	December 2014	10915.84	1	June 2016	11548.40
2	January 2015	11173.16	2	July 2016	11555.15
3	February 2015	11177.70	3	August 2016	11554.65
4	March 2015	11169.32	4	September 2016	11576.33
5	April 2015	11162.57	5	October 2016	11578.33
6	May 2015	11169.32	6	November 2016	11579.33
7	June 2015	11155.07	7	December 2016	11609.44
8	July 2015	11155.07	8	January 2017	11609.44
9	August 2015	11155.07	9	February 2017	11609.44
10	September 2015	11158.82	10	March 2017	11609.44
11	October 2015	11169.31	11	April 2017	11696.47
12	November 2015	11154.06	12	May 2017	11691.03
		Base Average			Option Average
		11142.9425			11601.4542

Price Adjustment: $\frac{\text{First Year Index Average}}{\text{Base Year Index Average}} = \frac{11601.4542}{11142.9425} = 1.0411 *$

	AWARD MULTIPLIER	x PRICE ADJUSTMENT	= OPTION MULTIPLIER
# 2015-JOB01-Class-A			
Normal Working Hours	1.1213	x 1.0411 *	= 1.1674
Other Than Normal Working Hours	1.1213	x 1.0411 *	= 1.1674

* Contractor reserves the right to request a price adjustment, on an annual basis, based on the average ENR construction cost index for the San Francisco area.