

AGREEMENT FOR COMPUTER HARDWARE MAINTENANCE SERVICES

This agreement for computer hardware maintenance services ("Agreement") is made and entered into this 28th day of May, 2009 ("Effective Date"), by and between the City of Redlands, a municipal corporation organized under the laws of the State of California ("City"), and American Reliance, Inc. / AMREL, a corporation ("Consultant"). City and Consultant are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

In consideration of the mutual promises contained herein, the City of Redlands and American Reliance, Inc. / AMREL agree as follows:

AGREEMENT

Section 1. Services. City desires to engage Consultant to render computer hardware maintenance services, as more specifically set forth in this Agreement, for rugged computers and docking stations owned by City. Consultant shall furnish to City all labor, materials, tools, equipment, services and incidental and customary work necessary to fully and adequately supply the maintenance services ("Services"). The specific Services to be provided by Consultant are more particularly described in Exhibit "A," which is attached hereto and incorporated herein by this reference. The Services shall be performed in accordance with this Agreement, the exhibits attached hereto, and all applicable local, state and federal laws, rules and regulations. Accessories such as carrying cases, adapters and plugs are not included within the Services that are the subject of this Agreement. A list of the specific computers and docking stations for which the Services will be performed is attached hereto as Exhibit "B," which is incorporated herein by this reference.

Section 2. Term. The term of this Agreement shall commence on its Effective Date and shall end on April 30, 2011, unless earlier terminated as provided herein.

Section 3. Responsibilities of Consultant.

A. Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant, or under Consultant's direct supervision, and Consultant shall be solely responsible for determining the means, methods and details of performing the Services. City retains Consultant on an independent contractor basis and not as an employee. Consultant shall pay all wages, salaries, and other amounts due its personnel in connection with their performance of the Services, as required by law. Consultant shall be responsible for all reports and obligations respecting such personnel including, but not limited to, social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

B. Schedule of Services. Consultant shall perform the Services expeditiously at all times as requested by City, and shall complete the Services within the term of this Agreement. Consultant shall meet any other City established schedules and deadlines. In

order to facilitate Consultant's performance of the Services, City shall respond to Consultant's submittals in a timely manner.

C. Substitution of Key Personnel. Consultant represents to City that certain key personnel will perform and coordinate the Services. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon prior written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement. Any personnel of Consultant who fail or refuse to perform the Services in a manner acceptable to City, or who are determined by City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Services or a threat to the safety of persons or property, shall be promptly replaced by Consultant at the request of City. Consultant's key personnel for performance of this Agreement are as follows: Ron McMahan, Diana Davila, Magnus Pyk, Ron Capron, Bonnie Zheng, Wendy Cheng, and Javier Camarillo.

Section 4. Representatives.

A. City Representatives. City hereby designates David L. Hexem, Chief Information Officer, or his designee, to act as City's representative for this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Agreement. Consultant shall not accept direction or orders from any person other than the City's Representative or his designee.

B. Consultant's Representative. Consultant hereby designates Diana Davila, or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. Consultant's Representative shall supervise and direct the Services, using her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services.

C. Standard of Care; Performance of Employees. Consultant shall perform the Services in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City business license, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from City, any Services necessary to correct errors or omissions which are caused by Consultant's failure to comply with the standard of care provided for herein

D. Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with the Services. If Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

Section 5. Insurance.

A. Consultant's Insurance to be Primary. Except for Workers Compensation Insurance, all insurance required by this Agreement shall be maintained by Consultant for the duration of its performance of the Services, and shall be primary with respect to City and non-contributing to any insurance or self-insurance maintained by City, and City shall be named as an additional insured on all such insurance policies.

B. Workers' Compensation and Employer's Liability. Consultant shall secure and maintain Workers' Compensation and Employer's Liability insurance for its employees pursuant to Labor Code section 3700, in an amount which meets statutory requirements, with an insurance carrier acceptable to City. The insurance policy shall include a provision prohibiting the policy's modification or cancellation except upon thirty (30) days' prior written notice to City. Consultant shall execute and deliver to City a Worker's Compensation Insurance Certification in the form attached hereto as Exhibit "C" prior to commencement of any Services.

C. Comprehensive General Liability Insurance. Consultant shall secure and maintain in force throughout the duration of its Services comprehensive general liability insurance, with carriers acceptable to City, with minimum coverage of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate for public liability, property damage and personal injury. The insurance policy shall include a provision prohibiting modification of its coverage limits or cancellation except upon thirty (30) days' prior written notice to City. A certificate of insurance and endorsements shall be delivered to City prior to commencement of any Services.

D. Business Auto Liability Insurance. Consultant shall secure and maintain in force throughout the duration of its Services business automobile liability coverage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence, combined single limit for bodily injury liability and property damage liability. This coverage shall include all Consultant-owned vehicles used in connection with the Services, hired and non-owned vehicles, and employee non-ownership vehicles. The insurance policy shall include a provision prohibiting its modification of its coverage limits or cancellation except upon thirty (30) days' prior written notice to City. A certificate of insurance and endorsements shall be delivered to City prior to commencement of any Services.

E. Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. Consultant shall guarantee that, at the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its directors, officials, officers, employees, agents and volunteers; or (2) Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims and administrative and defense expenses.

F. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to City.

Section 6. Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out the Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the Services are to be performed.

Section 7. Fees and Payments.

A. Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "D" attached hereto and incorporated herein by this reference. The total compensation for Consultant's Services shall not exceed Forty-One Thousand Seven Hundred Ninety-Six Dollars (\$41,796.00). Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

B. Payment of Compensation. Consultant shall submit to City an invoice, in the amount of Forty-One Thousand Seven Hundred Ninety-Six Dollars (\$41,796.00) for the Services. City shall, within forty-five (45) days of receiving such invoices, review the invoice and if satisfactory to City, pay all approved charges thereon.

C. Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

D. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Services, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from City's Representative.

Section 8. Accounting Records. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other

documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, and documents, related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

Section 9. Termination of Agreement.

A. Grounds for Termination. City may, by written notice to Consultant, terminate this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those Services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

B. Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

C. Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

Section 10. Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

Consultant:

American Reliance Inc / AMREL
3445 Fletcher Avenue
El Monte, CA 91731
Attn: Diana Davila, Account Manager

City:

City of Redlands
35 Cajon Street
Redlands, CA 92373
Attn: David L. Hexem (CIO)

Notices shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

Section 11. Ownership of Materials and Confidentiality.

A. Documents and Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

B. Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

C. Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

Section 12. Attorneys' Fees. If either Party commences any action against the other Party arising out of or in connection with this Agreement, the prevailing Party in such action shall be entitled to recover from the losing Party reasonable attorneys' fees and all other costs of such action, including fees for use of in-house counsel by a Party.

Section 13. Indemnification. Consultant shall defend, indemnify and hold City, its elected officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the

performance of the Services, including without limitation the payment of all consequential damages and attorneys fees and other related costs and expenses. Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against City, its directors, officials, officers, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse City and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials, officers, employees, agents or volunteers.

Section 14. Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

Section 15. Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Bernardino County, San Bernardino District.

Section 16. Time of Essence. Time is of the essence for each and every provision of this Agreement.

Section 17. Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

Section 18. Assignment. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

Section 19. Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

Section 20. Amendment. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

Section 21. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppels, or otherwise.

Section 22. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

Section 23. Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

Section 24. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising there from.

Section 25. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

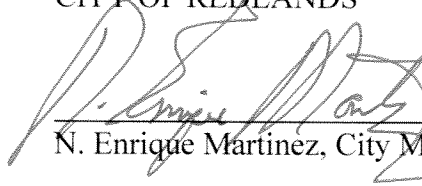
Section 26. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

Section 27. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

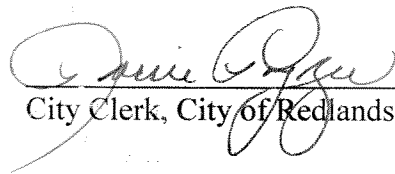
Section 28. Subcontracting. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

CITY:

CITY OF REDLANDS


N. Enrique Martinez, City Manager

ATTEST:


City Clerk, City of Redlands

American Reliance Inc. / AMREL:

By: 
Victor Chiang, CIO

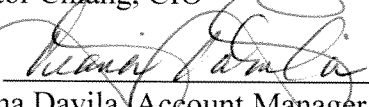
By: 
Diana Davila, Account Manager

EXHIBIT "A"

SCOPE OF SERVICES

Hardware Maintenance – To provide City with Out of Warranty Maintenance In-Service Repairs on existing Rugged Notebook Computers and Docking Stations, hereinafter referred to as “MDC”, on a renewable yearly basis. In the event Consultant determines that any MDC cannot be repaired in accordance with the provisions of this Agreement, that specific MDC shall be replaced by Consultant, at Consultant’s sole cost.

EXHIBIT "B"

City currently has 27 Rugged Notebook Computers and Docking Stations, hereinafter referred to as "MDC" that were purchased in 02/10/06, 09/27/06 and 10/04/06. A listing of the MDC follows:

EXHIBIT "C"

EXHIBIT "D"
COMPENSATION

<u>Number Of Units</u>	<u>Monthly Charge Per Unit</u>	<u>Extended Monthly Cost</u>
27	\$59.00	\$1,593.00
27	\$70.00	\$1,890.00

*** AS A PART OF THIS AGREEMENT:**

Out of warranty batteries will be replaced at an additional discounted price of: \$200.00 each.

Ordinance No. 2678 - Purchasing Policy - Finance Director Kundig reviewed the proposed ordinance which updates policies for effective procurement by the City and clarifies ambiguous language, updates the dollar limits for public and nonpublic contracts and provides authorization for approval of contracts. Councilmember Bean felt the \$50,000.00 limit for approval and award of contracts or purchases was too high. City Manager Martinez offered to provide quarterly reports to the City Council with bids and contracts approved at staff level. Councilmembers concurred to add this provision to the ordinance. The amended version of Ordinance No. 2678, an ordinance of the City of Redlands amending Chapter 2.16 of the Redlands Municipal Code relating to City purchases and deleting Chapter 3.74 of the Redlands Municipal Code, was read by title only by City Clerk Poyzer, and on motion of Councilmember Gilbreath, seconded by Councilmember Aguilar, further reading of the ordinance text was unanimously waived, and Ordinance No. 2678 was introduced and laid over under the rules with adoption scheduled for February 19, 2008, with Councilmember Bean voting NO.

Ordinance No. 2689 - Uniform Fire Code - Fire Marshal Leonard Temby reviewed the proposed ordinance adopting the most current Uniform Fire Code in print. Ordinance No. 2689, an ordinance of the City of Redlands amending Chapter 15.20 of the Redlands Municipal Code, and adopting, with certain amendments, the 2006 Edition of the International Fire Code, incorporating the 2007 Edition of the California Fire Code, Part 9 of Title 24 of the California Code of Regulations, was read by title only by City Clerk Poyzer, and on motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, further reading of the ordinance text was unanimously waived, and Ordinance No. 2689 was introduced with unanimous Council approval and laid over under the rules with adoption scheduled for February 19, 2008.

Ordinance No. 2690 - California Building Code - Interim Community Development Director Dalquest reviewed the proposed ordinances to update our Building Code, Plumbing Code, Electrical Code and Mechanical Code. Richard Pepper, Chief Building Official, answered questions. Ordinance No. 2690, an ordinance of the City of Redlands amending Chapter 15.04 of the Redlands Municipal Code relating to the adoption of the 2007 California Building Code (California Code of Regulations, Title 24, Part 2) by reference and making amendments thereto, was read by title only by City Clerk Poyzer, and on motion of Councilmember Gilbreath, seconded by Councilmember Gallagher, further reading of the ordinance text was unanimously waived, and Ordinance No. 2690 was introduced with unanimous Council approval and laid over under the rules with adoption scheduled for February 19, 2008.

Ordinance No. 2691 - California Plumbing Code - Ordinance No. 2691, an ordinance of the City of Redlands amending Chapter 15.08 of the Redlands