

**Service Contract Terms and Conditions  
Small Construction and Maintenance  
South Coast Water District**

1. **Entire Contract:** This CONTRACT, when accepted by the CONTRACTOR either in writing or by the shipment of any article or other commencement of performance hereunder, contains the entire CONTRACT between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. The term CONTRACTOR includes contractors and consultants.

Except as otherwise provided in subsection 1.1 below, the entire CONTRACT consists of a) District's solicitation/request for bids or proposals, together with plans and specifications, if any, b) CONTRACTORS bid or proposal, if any, c) the Services Contract form, and d) these terms and conditions. Except for any section or subsection marked "WAIVED", each provision of the terms and conditions applies to the CONTRACT.

1.1 Any other terms, conditions, or limitations suggested by CONTRACTOR shall not form a part of this CONTRACT, unless accepted in writing by District. In no event, shall e-mail, voicemail or electronic communication of any type be construed as a writing for purposes of obligating the District.

2. **Governing Law and Venue:** This CONTRACT has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. Any action or proceeding for dispute resolution arising out of this CONTRACT shall be brought and tried in the County of Orange, State of California, and the prevailing party shall be entitled to reasonable attorney fees.
3. **Amendments:** This CONTRACT may be modified or amended upon mutual agreement, in writing, between District and CONTRACTOR subject to any required District approval.
4. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.
5. **Delivery:** CONTRACTOR shall deliver the goods or perform services in accordance with the schedule in CONTRACT with the number of days meaning calendar days, unless otherwise stated. No partial deliveries shall be accepted. All transportation and delivery charges must be prepaid in full to destination, and the prepaid freight bill must be submitted to District with invoice, FOB Destination. Goods shall not be accepted if shipped C.O.D.
6. **Acceptance/Payment:** Unless otherwise agreed to in writing by District, a) acceptance shall not be deemed complete unless in writing and until all the goods or services have actually been received, inspected, and tested to the satisfaction of District, and b) payment shall be made in arrears after satisfactory acceptance. District reserves the right to reject any good or service which does not comply with the specifications and/or terms of this CONTRACT.
7. **Payment Terms:** Net 30 days unless otherwise stated in CONTRACT.

**Invoices:** CONTRACTOR shall submit itemized invoices to District, Attn. Accounts Payable at the address shown on this CONTRACT. Each invoice must show District's Service Contract number, item number description of supplies or services, sizes, units of measure, quantity, unit price and extended totals, and shall cover only goods delivered or services performed. Invoices shall include supporting documentation including but not limited to, paid receipts and invoices to validate the charges for each invoiced item. Incomplete invoices shall be returned to the CONTRACTOR.

8. **Warranty:** CONTRACTOR expressly warrants that the goods/services covered by this CONTRACT are a) free of liens or encumbrances, b) all goods, materials, and equipment supplied will be new, conform to District specifications, are of first class material and workmanship and are free from defects, and c) that all services will be of good quality, performed to the standard of care customary of CONTRACTOR's trade or profession. Warranty shall be effective for one year after the date of District's final payment. Neither District's inspection nor failure to inspect shall relieve CONTRACTOR of any obligation hereunder, if in District's opinion, any article, material or work fails to conform to specifications or is otherwise defective, CONTRACTOR shall promptly replace same at CONTRACTOR's expense. No acceptance or payment by District shall

constitute a waiver of the forgoing, and nothing herein shall exclude or limit any warranties implied by law.

9. **Assignment or Sub-contracting:** CONTRACTOR may neither assign a right under or an interest in this CONTRACT, nor delegate or subcontract an obligation under this CONTRACT without the written consent of District. Any attempts to do so without District consent, in writing, will be void.
10. **Independent CONTRACTOR:** CONTRACTOR is acting as an independent CONTRACTOR, not an agent or employee of District
11. **Non-Discrimination:** CONTRACTOR shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment due to race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, or other prohibited basis. All non-discrimination rules or regulations required by law are included in this CONTRACT by this reference.
12. **Termination:** In addition to any other remedies or rights it may have by law, District may in its sole and absolute discretion, terminate this CONTRACT without penalty immediately with cause or after 30 days' written notice without cause, unless otherwise specified. In such cases, CONTRACTOR shall be entitled to payment only for goods, materials or services performed that District has accepted.
13. **Consent to Breach Not Waiver:** No provision of this CONTRACT shall be deemed waived and no breach shall be deemed excused, unless such waiver or excuse is in writing or and signed by the party making the waiver or excusing the breach. No such waiver shall constitute a waiver of another provision or an excuse of another breach.
14. **CONTRACTORS Remedies:** If District defaults under this CONTRACT, CONTRACTOR may file a claim with District, in accordance with applicable provisions of law.
15. **Performance:** CONTRACTOR shall perform all work under this CONTRACT, taking necessary steps and precautions to perform the work to District's satisfaction. Services performed are subject to, and must conform to District's Standard Specifications and Standard Plans for Water, Sewer, and Recycled Facilities (unless otherwise specified), which are incorporated herein by this reference and made a part hereof. CONTRACTOR shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other goods/services furnished by the CONTRACTOR under this CONTRACT. CONTRACTOR shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore. CONTRACTOR shall be fully responsible for all work performed by subcontractors and shall refrain from utilizing unlicensed or uninsured subcontractors.
16. **Force Majeure:** If the performance of any act required of District or CONTRACTOR is directly prevented or delayed by reason of strikes, lockouts, labor disputes, unusual governmental delays, acts of God, fire, floods, epidemics, freight embargoes, or other causes beyond the reasonable control of the party required to perform an act, that party shall be excused from performing that act for the period of time equal to the period of time of the prevention or delay. In the event District or CONTRACTOR claims the existence of such a delay, the party claiming the delay shall notify the other party in writing of that fact within ten (10) calendar days after the beginning of any such claimed delay.
17. **Compliance with Laws:** CONTRACTOR represents and warrants that services to be provided under this CONTRACT shall fully comply, at CONTRACTOR's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws") applicable to the services at the time services are provided to and accepted by District.
18. **Safety.** The CONTRACTOR shall execute and maintain CONTRACTOR's work so as to avoid injury or damage to any person or property. The CONTRACTOR shall comply with the requirements of the specifications relating to safety measures applicable in particular operations or kinds of work. In carrying out CONTRACTOR's work, the CONTRACTOR shall at all times exercise all necessary precautions for

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the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed, and be in compliance with all applicable federal, state and local statutory and regulatory requirements including but not limited to California Department of Industrial Relations (CAL/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act.

**19. Pricing:** The CONTRACT bid price shall include full compensation for providing all required goods, in accordance with required specifications, or services, as specified herein or when applicable, in the scope of services attached to this CONTRACT, and no additional compensation will be allowed therefore, unless otherwise provided for in this CONTRACT.

**20. Indemnification and Insurance:** To the fullest extent permitted by law, CONTRACTOR will defend, indemnify and hold harmless the District, its directors, officers, engineers, employees, or agents from all claims and demands of all persons arising out of the performance of the work, or actual or alleged non-performance, or the furnishing of materials; including but not limited to, claims by the CONTRACTOR or CONTRACTOR's employees for damages to persons or property except for the sole negligence or willful misconduct or active negligence of the District, its directors, officers, engineers, employees, or agents. CONTRACTOR's duty to defend and indemnify District includes, but is not limited to, defense and indemnity against claims and liability arising from disputes as to the payment of prevailing wages for Services under this Agreement.

**Labor Code:** By its signature hereunder, CONTRACTOR certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and it will comply with such provisions before commencing the performance of the work of this agreement. CONTRACTOR and subcontractors will keep workers' compensation insurance for their employees in effect during all work covered by this agreement.

**Insurance Provisions:**

**A.** All CONTRACTORS shall have adequate commercial general liability (CGL) and auto liability (Auto) insurance appropriate to the business or sales activity, as described below; and shall file certificates satisfactory to the District evidencing such coverage before beginning services with the District. Coverage for CGL and Auto shall be at least as broad as the following: ISO CGL Coverage (Occurrence Form CG 0001) and ISO Auto Coverage [Form CA 0001, covering Symbol 1 (any auto)].

**B.** Limits – CGL - Two million dollars (\$2,000,000) per occurrence or the full occurrence limits of the policies available, whichever is greater, (\$4,000,000 general and products completed aggregate) for bodily injury, personal injury and property damage. Auto – One million dollars (\$1,000,000) for bodily injury and property damage each accident; Workers' Compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable). Contractor's Pollution Legal Liability with limits no less than one million dollars (\$1,000,000) per occurrence or claim, and two million dollars (\$2,000,000) policy aggregate (if applicable). All requiring 30 days (10 days for non-payment of premium) notice of cancellation to the District.

**B.1** The General Liability coverage is to state or be endorsed to state "such insurance shall be primary and any insurance, self-insurance or other coverage maintained by the District, its directors, officers, engineers, employees, or authorized volunteers shall not contribute to it".

**B.2** General Liability and Auto coverage shall give the District, its directors, officers, engineers, employees, and agents additional insured status using as least as broad as ISO endorsement CG 20 10 11 85, CG 2010 and 20 37 04 13 specifically naming all of the District parties required above.

**C.** For both CGL and Worker's Compensation the insurer shall waive its rights of subrogation against District, its officers, agents and employees and shall issue an endorsement to the policy evidencing the same.

**D.** Insurance coverage is to be placed with a carrier with an A.M. Best rating of no less than A-VII, or equivalent, or as otherwise approved by the District. In the event the CONTRACTOR employs other CONTRACTORS (subcontractors) as part of the work covered by this agreement, it shall be the CONTRACTOR's responsibility to require and

confirm that each subcontractor meets the minimum insurance requirements specified above.

**E.** If any of the required coverages expire during the term of this agreement, the CONTRACTOR shall deliver the renewal certificate(s) including the general liability additional insured endorsement to the District at least 10 days prior to the expiration date.

**21. Prevailing Wages:** The Services may constitute "public work" under Section 1720(a) of the Labor Code, which requires payment of prevailing wages for "public work". For public works project greater than \$1000, the CONTRACTOR shall pay the general prevailing rate of per diem wages to all workers employed on contracted projects as established by the California Department of Industrial Relations.

CONTRACTOR must comply with the requirements set forth in California Senate Bill (SB) 854 (Ch. 28, 2014). SB 854's requirements include, but are not limited to, the following:

- 1) No CONTRACTOR or its subcontractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
- 2) This Project may be subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 3) CONTRACTOR must post job site notices prescribed by regulation.
- 4) CONTRACTOR must submit certified payroll records at least monthly to the Labor Commissioner in a format prescribed by the Labor Commissioner.

**Performance and Payment Bonds:** Pursuant to Civil Code 3247 et seq. if this CONTRACT authorizes work in an amount greater than \$25,000 and the CONTRACTOR is engaged in services other than architectural, engineering or land surveying, and Consultant will supply any third party or subcontracted labor, materials, or equipment in order to complete the Scope of Work, the CONTRACTOR shall supply to District prior to beginning work on the project performance and payment bonds in a form acceptable to the District in the amount of the total to be paid to CONTRACTOR under this CONTRACT.

**22. Miscellaneous Terms and Conditions:** CONTRACTOR acknowledges that it has read and agrees to all terms and conditions included in this CONTRACT. In the event of any conflict or inconsistency between the terms and conditions hereof and any terms or conditions set forth in any proposal, quote or other document relating to the transactions contemplated by this CONTRACT, the terms and conditions set forth in this CONTRACT shall prevail.

**A. Headings:** The various headings and numbers herein, the grouping of provisions of this CONTRACT into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.

**B. Severability:** If any term, covenant, condition or provision of this CONTRACT is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

**C. Attorney Fees:** In any action or proceeding to enforce or interpret any provisions of this CONTRACT, or where any provisions hereof is validly asserted as a defense, each party shall bear its own attorney's fees, costs and expenses.

**D. Interpretation:** This CONTRACT represents the entire and integrated contract between District and CONTRACTOR and supersedes all prior negotiations, representations, or agreements, either written or oral, including any sales agreements or contracts to the extent the same are inconsistent with the terms hereof.

**E. Authority:** The parties to this CONTRACT represent and warrant that this CONTRACT has been duly authorized and executed and that it constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.

**F. Notice:** Notice shall be given by first class mail or electronic transmission with a date and time receipt acknowledgement or personal delivery. Notice shall be effective upon receipt.