

AGREEMENT

THIS AGREEMENT, made and entered into this 15 day of October, 2002, by and between the City of Redlands, a Municipal Corporation, organized and existing under the laws of the State of California, hereinafter referred to as the "City" and a partnership consisting Value Engineering, Inc. of the City of Oceanside, County of San Diego, State of California, hereinafter referred to as the "Contractor".

WITNESSETH: That the City and the Contractor, for the consideration hereinafter named, agree as follows:

1. **SCOPE OF WORK:** The Contractor will furnish all materials and will perform all of the work for the following:

Construction of Co-Generation Facility, complete all as required by the Contract Documents and Specifications for the WASTE HEAT RECOVERY SYSTEM, **Project No. 5-0237.**

2. **THE CONTRACT SUM:** \$ 98,500.00 in accordance with the terms and conditions set forth in the Contract Documents.

A. Pursuant to Section 22300 of the California Public Contract Code, Contractor has the option to deposit securities with an Escrow Agent as a substitute for retention of earnings requirement to be withheld by City pursuant to an Escrow Agreement as set forth in Public Contract Code section 22300.

3. **TIME FOR COMPLETION:** The work under this Contract to be completed within forty-five (45) calendar days from and after the date of the Notice to Proceed.
4. **LIQUIDATED DAMAGES:** Failure of the Contractor to complete the work within the time allowed will result in damages being sustained by the City. Such damages are, and will continue to be, impracticable and extremely difficult to determine. The Contractor shall pay to the City, or have withheld from monies due it, the sum of **\$500** for each consecutive calendar day in excess of the specified time for completion of Work.

Execution of the Contract shall constitute agreement by the City and Contractor that **\$500** per day is the minimum and actual damage caused by the failure of the Contractor to complete the Work within the allowed time. Such sum is liquidated damages and shall not be construed as a penalty, and may be deducted from payments due the Contractor if such delay occurs.

5. **CONTRACT DOCUMENTS:** The complete contract includes all of the contract documents set forth herein, to wit; Notice Inviting Bids, Instructions to Bidders, Proposals and Bid Form, Bid Bond, Agreement, Faithful Performance Bond, Labor and

Material Bond, Plans, General Conditions, Special Conditions, Special Provisions and Specifications and any addenda thereto.

6. **ATTORNEYS' FEES:** In the event any legal action is commenced to enforce or interpret the terms or conditions of the contract documents, the prevailing party in such action, in addition to any costs and other relief, shall be entitled to recover its reasonable attorneys' fees.
7. **RESOLUTION OF CONSTRUCTION CLAIMS:** Claims by the Contractor in the amount of \$375,000.00 or less shall be made by Contractor and processed by the City pursuant to the provisions of Part 3, chapter 1, article 1.5 of the Public Contracts Code (commencing with Section 20104). All claims shall be in writing and include the documents necessary to substantiate the claim. Nothing in subdivision (a) of Public Contracts Code Section 20104.2 shall extend the time limit or supersede the notice requirements provided in this case from filing claims by Contractor.
8. **ELIGIBILITY OF CONTRACTOR/SUBCONTRACTOR:** Contractor and any subcontractors agree to abide by California Public Contractor's Code section 6109 and California Labor Code sections 1777.1 and/or 1777.7 and certify that they are not debarred and are eligible to work on this project.
9. **ASSIGNMENT OF AGREEMENT:** No assignment by a party hereto of any rights or interests under this agreement will be binding on another party without the written consent of the party sought to be bound.
10. **SUCCESSORS AND ASSIGNS:** City and Contractor each binds itself, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.
11. **SEVERABILITY:** Any provision or part of the contract documents held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon City and Contractor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first written above.

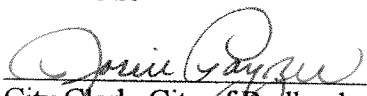
(SEAL)

City of Redlands
(Owner)

By: 

Karl N. (Kasey) Haws
Mayor, City of Redlands, County of
San Bernardino, California

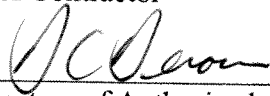
ATTEST:


City Clerk, City of Redlands
County of San Bernardino, California

(SEAL)

Value Engineering, Inc.

Name of Contractor

By: 

Signature of Authorized Agent

President

Title

Signature of Authorized Agent (if necessary)

Title

790190 'A'
Contractor's License No.

WORKER'S COMPENSATION INSURANCE CERTIFICATION

Description of Contract:

City of Redlands
Municipal Utilities Department
WASTE HEAT RECOVERY SYSTEM
Project No. 5-0237

Labor Code section 3700 provides, in part:

"Every employer except the State, shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation in one or more insurer duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, either as an individual employer, or as one employer in a group of employers which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees.

I am 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 of that Code, and I will comply with such provisions before commencing the performance of the work of this contract. (Labor Code section 1861)

Dated this 30 day of Oct., 2002.

Value Engineering, Inc.
(Contractor)
[Signature]
(Signature)
President
(Official Title)

(SEAL)

(Labor Code Section 1861 provides that the above certificate must be signed and filed by the Contractor with the Owner prior to performing the work of the contract.)