



**South Coast  
Air Quality Management District**



Contract No. MS07052

**AB 2766/MSRC ADVANCED LOW EMISSION HEAVY-DUTY NATURAL GAS ENGINES FOR SOLID WASTE  
COLLECTION VEHICLE OPERATORS PROGRAM CONTRACT**

1. PARTIES - The parties to this Contract are the South Coast Air Quality Management District (hereinafter referred to as "AQMD") whose address is 21865 Copley Drive, Diamond Bar, California 91765-4178, and the City of Redlands (hereinafter referred to as "CONTRACTOR") whose address is 35 Cajon Street, Redlands, California 92373.
2. RECITALS
  - A. AQMD is the local agency with primary responsibility for regulating stationary source air pollution in the South Coast Air Basin in the State of California (State). AQMD is authorized under State Health & Safety Code Section 44225 (Assembly Bill (AB) 2766) to levy a fee on motor vehicles for the purpose of reducing air pollution from such vehicles and to implement the California Clean Air Act.
  - B. Under AB 2766 the AQMD'S Governing Board has authorized the imposition of the statutorily set motor vehicle fee. By taking such action the State's Department of Motor Vehicles (DMV) is required to collect such fee and remit it periodically to AQMD.
  - C. AB 2766 further mandates that thirty (30) percent of such vehicle registration fees be placed by AQMD into a separate account for the sole purpose of implementing and monitoring programs to reduce air pollution from motor vehicles.
  - D. AB 2766 creates a regional Mobile Source Air Pollution Reduction Review Committee (MSRC) to develop a work program to fund projects from the separate account. Pursuant to approval of the work program by AQMD'S Governing Board, AQMD Board authorized a contract with CONTRACTOR for services described in Attachment 1 - Statement of Work, expressly incorporated herein by this reference and made a part hereof of this Contract.
  - E. CONTRACTOR has met the requirements for receipt of AB 2766 Discretionary Funds as set forth in CONTRACTOR's AB 2766/MSRC Advanced Technology Heavy-Duty Natural Gas Engine Program Application dated June 5, 2007.
3. DMV FEES - CONTRACTOR acknowledges that AQMD cannot guarantee the amount of fees to be collected under AB 2766 will be sufficient to fund this Contract. CONTRACTOR further acknowledges that AQMD'S receipt of funds is contingent on the timely remittance by State's DMV. AQMD assumes no responsibility for the collection and remittance of motor vehicle registration fees by DMV to AQMD in a timely manner.
4. AUDIT - Additionally, CONTRACTOR shall, at least once every two years, or within two years of the termination of the Contract if the term is less than two years, be subject to an audit by AQMD or its authorized representative to determine if the revenues received by CONTRACTOR were spent for the reduction of pollution from Motor Vehicles pursuant to the Clean Air Act of 1988. AQMD shall coordinate such audit through CONTRACTOR'S audit staff. If an amount is found to be inappropriately expended, AQMD may withhold revenue from CONTRACTOR in the amount equal to the amount which was inappropriately expended. Such withholding shall not be construed as AQMD'S sole remedy and shall not relieve CONTRACTOR of its obligation to perform under the terms of this Contract.

## 5. REPORTING

- A. **PROGRESS REPORTS** - CONTRACTOR shall submit progress reports to AQMD within fifteen (15) days of the end of the reporting period which shall be on a quarterly basis beginning three months after the date this Contract is signed by both parties. Such reports shall detail: 1) work performed during the current reporting period; 2) work planned for the next reporting period; 3) problems identified, solved, and/or unresolved; 4) the percentage of each task completed; 5) delays in meeting the project schedule with an explanation including a description of what steps will be taken to complete the project on time; and 6) a cost breakdown by cost category for each task showing both the amount of AB 2766 funds expended and co-funding expended for the reporting period and the cumulative period to date. Progress reports that do not comply will be returned to CONTRACTOR as inadequate. Under this policy, failure to submit progress reports within the allotted time may be considered a material breach and subject the Contract to termination.
1. If CONTRACTOR fails to submit progress reports as required by the Contract, the following shall occur: If after seven (7) days past the progress report due date CONTRACTOR fails to submit progress reports, MSRC Contract staff will notify CONTRACTOR in writing of the delinquency and request that the progress report be submitted within seven (7) days of the written notice.
  2. For Monthly Reports: If CONTRACTOR fails to submit a progress report for the second consecutive month, the MSRC Contract Administrator shall send a second written notice indicating that two previous progress reports are due and that they must be submitted within fifteen (15) days. If CONTRACTOR fails to provide a report for a third consecutive month, AQMD's Procurement Manager shall provide written notice to CONTRACTOR to cure the delinquency within fifteen (15) days of the notice or be subject to termination within thirty (30) days.
  3. For Quarterly Reports: If CONTRACTOR fails to submit a progress report, the MSRC Contract Administrator shall send a written notice indicating that the progress report is due and that it must be submitted within fifteen (15) days. If CONTRACTOR does not respond within the allotted time, AQMD's Procurement Manager shall provide written notice to CONTRACTOR to cure the delinquency within fifteen (15) days of the notice or be subject to termination within thirty (30) days.
  4. If CONTRACTOR has a history of non-consecutive (three or more occasions) delinquent progress reports, this may be considered a material breach of the Contract and be grounds for immediate termination of the Contract. For example, if progress reports are submitted in such an inconsistent and sporadic fashion as to indicate a lack of compliance with this Contract provision (e.g., progress report submitted one month, skipping several months thereafter).
  5. If a contract is terminated as a result of this policy, the direct contractor involved will not be eligible to apply for AB 2766 Discretionary Funds for two programs years.
- B. **FINAL REPORT** - CONTRACTOR shall provide AQMD with a comprehensive final report in accordance with the project schedule specified in Attachment 1 – Statement of Work. The final report shall be subject to review by the MSRC and approval by AQMD, and shall be provided in the format and manner directed by AQMD staff. The final report shall be complete and include illustrations and graphs, as appropriate, to document the work performed and the results thereof under this Contract. The final

report will also contain, in detail, the reduction of mobile source air pollution emissions resulting from the project's implementation.

6. TERM - The term of this Contract is seventy six (76) months from the date of execution by both parties, unless terminated earlier as provided for in Clause 7 below entitled Termination, extended by amendment of this Contract in writing, or unless all work is completed and a final report is submitted and approved by AQMD prior to the termination date. No work shall commence prior to the Contract start date, except at CONTRACTOR'S cost and risk, and no charges are authorized until this Contract is fully executed. Upon written request and with adequate justification from CONTRACTOR, the MSRC Contracts Administrator may extend the Contract up to an additional six months at no additional cost. Term extensions greater than six months must be reviewed and approved by the MSRC.

7. TERMINATION

- A. In the event any party fails to comply with any term or condition of this Contract, or fails to provide services in the manner agreed upon by the parties, including, but not limited to, the requirements of Attachment 1 – Statement of Work, this failure shall constitute a breach of this Contract. The non-breaching party shall notify the breaching party that it must cure this breach or provide written notification of its intention to terminate this contract. Notification shall be provided in the manner set forth in Clause 15. The non-breaching party reserves all rights under law and equity to enforce this contract and recover damages.
- B. AQMD reserves the right to terminate this Contract, in whole or in part, without cause, upon thirty (30) days' written notice. Once such notice has been given, CONTRACTOR shall, except as and to the extent or directed otherwise by AQMD, discontinue any Work being performed under this Contract and cancel any of CONTRACTOR's orders for materials, facilities, and supplies in connection with such Work, and shall use its best efforts to procure termination of existing subcontracts upon terms satisfactory to AQMD. Thereafter, CONTRACTOR shall perform only such services as may be necessary to preserve and protect any Work already in progress and to dispose of any property as requested by AQMD.
- C. CONTRACTOR shall be paid in accordance with this Contract for all Work performed before the effective date of termination under Clause 7.B. Before expiration of the thirty (30) days' written notice, CONTRACTOR shall promptly deliver to AQMD all copies of documents and other information and data prepared or developed by CONTRACTOR under this Contract with the exception of a record copy of such materials, which may be retained by CONTRACTOR.

8. EARLY TERMINATION – This Contract may be terminated early if the vehicle(s) become inoperable through mechanical failure of components or systems directly related to the alternative fuel technology being utilized, and such failure is not caused by CONTRACTOR'S negligence, misuse, or malfeasance.

9. INSURANCE

- A. CONTRACTOR shall furnish evidence to AQMD of workers' compensation insurance for each of its employees, in accordance with either California or other states' applicable statutory requirements prior to commencement of any work on this Contract.
- B. CONTRACTOR shall furnish evidence to AQMD of general liability insurance with a limit of at least \$1,000,000 per occurrence, and \$2,000,000 in a general aggregate prior to commencement of any work on this Contract. AQMD shall be named as an additional insured on any such liability policy, and thirty

- (30) days written notice prior to cancellation of any such insurance shall be given by CONTRACTOR to AQMD.
- C. CONTRACTOR shall furnish evidence to AQMD of automobile liability insurance with limits of at least \$100,000 per person and \$300,000 per accident for bodily injuries, and \$50,000 in property damage, or \$1,000,000 combined single limit for bodily injury or property damage, prior to commencement of any work on this Contract. AQMD shall be named as an additional insured on any such liability policy, and thirty (30) days written notice prior to cancellation of any such insurance shall be given by CONTRACTOR to AQMD.
  - D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, AQMD reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to CONTRACTOR or terminate this Contract for breach.
  - E. All insurance certificates should be mailed to: AQMD Risk Management, 21865 Copley Drive, Diamond Bar, CA 91765-4178. **The AQMD Contract Number must be included on the face of the certificate.**
  - F. CONTRACTOR must provide updates on the insurance coverage throughout the term of the Contract to ensure that there is no break in coverage during the period of contract performance. Failure to provide evidence of current coverage shall be grounds for termination for breach of Contract.
10. INDEMNIFICATION – CONTRACTOR agrees to hold harmless, defend, and indemnify, AQMD, its officers, employees, agents, representatives, and successors-in-interest against any and all loss, damage, cost, or expenses which AQMD, its officers, employees, agents, representatives, and successors-in-interest may incur or be required to pay by reason of any injury or property damage caused or incurred by CONTRACTOR, its employees, subcontractors, or agents in the performance of this Contract.
11. PAYMENT
- A. AQMD shall reimburse CONTRACTOR up to a total amount of One Hundred Sixty Thousand Dollars (\$160,000) in accordance with Attachment 2 – Payment Schedule, expressly incorporated herein by this reference and made a part hereof of this Contract. Any funds not expended upon early contract termination or contract completion shall revert to the AB 2766 Discretionary Fund. Payment of charges shall be made by AQMD to CONTRACTOR within thirty (30) days after approval by AQMD of an itemized invoice prepared and furnished by CONTRACTOR.
  - B. An invoice submitted to AQMD for payment must be prepared in duplicate, on company letterhead, and list AQMD'S contract number, period covered by invoice, and CONTRACTOR'S social security number or Employer Identification Number and submitted to:  
 South Coast Air Quality Management District  
 21865 Copley Drive  
 Diamond Bar, CA 91765-4178  
 Attn: Cynthia Ravenstein, MSRC Contract Administrator
  - C. CONTRACTOR must submit final invoice no later than ninety (90) days after the termination date of this Contract or invoice may not be paid.
  - D. An amount equal to ten percent (10%) shall be withheld from each invoice paid. Upon satisfactory completion and final acceptance of work and the final report by AQMD, CONTRACTOR'S invoice for the 10% withheld will be released.

12. MOBILE SOURCE EMISSION REDUCTION CREDITS (MSERCs)
- A. The MSRC has adopted a policy that no MSERCs resulting from AB 2766 Discretionary Funds may be generated and/or sold.
  - B. CONTRACTOR has the opportunity to generate MSERCs as a by-product of the project if a portion of the air quality benefits attributable to the project resulted from other funding sources. These MSERCs, which are issued by AQMD, are based upon the quantified vehicle miles traveled (VMT) by project vehicles or other activity data as appropriate. Therefore, a portion of prospective MSERCs, generated as a result of AB 2766 Funds, must be retired. The portion of prospective credits funded by the AB 2766 program, and which are subject to retirement, shall be referred to as "AB 2766-MSERCs."
  - C. The determination of AB 2766-MSERC's is to be prorated based upon the AB 2766 program's contribution to the cost associated with the air quality benefits. In the case where AB 2766 Discretionary Funds are used to pay for the full differential cost of a new alternative fuel vehicle or for the retrofitting or repowering of an existing vehicle, all MSERCs attributable to AB 2766 Discretionary Funds must be retired. The determination of AB 2766-MSERCs for infrastructure and other ancillary items is to be prorated based upon the AB 2766 program's contribution to the associated air quality benefits. Determination of the project's overall cost will be on a case-by-case basis at the time an MSERC application is submitted. AQMD staff, at the time an MSERC application is submitted, will calculate total MSERCs and retire the AB 2766-MSERCs. CONTRACTOR would then receive the balance of the MSERCs not associated with AB 2766 funding.
13. DISPLAY OF MSRC LOGO - CONTRACTOR agrees to permanently display one MSRC decal in a prominent location on each vehicle purchased pursuant to this Contract. CONTRACTOR also agrees to permanently display one MSRC decal in a prominent location on each fueling or charging station constructed or upgraded pursuant to this Contract. Decals will be provided by MSRC upon notification that subject fueling station equipment and/or vehicles are placed into service. Decals are approximately twelve (12) inches in height and eighteen (18) inches in width (Note: a smaller decal may be provided if CONTRACTOR demonstrates that application of the standard decal is not feasible). CONTRACTOR shall maintain decal for life of vehicle or equipment subject to this Contract. Should any decal become damaged, faded, or otherwise unreadable, CONTRACTOR shall request replacement decal from MSRC and apply new decal in the same or other prominent location. MSRC shall not be responsible for damage to paint or other vehicle surfaces arising from application or removal of decals. In addition, all promotional materials related to the project, including, but not limited to, press kits, brochures and signs shall include the MSRC logo. Press releases shall acknowledge MSRC financial support for the project.
14. ACCRUAL OF MILEAGE WITHIN SOUTH COAST AIR QUALITY DISTRICT – CONTRACTOR is obligated to comply with the geographical restriction requirements as follows:
- A. Each of the vehicles funded under this Contract must accrue at least 85% of its annual mileage or engine hours of operation within the geographical boundaries of the South Coast Air Quality Management District for a period of no less than five (5) years from the date the vehicle enters service (new vehicles) or returns to service (repowered vehicles). Should CONTRACTOR deviate from or fail to comply with this obligation, for reasons other than those stated in Clause 8, CONTRACTOR shall reimburse AQMD for a prorated share of the funds provided for the vehicle as indicated in the table below:

| 5 year Operations Obligation Termination Occurs | Percentage of MSRC Funds to be Reimbursed |
|-------------------------------------------------|-------------------------------------------|
| Within Year 1                                   | 100%                                      |
| Between Years 1-2                               | 80%                                       |
| Between Years 2-3                               | 60%                                       |
| Between Years 3-4                               | 40%                                       |
| Between Years 4-5                               | 20%                                       |
| After Year 5                                    | 0%                                        |

- B. The appropriate reimbursable amount shall be paid to AQMD within sixty (60) days from the date the vehicle ceases to operate in accordance with the geographical restriction. CONTRACTOR shall not be responsible for any reimbursement to AQMD if the obligation is terminated as a result from one or more reasons set forth in Clause 8.
- C. Should CONTRACTOR sell, lease, transfer, assign or otherwise divest itself of the vehicles during the five year period referred to in clause 14.A, notice shall be provided to AQMD no less than 30 days preceding the sale, lease, transfer, or assignment is effectuated. The agreement effectuating the sale, lease, transfer or assignment shall state that the AQMD is an intended third-party beneficiary of the agreement and shall include the following requirement: the obligation to accrue mileage within the South Coast Air Quality Management District shall be a continuing obligation of the subsequent purchaser, lessee, transferee, successor in interest, heir or assign and shall remain in full force and effect until the expiration of the five year operation period. This obligation shall be passed down to any subsequent purchaser, lessee or transferee during this five year term and AQMD shall be an intended third-party beneficiary of any subsequent agreement. Upon receiving notice of any subsequent sale, lease, transfer, assignment or other divestiture, AQMD may elect to either require the reimbursement specified in Clause 14.A and 14.B, or require the subsequent purchaser, lessee, transferee or assignee to comply with the continuing obligation to operate the vehicle for a period of no less than five (5) years from the date the vehicle entered service (new vehicles) or re-service (re-powered vehicles). Notice of AQMD's election of remedies shall be provided to CONTRACTOR and any subsequent purchaser, lessee, transferee or assignee in a timely fashion.
15. NOTICES - Any notices from either party to the other shall be given in writing to the attention of the persons listed below or to other such addresses or addressees as may hereafter be designated in writing for notices by either party to the other. A notice shall be deemed received when delivered or three days after deposit in the U.S. Mail, postage prepaid, whichever is earlier.

AQMD: South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765-4178  
Attn: Cynthia Ravenstein, MSRC Contract Administrator

CONTRACTOR: City of Redlands  
P.O. Box 3005, Suite 15A  
Redlands, California 92373  
Attn: Gary Van Dorst

16. EMPLOYEES OF CONTRACTOR

- A. CONTRACTOR warrants that it will employ no subcontractor without written approval from AQMD. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation, vacation replacements, sick leave, severance pay and pay for legal holidays.
- B. CONTRACTOR shall also pay all federal and state payroll taxes for its employees and shall maintain workers' compensation and liability insurance for each of its employees.
- C. CONTRACTOR, its officers, employees, agents, or representatives shall in no sense be considered employees or agents of AQMD, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by AQMD to its employees.
- D. CONTRACTOR warrants that it has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract. CONTRACTOR further represents that in performance of this Contract, no person having any such interest shall be employed by CONTRACTOR or any subcontractor.

17. NON-DISCRIMINATION - In the performance of this Contract, CONTRACTOR shall not discriminate in recruiting, hiring, promotion, demotion, or termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, or physical handicap and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900, *et seq.*), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, Executive Order No. 11246 (30 Federal Register 12319), and all administrative rules and regulations issued pursuant to said Acts and Order. CONTRACTOR shall likewise require each subcontractor to comply with this clause and shall include in each such subcontract language similar to this clause.

18. COMPLIANCE WITH APPLICABLE LAWS - CONTRACTOR agrees to comply with all federal, state, and local laws, ordinances, codes and regulations and orders of public authorities in the performance of this Contract and to ensure that the provisions of this clause are included in all subcontracts.

19. ASSIGNMENT - The rights granted hereby may not be assigned, sold, licensed, or otherwise transferred by either party without the prior written consent of the other, and any attempt by either party to do so shall be void upon inception.

20. NON-EFFECT OF WAIVER - CONTRACTOR'S or AQMD'S failure to insist upon the performance of any or all of the terms, covenants, or conditions of this Contract, or failure to exercise any rights or remedies hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants, or conditions, or of the future exercise of such rights or remedies, unless otherwise provided for herein.

21. ATTORNEYS' FEES - In the event any action (including arbitration) is filed in connection with the enforcement or interpretation of this Contract, each party in said action shall pay its own attorneys' fees and costs.
22. FORCE MAJEURE - Neither AQMD nor CONTRACTOR shall be liable or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, civil or military authority, acts of public enemy, war, strikes, labor disputes, shortages of suitable parts, materials, labor or transportation, or any similar cause beyond the reasonable control of AQMD or CONTRACTOR.
23. SEVERABILITY - In the event that any one or more of the provisions contained in this Contract shall for any reason be held to be unenforceable in any respect by a court of competent jurisdiction, such holding shall not affect any other provisions of this Contract, and the Contract shall then be construed as if such unenforceable provisions are not a part hereof.
24. HEADINGS - Headings on the clauses of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
25. DUPLICATE EXECUTION - This Contract is executed in duplicate. Each signed copy shall have the force and effect of an original.
26. GOVERNING LAW - This Contract shall be construed and interpreted and the legal relations created thereby shall be determined in accordance with the laws of the State of California. Venue for resolution of any dispute shall be Los Angeles County, California.
27. PRECONTRACT COSTS - Any costs incurred by CONTRACTOR prior to CONTRACTOR receipt of a fully executed Contract shall be incurred solely at the risk of the CONTRACTOR. In the event that a formal Contract is not executed, neither the MSRC nor the AQMD shall be liable for any amounts expended in anticipation of a formal Contract. If a formal Contract does result, precontract cost expenditures authorized by the Contract will be reimbursed in accordance with the cost schedule and payment provision of the Contract.
28. CHANGE TERMS - Changes to any part of this Contract must be requested in writing by CONTRACTOR, submitted to AQMD and approved by MSRC in accordance with MSRC policies and procedures. CONTRACTOR must make such request a minimum of 90 days prior to desired effective date of change. All modifications to this Contract shall be in writing and signed by both parties.
29. ENTIRE CONTRACT - This Contract represents the entire agreement between the parties hereto related to CONTRACTOR providing services to AQMD and there are no understandings, representations, or warranties of any kind except as expressly set forth herein. No waiver, alteration, or modification of any of the provisions herein shall be binding on any party unless in writing and signed by the party against whom enforcement of such waiver, alteration, or modification is sought. The Statement of Work - Attachment 1, The Payment Schedule - Attachment 2, and Supporting Documentation - Attachment 3, are incorporated by reference herein and made a part hereof.

30. AUTHORITY - The signator hereto represents and warrants that he or she is authorized and empowered and has the legal capacity to execute this Contract and to legally bind CONTRACTOR both in an operational and financial capacity and that the requirements and obligations under this Contract are legally enforceable and binding on CONTRACTOR.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

CITY OF REDLANDS

By: William A. Burke  
Dr. William A. Burke, Chairman, Governing Board

By: Jon Harrison  
Name: Jon Harrison  
Title: Mayor

Date: July 30, 2008

Date: 7-15-08

ATTEST:  
Saundra McDaniel, Clerk of the Board

ATTEST: Lorrie Poyzer  
Lorrie Poyzer, City Clerk

By: Saundra McDaniel

APPROVED AS TO FORM:  
Kurt R. Wiese, District Counsel

By: Barbara Baird

**Attachment 1  
Statement of Work  
City of Redlands  
Hereinafter Referred to as CONTRACTOR  
Contract Number MS07052**

**Project Description**

CONTRACTOR will purchase and place into service five (5) refuse trucks equipped with advanced, heavy-duty natural gas engines as specified below.

**Statement of Work**

Vehicles

CONTRACTOR shall purchase five (5) heavy-duty natural gas refuse trucks, equipped with qualifying engines, as follows:

| <b>Vehicles</b>                                                                                                                                                                                                 | <b>Life Expectancy</b> | <b>Vehicle Operation Miles Per Year</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------|
| Five (5) refuse trucks equipped with dedicated natural gas engines certified by the California Air Resources Board (CARB) at or below a NO <sub>x</sub> standard of 0.2 grams per brake horsepower-hour (g/bhp) | 7 to 10 years each     | 11,400 to 20,416 miles each             |

CONTRACTOR shall be reimbursed for vehicles according to the costs stated in Attachment 2 – Payment Schedule. Engines must be certified at or below a 0.2 g/bhp-hr NO<sub>x</sub> standard by CARB prior to the release of MSRC funds.

Promotion

CONTRACTOR shall prepare and submit a proposed Public Outreach Plan to promote the acquisition of the MSRC co-funded vehicles. Acceptable outreach may include, but is not limited to, notices in CONTRACTOR mailings to residents, newspaper notices, flyers, and information items at CONTRACTOR Board meetings and community events. The Public Outreach Plan shall automatically be deemed approved 30 days following receipt by AQMD staff, unless AQMD staff notify CONTRACTOR in writing of a Public Outreach Plan deficiency. CONTRACTOR shall implement the approved Public Outreach Plan in accordance with the Project Schedule below.

**Project Schedule (based on date of Contract execution)**

| <b>Task</b>                                      | <b>Completion</b>                       |
|--------------------------------------------------|-----------------------------------------|
| Order Vehicles                                   | Month 4                                 |
| Submit Public Outreach Plan                      | Month 10                                |
| Take delivery of vehicles and place into service | Month 13                                |
| Implement Public Outreach Plan                   | Month 15                                |
| Progress Reports                                 | Quarterly until all vehicles in service |
| Final Report                                     | Month 16                                |

**Attachment 1  
Statement of Work – continued  
City of Redlands  
Hereinafter Referred to as CONTRACTOR  
Contract Number MS07052**

**Hardware:** Five (5) natural gas-fueled refuse trucks as listed above.

**Reports**

**Quarterly Reports:** Until all trucks have been placed into service, CONTRACTOR shall provide quarterly progress reports that summarize the project results to date including, but not limited to: tasks completed, issues or problems encountered, resolutions implemented, progress to date, and CONTRACTOR's assessment of whether all deliverable dates will be met. An interim report that does not comply will be returned to the CONTRACTOR as inadequate.

**Final Report:** A Final Report shall be submitted by the CONTRACTOR in the format provided by AQMD staff. Report shall include, at a minimum: a) an executive summary; and b) a detailed discussion of the results and conclusions at this project. CONTRACTOR will identify any barriers encountered and solutions developed to overcome the barriers, and impact of project on future alternative fuel projects.

In the event the CONTRACTOR files for bankruptcy or becomes insolvent or discontinues this project, the following items revert to the AQMD for disposition into the AB 2766 Discretionary Fund account:

none

**Attachment 2  
Payment Schedule  
City of Redlands  
Hereinafter Referred to as CONTRACTOR  
Contract Number MS07052**

**Cost Breakdown**

| <b>Number of<br/>Qualifying<br/>Vehicle<br/>Purchases</b> | <b>AB 2766<br/>Incentive<br/>per Unit</b> | <b>Total MSRC<br/>Costs</b> | <b>Other Funds<br/>Applied</b> | <b>Total Cost</b> |
|-----------------------------------------------------------|-------------------------------------------|-----------------------------|--------------------------------|-------------------|
| 5                                                         | \$32,000                                  | \$160,000                   | \$885,653                      | \$1,045,653       |

CONTRACTOR shall be reimbursed according to the amounts stated above per vehicle upon proof of vehicle delivery, vehicle acceptance, and placement of vehicle into service.

**Attachment 3**  
**Supporting Documentation**  
**City of Redlands**  
**Hereinafter Referred to as CONTRACTOR**  
**Contract Number MS07052**

The supporting documents attached hereto as Attachment 3, represent obligations of the CONTRACTOR. Nothing herein shall be construed as an assumption of duties or obligations by the AQMD or granting any rights to third parties against the AQMD.

1. Proof of Insurance.

|                                                                                                                                                                     |  |                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ACORD CERTIFICATE OF LIABILITY INSURANCE</b>                                                                                                                     |  | DATE (MM/DD/YYYY)<br><b>05/14/2008</b>                                                                                                                                                                      |
| PRODUCER (909)793-2373 FAX (909)798-6983<br>Davis & Graeber Insurance Services, Inc.<br>License No. 0186657<br>470 E. Highland Ave, PO Box 40<br>Redlands, CA 92373 |  | THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. |
| INSURED City of Redlands<br>P. O. Box 3005<br>Redlands, CA 92373                                                                                                    |  |                                                                                                                                                                                                             |
|                                                                                                                                                                     |  | INSURERS AFFORDING COVERAGE                                                                                                                                                                                 |
|                                                                                                                                                                     |  | NAIC #                                                                                                                                                                                                      |
|                                                                                                                                                                     |  | INSURER A Ins. Co. of the State of PA.                                                                                                                                                                      |
|                                                                                                                                                                     |  | INSURER B                                                                                                                                                                                                   |
|                                                                                                                                                                     |  | INSURER C                                                                                                                                                                                                   |
|                                                                                                                                                                     |  | INSURER D                                                                                                                                                                                                   |
|                                                                                                                                                                     |  | INSURER E                                                                                                                                                                                                   |

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR | ADD'L | TYPE OF INSURANCE                                                                                                                                                                                                                                                                               | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS                                                                                                                                                                             |
|------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |       | <b>GENERAL LIABILITY</b><br><input type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR<br>GEN'L AGGREGATE LIMIT APPLIES PER<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC |               |                                  |                                   | EACH OCCURRENCE \$<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$<br>MED EXP (Any one person) \$<br>PERSONAL & ADV INJURY \$<br>GENERAL AGGREGATE \$<br>PRODUCTS - COMP/OP AGG \$ |
|      |       | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS<br><input type="checkbox"/> NON-OWNED AUTOS                                                    |               |                                  |                                   | COMBINED SINGLE LIMIT (Ea accident) \$<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$                                    |
|      |       | <b>GARAGE LIABILITY</b><br><input type="checkbox"/> ANY AUTO                                                                                                                                                                                                                                    |               |                                  |                                   | AUTO ONLY - EA ACCIDENT \$<br>OTHER THAN EA ACC \$<br>AUTO ONLY: AGG \$                                                                                                            |
| A    |       | <b>EXCESS/UMBRELLA LIABILITY</b><br><input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE<br>DEDUCTIBLE<br><input checked="" type="checkbox"/> RETENTION \$ 500,000                                                                                                    | 5686410       | 07/01/2007                       | 07/01/2008                        | EACH OCCURRENCE \$ 10,000,000<br>AGGREGATE \$ 10,000,000<br>\$<br>\$<br>\$                                                                                                         |
|      |       | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?<br>If yes, describe under SPECIAL PROVISIONS below                                                                                                                            |               |                                  |                                   | <input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER<br>E L EACH ACCIDENT \$<br>E L DISEASE - EA EMPLOYEE \$<br>E L DISEASE - POLICY LIMIT \$               |
|      |       | <b>OTHER</b>                                                                                                                                                                                                                                                                                    |               |                                  |                                   |                                                                                                                                                                                    |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
 Re: Operations of the Named insured Ref # MS07052

\*\*\*Employment Practices Liability SIR is \$1,000,000

\*\* Special Excess Liability covering Auto, General Liability, Law Endorsement & Public Official Liability

\* 10 Day Notice of Cancellation for non payment of premium

**CERTIFICATE HOLDER**

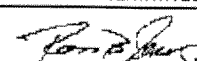
AQMD/MSRC  
 Attn: Matt Mackenzie  
 21865 Copley Drive  
 Diamond Bar, CA 91765

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Ross Jones/RLR



**ACORD™ CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)  
05/14/2008

PRODUCER (909)793-2373 FAX (909)798-6983  
 Davis & Graeber Insurance Services, Inc.  
 License No. 0186657  
 470 E. Highland Ave, PO Box 40  
 Redlands, CA 92373

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION  
 ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE  
 HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR  
 ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

## INSURERS AFFORDING COVERAGE

NAIC #

INSURED City Of Redlands  
 P. O. Box 3005  
 Redlands, CA 92373

INSURER A: Safety National Casualty Corp

INSURER B:

INSURER C:

INSURER D:

INSURER E:

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | ADD'L INSR | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS                                                                                                                                                                             |
|----------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|          |            | <b>GENERAL LIABILITY</b><br><input type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC |               |                                  |                                   | EACH OCCURRENCE \$<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$<br>MED EXP (Any one person) \$<br>PERSONAL & ADV INJURY \$<br>GENERAL AGGREGATE \$<br>PRODUCTS - COMPIOP AGG \$ |
|          |            | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS<br><input type="checkbox"/> NON-OWNED AUTOS                                                     |               |                                  |                                   | COMBINED SINGLE LIMIT (Ea accident) \$<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$                                    |
|          |            | <b>GARAGE LIABILITY</b><br><input type="checkbox"/> ANY AUTO                                                                                                                                                                                                                                     |               |                                  |                                   | AUTO ONLY - EA ACCIDENT \$<br>OTHER THAN AUTO ONLY EA ACC \$<br>AGG \$                                                                                                             |
|          |            | <b>EXCESS/UMBRELLA LIABILITY</b><br><input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE<br><input type="checkbox"/> DEDUCTIBLE<br><input type="checkbox"/> RETENTION \$                                                                                                          |               |                                  |                                   | EACH OCCURRENCE \$<br>AGGREGATE \$<br>\$<br>\$<br>\$                                                                                                                               |
|          |            | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?<br>If yes, describe under SPECIAL PROVISIONS below                                                                                                                             |               |                                  |                                   | <input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER<br>E.L. EACH ACCIDENT \$<br>E.L. DISEASE - EA EMPLOYEE \$<br>E.L. DISEASE - POLICY LIMIT \$            |
| A        |            | <b>OTHER</b><br><b>Excess Workers Compensation and Employers Liability</b>                                                                                                                                                                                                                       | SP2B66CA      | 01/01/2008                       | 01/01/2009                        | <b>Employers Liability Maximum limit of Indemnity per Occ &amp; Aggregate: \$1,000,000</b>                                                                                         |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Re: Operations of the Named insured Ref # MS07052

Self Insured Retention: \$1,000,000 per Occurrence

Workers Compensation Limit of Liability: \$25,000,000 Maximum Limit of Indemnity per Occurrence

\*10 Day Notice of Cancellation applies for nonpayment of premium

**CERTIFICATE HOLDER****CANCELLATION**

AQMD/MSRC  
 Attn: Matt Mackenzie  
 21865 Copley Drive  
 Diamond Bar, CA 91765

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Ross Jones/RLR

