

Papé Machinery, Inc.

AGREEMENT FOR SERVICES # AGMT 09-52818

THIS AGREEMENT, made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County"), and Papé Machinery, Inc., an Oregon corporation duly qualified to conduct business in the State of California, whose principal place of business is 355 Goodpasture Island Road, Eugene, Oregon 97401, and whose local facility is located at 2850 El Centro Road, Sacramento, California 95833 (hereinafter referred to as "Contractor");

RECITALS

WHEREAS, County has determined that it is necessary to obtain a Contractor to assist its Department of Transportation with the replacement of portable diesel fueled engines in road maintenance equipment in accordance with the requirements of the California Air Resources Board (hereinafter referred to as "ARB") Airborne Toxic Control Measure for Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower and Greater;

WHEREAS, Contractor has represented to County that it is specially trained, experienced, expert, and competent to perform the special services required hereunder, and County has determined to rely upon such representations;

WHEREAS, it is the intent of the parties hereto that such services be in conformity with all applicable state and local laws and ordinances applicable to the work, including compliance with prevailing wage rates and their payment in accordance with California Labor Code, Section 1775;

WHEREAS, County has determined that the provision of such services provided by Contractor are in the public's best interest, and authorized by El Dorado County Charter, Section 210(b)(6) and/or Government Code 31000;

NOW, THEREFORE, County and Contractor mutually agree as follows:

ARTICLE I

Scope of Services: Contractor agrees to furnish materials, parts, incidentals, labor, equipment and services necessary to remove existing portable diesel fueled engines and provide and install new ARB certified portable diesel fueled engines in designated Department of Transportation equipment. Services shall include, but not be limited to, those tasks as identified in Exhibit A, marked "Scope of Work," incorporated herein and made by reference a part hereof.

For each portable diesel fueled engine removal and installation services work assignment, the Contract Administrator will issue a separate written Work Order to Contractor

identifying the unit of equipment to receive services, a specific date by which the work shall be completed, and a not-to-exceed cost to complete the work. Contractor shall not commence work until receiving the written Work Order. No payment will be made for any work performed prior to the issuance of the written Work Order.

ARTICLE II

Term: This Agreement shall become effective when fully executed by both parties hereto and shall expire one (1) year thereafter.

ARTICLE III

Compensation for Services: For services provided herein, including the deliverables and reports required in Exhibit A herein and including any deliverables and reports that may be required by the individual Work Orders issued pursuant to this Agreement, County agrees to pay Contractor upon the completion and County's acceptance of each work assignment. Payment shall be made within thirty (30) days following County receipt and approval of itemized invoices detailing the services rendered.

For the purposes hereof, the billing rates shall be in accordance with Exhibit B, marked "Price Schedule," incorporated herein and made by reference a part hereof.

The total amount of this Agreement shall not exceed \$72,234.04, inclusive of all Work Orders, costs and expenses.

Itemized invoices shall follow the format specified by County and shall reference this Agreement number and the County-supplied Work Order number both on their faces and on any enclosures or backup documentation. Copies of documentation attached to invoices shall reflect Contractor's charges for the specific services billed on those invoices. Contractor shall bill County for only one (1) Work Order per invoice. Invoices shall be mailed to County at the following address:

County of El Dorado
Department of Transportation
2850 Fairlane Court
Placerville, California 95667
Attn: Administration Division – Accounts Payable
or to such other location as County directs.

In the event that the Contractor fails to deliver, in the format specified by County's Contract Administrator, the deliverables and reports required by this Agreement, County at its sole option may delay the monthly payment for the period of time of the delay, cease all payments until such time as the deliverables or reports are received, or proceed as set forth in Article XVIII, Default, Termination, and Cancellation herein.

ARTICLE IV

Prevailing Wage: County requires Contractor's services on public works project(s) involving local, State and/or Federal funds to which prevailing wage requirements may apply. As a consequence, Contractor shall comply with all applicable State and Federal prevailing wage rates, statutes, rules and regulations then in effect. In the event of conflict

between applicable Federal and State provisions, the higher prevailing wage rate shall apply. Contractor shall use the general prevailing wage rates determined by the Director of Industrial Relations for the county in which the work is to be done, which are available at the offices of the District Director of Transportation for the district in which the work is situated. Changes, if any, to the general prevailing wage rates will be available at the same location.

Federal minimum wage rates are determined by the United States Secretary of Labor and may be examined at the office described above. Future effective general prevailing wage rates which have been predetermined and are on file with the California Department of Industrial Relations are referenced but not printed in the general prevailing wage rates.

Contractor shall comply with all applicable wage requirements, as set forth in Labor Code Sections 1770 et seq., 1773.2, 1775, 1776, 1810, & 1813. In accordance with the provisions of Labor Code Section 1810, eight (8) hours of labor shall constitute a legal day's work upon all work done hereunder, and Contractor and any subcontractor authorized under this Contract shall also conform to and be bound by the provisions of Labor Code Sections 1810 through 1815.

ARTICLE V

Apprentices: Attention is directed to Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code and Title 8, California Code of Regulations Section 200 et seq. To ensure compliance and complete understanding of the law regarding apprentices, and specifically the required ratio thereunder, each Contractor or subcontractor should, where some question exists, contact the Division of Apprenticeship Standards, 455 Golden Gate Avenue, San Francisco, CA 94102, or one of its branch offices prior to commencement of work on this contract. Responsibility for compliance with this Article lies with Contractor.

It is County policy to encourage the employment and training of apprentices on public works contracts as may be permitted under local apprenticeship standards.

ARTICLE VI

Certified Payroll: As required under the provisions of Labor Code Section 1776, the Contractor and any subcontractors shall keep accurate payroll records as follows:

1. The payroll records shall show the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the Contractor or subcontractors in connection with the services provided under this Agreement.
2. A certified copy of all payroll records enumerated above shall be available for inspection at all reasonable hours at the principal office of the Contractor as follows:
 - a. Make available or furnish to the employee or his or her authorized representative on request.

- b. Make available for inspection or furnished upon request to a representative of the County, the State Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the State Department of Industrial Relations.
- c. Make available upon request by the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through either the County, the State Division of Labor Standards Enforcement, or the State Division of Apprenticeship Standards. The requesting party shall, prior to being provided the records, reimburse the costs of preparation by the Contractor, subcontractor, and the entity through which the request was made. The public shall not be given access to the records at the principal office of the Contractor.

ARTICLE VII

Records Examination and Audit Requirements: Contractor and its subcontractors, if any are authorized hereunder, shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of the Contract, including but not limited to, the costs of administering the various aspects of the Contract. In accordance with Government Code Section 8546.7, all of the above-referenced parties shall make such materials available at their respective offices at all reasonable times during the contract period and for three (3) years from the date that final payment by County and all other pending matters are closed. Representatives of County, the State Auditor, and any duly authorized representative of other government agencies shall have access to any books, documents, papers and records that are pertinent to the Contract for audit, examination, excerpts, and transactions and copies thereof shall be furnished upon request.

ARTICLE VIII

Payment of all Federal, State or City Taxes: Any federal, state or city tax payable on the articles furnished by Contractor under this Agreement shall be included in rates quoted herein and shall be paid by Contractor.

ARTICLE IX

Compliance with all Applicable Laws: Contractor shall conform to and abide by all Federal, State and local building, labor, environmental and safety laws, ordinances, rules and regulations. All work and materials shall be in full accordance with the latest rules and regulations of the ARB, State Fire Marshall, safety orders of the Division of Industrial Safety, California Electrical Code, California Building Code, California Plumbing Code, and any and all other applicable laws and regulations. Nothing in this Agreement, including but not limited to, any directions, plans or specifications provided to Contractor, is to be construed to permit work not conforming to these codes.

ARTICLE X

Reporting Accidents: Contractor shall prepare and submit to County (within 24 hours of such incidents) reports of accidents at the site and anywhere else work under this

Agreement is in progress in which bodily injury is sustained or property loss in excess of Five Hundred Dollars (\$500.00) occurs.

ARTICLE XI

Workers' Compensation: Contractor shall comply with Labor Code Sections 3700 et seq., requiring it to obtain Workers' Compensation Insurance, and sign a certificate of knowledge thereof.

CERTIFICATE OF KNOWLEDGE - LABOR CODE SECTION 3700

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' 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.

Signed: _____ Date 1/15/10

ARTICLE XII

Changes to Agreement: This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

ARTICLE XIII

Contractor to County: It is understood that the services provided under this Agreement shall be prepared in and with cooperation from County and its staff. It is further agreed that in all matters pertaining to this Agreement, Contractor shall act as Contractor only to County and shall not act as Contractor to any other individual or entity affected by this Agreement nor provide information in any manner to any party outside of this Agreement that would conflict with Contractor's responsibilities to County during the term hereof.

ARTICLE XIV

Confidentiality: Contractor shall maintain the confidentiality and privileged nature of all records, including billing records, together with any knowledge therein acquired, in accordance with all applicable State and Federal laws and regulations, as they may now exist or may hereafter be amended or changed. Contractor, and all Contractor's staff, employees, and representatives, shall not use or disclose, directly or indirectly at any time, any said confidential information, other than to the County Department of Transportation for the purpose of, and in the performance of, this Agreement. This confidentiality provision shall survive after the expiration or earlier termination of this Agreement.

ARTICLE XV

Assignment and Delegation: Contractor is engaged by County for its unique qualifications and skills as well as those of its personnel. Contractor shall not subcontract,

delegate or assign services to be provided, in whole or in part, to any other person or entity without prior written consent of County.

ARTICLE XVI

Independent Contractor/Liability: Contractor is, and shall be at all times, deemed independent and shall be wholly responsible for the manner in which it performs services required by the terms of this Agreement. Contractor exclusively assumes responsibility for acts of its employees, associates, and subcontractors, if any are authorized herein, as they relate to services to be provided under this Agreement during the course and scope of their employment.

Contractor shall be responsible for performing the work under this Agreement in a safe, professional, skillful, and workmanlike manner and shall be liable for its own negligence and negligent acts of its employees. County shall have no right of control over the manner in which work is to be done and shall, therefore, not be charged with responsibility of preventing risk to Contractor or its employees.

ARTICLE XVII

Fiscal Considerations: The parties to this Agreement recognize and acknowledge that County is a political subdivision of the State of California. As such, County is subject to the provisions of Article XVI, Section 18 of the California Constitution and other similar fiscal and procurement laws and regulations and may not expend funds for products, equipment, or services not budgeted in a given year. It is further understood that in the normal course of County business, County will adopt a proposed budget prior to a given fiscal year, but that the final adoption of a budget does not occur until after the beginning of the fiscal year.

Notwithstanding any other provision of this Agreement to the contrary, County shall give notice of cancellation of this Agreement in the event of adoption of a proposed budget that does not provide for funds for the services, products or equipment subject herein. Such notice shall become effective upon the adoption of a final budget, which does not provide funding for this Agreement. Upon the effective date of such notice, this Agreement shall be automatically terminated and County released from any further liability hereunder.

In addition to the above, should the Board of Supervisors during the course of a given year for financial reasons reduce or order a reduction in the budget for any County department for which services were contracted to be performed, pursuant to this paragraph in the sole discretion of the County, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation.

ARTICLE XVIII

Default, Termination, and Cancellation:

- A. **Default:** Upon the occurrence of any default of the provisions of this Agreement, a party shall give written notice of said default to the party in default (notice). If the party in default does not cure the default within ten (10) days of the date of notice (Time to Cure), then such party shall be in default. The Time to Cure may be extended at the discretion of the party giving notice. Any extension of Time to Cure must be in writing, prepared by the party in default for signature by the party giving

notice, and must specify the reason(s) for the extension and the date in which the extension of Time to Cure expires.

Notice given under this section shall specify the alleged default and the applicable Agreement provision and shall demand that the party in default perform the provisions of this Agreement within the applicable period of time. No such notice shall be deemed a termination of this Agreement unless the party giving notice so elects in this notice, or the party giving notice so elects in a subsequent written notice after the Time to Cure has expired.

- B. Bankruptcy: This Agreement, at the option of the County, shall be terminable in the case of bankruptcy, voluntary or involuntary, or insolvency of Contractor.
- C. Ceasing Performance: County may terminate this Agreement in the event Contractor ceases to operate as a business, or otherwise becomes unable to substantially perform any term or condition of this Agreement.
- D. Termination or Cancellation without Cause: County may terminate this Agreement or any individual Work Order issued pursuant to the Agreement in whole or in part upon seven (7) calendar days' written notice by County for any reason. If such prior termination is effected, County will pay for satisfactory services rendered prior to the effective dates, as set forth in the Notice of Termination provided to Contractor, and for such other services which County may agree to in writing as necessary for contract resolution. In no event, however, shall County be obligated to pay more than the not-to-exceed amount of the Work Order or the total amount of the contract, as applicable. Upon receipt of a Notice of Termination, Contractor shall promptly discontinue all services affected, as of the effective date of termination set forth in such Notice of Termination, unless the Notice directs otherwise. In the event of termination for default, County reserves the right to take over and complete the work by contract or by any other means.

ARTICLE XIX

Notice to Parties: All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested. Notices to County shall be in duplicate and addressed as follows:

To County:

County of El Dorado
Department of Transportation
2441 Headington Road
Placerville, California 95667

Attn.: Dennis Milligin,
Fleet Services Manager

With a Copy To:

County of El Dorado
Department of Transportation
2850 Fairlane Court
Placerville, California 95667

Attn.: Tim C. Prudhel,
Contract Services Officer

or to such other location as County directs.

Notices to Contractor shall be addressed as follows:

Papé Machinery, Inc.
355 Goodpasture Island Road
Eugene, Oregon 97401

Attn.: Rodger Spears, President

or to such other location as Contractor directs.

ARTICLE XX

Indemnity: Contractor shall defend, indemnify, and hold the County harmless against and from any and all claims, suits, losses, damages, and liability for damages of every name, kind, and description, including attorneys' fees and costs incurred, brought for, or on account of, injuries to, or death of, any person, including but not limited to workers, County employees, and the public, or damage to property, or any economic or consequential losses, which are claimed to, or in any way arise out of, or are connected with Contractor's services, operations or performance hereunder, regardless of the existence or degree of fault or negligence on the part of the County, the Contractor, subcontractor(s) and employee(s) of any of these, except for the sole, or active negligence of the County, its officers and employees, or as expressly provided by statute. This duty of Contractor to indemnify and save County harmless includes the duties to defend set forth in California Civil Code Section 2778.

ARTICLE XXI

Insurance: Contractor shall provide proof of a policy of insurance satisfactory to County's Risk Management Division and documentation evidencing that Contractor maintains insurance that meets the following requirements:

- A. Full Workers' Compensation and Employers' Liability Insurance covering all employees of Contractor as required by law in the State of California.
- B. Commercial General Liability Insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage, including but not limited to endorsements for the following coverage: premises, personal injury, operations, products and completed operations, blanket contractual, and independent contractors' liability.
- C. Automobile Liability Insurance of not less than \$1,000,000 is required in the event motor vehicles are used by the Contractor in performance of the Agreement.
- D. In the event Contractor is a licensed professional and is performing professional services under this Agreement, Professional Liability Insurance is required with a limit of liability of not less than \$1,000,000.
- E. Contractor shall furnish a certificate of insurance satisfactory to County's Risk Management Division as evidence that the insurance required above is being maintained.

- F. The insurance will be issued by an insurance company acceptable to County's Risk Management Division, or be provided through partial or total self-insurance likewise acceptable to the Risk Management Division.
- G. Contractor agrees that the insurance required herein shall be in effect at all times during the term of this agreement. In the event said insurance coverage expires at any time or times during the term of this contract, Contractor shall immediately provide a new certificate of insurance as evidence of the required insurance coverage. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this contract upon the occurrence of such event. New certificates of insurance are subject to the approval of County's Risk Management Division, and Contractor agrees that no work or services shall be performed prior to the giving of such approval.
- H. The certificate of insurance must include the following provisions stating that:
 - 1. The insurer will not cancel the insured's coverage without 30-day prior written notice to the County; and
 - 2. The County of El Dorado, its officers, officials, employees and volunteers are included as additional insured, but only insofar as the operations under this Agreement are concerned. This provision shall apply to all general and excess liability insurance policies.
- I. The Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be in excess of the Contractor's insurance and shall not contribute with it.
- J. Any deductibles or self-insured retentions must be declared to, and approved, by the County. At the option of the County, either: The insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees, and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
- K. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees or volunteers.
- L. The insurance companies shall have no recourse against the County of El Dorado, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.
- M. Contractor's obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this Agreement.

- N. In the event Contractor cannot provide an occurrence policy, Contractor shall provide insurance covering claims made as a result of performance of this Agreement for not less than three (3) years following completion of performance of this Agreement.
- O. The certificate of insurance shall meet such additional standards as may be determined by the contracting County department, either independently or in consultation with County's Risk Management Division as essential for protection of the County.

ARTICLE XXII

Licenses: Contractor warrants and represents that it is properly certified and/or licensed to provide the services contemplated under this Agreement and that Contractor shall maintain such certifications and/or licenses in good standing throughout the term of this Agreement.

ARTICLE XXIII

Business License: County's Business License Ordinance provides that it is unlawful for any person to furnish supplies or services, or transact any kind of business in the unincorporated territory of El Dorado County without possessing a County business license unless exempt under County Ordinance Code Section 5.08.070. Contractor warrants and represents that it shall comply with all of the requirements of the County Business License Ordinance, where applicable, prior to beginning work under this Agreement and at all times during the term of this Agreement.

ARTICLE XXIV

Environmental and Toxic Warranty: Contractor warrants that its operations concerning the services and materials provided under this Agreement are not and will not be in violation of any applicable environmental federal, state, or local statute, law, or regulation dealing with hazardous materials substances or toxic substances.

ARTICLE XXV

Guarantees:

- A. For purposes of this Agreement, the warranty period for each John Deere new off-highway engine and emission-related parts and components, including all parts, equipment and materials, to be provided by Contractor shall be in accordance with the provisions of the Section entitled "Warranty" in Exhibit A herein. Contractor warrants and guarantees for the periods therein specified from the date of invoice that the work shall be free from all defects due to faulty materials, installation or workmanship and Contractor shall promptly make such corrections as may be necessary, including repairs of any damage to other parts of the equipment or vehicle resulting from such defects. County will give notice of observed defects with reasonable promptness.
- B. Contractor expressly agrees to act as co-guarantor of the diesel engines furnished and all such parts, equipment and materials, and Contractor shall supply County with all warranty and guaranty documents relative to the parts, equipment and

materials incorporated in the services provided and guaranteed by its suppliers or manufacturers.

- C. Contractor warrants to County that engines, materials, parts and equipment furnished under this Agreement will be of good quality and new, unless otherwise required or permitted by the Agreement, that the work performed will be free from defects or flaws and is of the highest quality of workmanship and that the services provided will conform with the requirements of the Agreement and with the requirements and regulations of the ARB. Work not conforming to these requirements, including substitutions not properly approved and authorized, shall be considered defective.

- D. Contractor warrants and represents that all parts and equipment furnished and installed under this Agreement shall be ARB certified and shall meet the diesel particulate matter reduction requirements set forth in the Airborne Toxic Control Measure for Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower or Greater.

ARTICLE XXVI

Interest of Public Official: No official or employee of County who exercises any functions or responsibilities in review or approval of services to be provided by Contractor under this Agreement shall participate in or attempt to influence any decision relating to this Agreement which affects personal interest or the interest of any corporation, partnership, or association in which he/she is directly or indirectly interested; nor shall any such official or employee of County have any interest, direct or indirect, in this Agreement or the proceeds thereof.

ARTICLE XXVII

Interest of Contractor: Contractor covenants that Contractor presently has no personal interest or financial interest, and shall not acquire same in any manner or degree, in either: 1) any other contract connected with or directly affected by the services to be performed by this Agreement; or, 2) any other entities connected with or directly affected by the services to be performed by this Agreement. Contractor further covenants that in the performance of this Agreement no person having any such interest shall be employed by Contractor.

ARTICLE XXVIII

California Residency (Form 590): All independent Contractors providing services to the County must file a State of California Form 590, certifying their California residency or, in the case of a corporation, certifying that they have a permanent place of business in California. The Contractor will be required to submit a Form 590 prior to execution of this Agreement, or County shall withhold seven (7) percent of each payment made to the Contractor during the term of this Agreement. This requirement applies to any agreement/contract exceeding \$1,500.

ARTICLE XXIX

Taxpayer Identification Number (Form W-9): All independent contractors or corporations providing services to the County must file a Department of the Treasury Internal Revenue Service Form W-9, certifying their Taxpayer Identification Number.

ARTICLE XXX

Resolution of Claims: Contractor's attention is invited to Public Contract Code Sections 20104, et seq., for resolution of construction claims, and specifically Section 20104.2. Claims pertaining to this Contract shall be governed by the provisions of those sections.

ARTICLE XXXI

California Forum and Law: Any dispute resolution action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California.

ARTICLE XXXII

Year 2000 Compliance: Contractor agrees that all hardware and software developed, distributed, installed, programmed, or employed as a result of this order will comply with ISO 9000 date format to correctly manipulate and present date-sensitive data.

Upon delivery of product and thereafter, the date and date logic component shall effectively and efficiently operate using a four-digit year.

Upon written notification by the County of any hardware or software failure to comply with ISO 9000 date format, Contractor will replace or correct the failing component with compliant hardware or software immediately, at no cost to the County.

ARTICLE XXXIII

Contract Administrator: The County Officer or employee with responsibility for administering this Agreement is Dennis Milligin, Fleet Services Manager, Department of Transportation, or successor.

ARTICLE XXXIV

Authorized Signatures: The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties the obligations set forth herein.

ARTICLE XXXV

Partial Invalidity: If any provision of the Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

ARTICLE XXXVI


Entire Agreement: This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties, and they incorporate or supersede all prior written or oral agreements or understandings.

Contract Administrator Concurrence:

By: 
Dennis Milligin
Fleet Services Manager
Department of Transportation

Dated: 1/5/10

Requesting Department Concurrence:

By: 
James W. Ware, P.E.
Director of Transportation

Dated: 1/5/10

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below, the latest of which shall be deemed to be the effective date of this Agreement.

-- COUNTY OF EL DORADO --

By: _____

Dated: _____

Board of Supervisors
"County"

Attest:
Suzanne Allen de Sanchez
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

Dated: _____

-- PAPÉ MACHINERY, INC. --

By: _____

Dated: 4/15/10

Rodger Spears
President
"Contractor"

By: _____

Dated: 4/15/2010

Robert J. Riecke
Corporate Secretary

Papé Machinery, Inc.

Exhibit A

Scope of Work

Contractor shall furnish all materials, parts, incidentals, labor, equipment and services necessary to remove existing portable engines and provide and install new ARB certified portable engines in four (4) units of Department of Transportation (DOT) equipment as listed below.

<u>DOT Equip #</u>	<u>Equipment Description</u>	<u>Replacement Engine</u>
93-08	1994 dura-patch machine	John Deere 4045TF280 with enclosure
93-09	1995 dura-patch machine	John Deere 4045TF280 with enclosure
97-04	1992 brush chipper	John Deere 4045TF280 with enclosure
89-03	1993 Ford paint striper truck	John Deere 4045HF285 with enclosure

Should Contractor determine that any repairs to the equipment are required prior to installation of the engines, Contractor shall immediately notify County's Contract Administrator of the nature, scope and cost of the required repairs. Contractor shall not begin any such repair work without prior written authorization from County. Any such repair work, if it is authorized, shall be performed under a separate contract or purchase order.

Location of Work, Scheduling and Transportation of Equipment

All portable diesel-fueled engine removal and installation services shall be provided at Contractor's facility located at 2850 El Centro Road, Sacramento, California. Engine removal and installation services shall be assigned to Contractor in accordance with the Work Order requirement provision in Article I, Scope of Services of this Agreement. Contractor shall provide transportation of each unit of equipment from the Department of Transportation facility at 2441 Headington Road, Placerville, California to its facility in Sacramento, California and shall return the equipment to the Department of Transportation facility in Placerville upon completion. There shall be no additional cost to County for these equipment transportation services.

Completion and Acceptance of the Work

Portable diesel-fueled engine removal and installation services shall be completed within fifteen (15) working days of the receipt of the equipment by Contractor.

Upon delivery of the equipment for which removal and installation services have been completed by Contractor, an inspection of the work shall be made by the Contract Administrator, or his designee, and a list shall be generated of any non-compliant work. All issues shall be resolved by Contractor prior to County's acceptance of the work. There shall be no additional charges (including any charges for the re-transportation of the

equipment) to County associated with any work required to remedy non-complaint work. Upon completion of the work and County's acceptance of the work, Contractor shall issue its invoice in accordance with the provisions of this Agreement.

Destruction of the Equipment

For engine or equipment replacements, Contractor shall ensure that the engine or equipment to be replaced is scrapped within sixty (60) days after being replaced. For the purposes of this Agreement, "scrapped" means destroying or rendering the engine or equipment useless either by punching a hole in the engine block, and/or cutting the structural components of the equipment, or some other manner acceptable to the ARB. Contractor shall provide documentation of the destruction of the engine and/or equipment that was replaced (i.e., photographs and receipts or other documents) to the ARB or its designee within ten (10) days of the engine's and/or equipment's destruction. Copies of the photos and any other documentation provided by Contractor to the ARB shall be submitted to County's Contract Administrator concurrently with Contractor's submittal of the photographs and documentation to the ARB. Full compensation for complying with the requirements of this section, "Destruction of Equipment," including rendering the engines or equipment useless and providing photographs and other documentation to the ARB and to County's Contract Administrator shall be considered as included in the prices indicated for installation services detailed in Exhibit B, marked "Price Schedule," and no additional compensation will be allowed therefor.

WARRANTY

The John Deere New Off-Highway Engine Warranty applies to each John Deere new off-highway engine used in an off-highway re-power application and covers parts and labor for twelve (12) months, unlimited hours of use, or twenty-four (24) months and prior to the accumulation of 2,000 hours of use, whichever occurs first.

The California and U.S. EPA Emissions Control Warranty applies to emissions-related parts and components incorporated in each off-road diesel engine and covers diagnosis, parts or labor for a period of five (5) years from the date the engine is delivered to an ultimate purchaser or 3,000 hours of operation, whichever occurs first.

If warranty service is necessary, any transportation of the equipment to Contractor's facility in Sacramento, California (including the return transportation of the equipment to the DOT facility in Placerville) shall be performed by Contractor. There shall be no additional cost to County for these equipment transportation services.

Papé Machinery, Inc.

Exhibit B

Price Schedule

Prices listed include all labor, equipment and applicable sales tax and freight to remove existing diesel fueled portable engines and provide and install new ARB certified portable diesel fueled engines in four (4) units of Department of Transportation equipment as listed below.

<u>DOT Equip #</u>	<u>DOT Equipment Description/ Replacement Engine</u>	<u>New Engine Cost</u>	<u>Removal and Installation Labor Cost</u>	<u>Sales Tax</u>	<u>Freight</u>	<u>Total Cost</u>
93-08	Dura-patch machine/ 4045T280 John Deere Engine with enclosure	\$13,441.00	\$3,200.00	\$ 1,108.88	\$ 500.00	\$18,249.88
93-09	Dura-patch machine/ 4045T280 John Deere Engine with enclosure	\$13,441.00	\$3,200.00	\$ 1,108.88	\$ 500.00	\$18,249.88
97-04	Brush chipper/ 4045TF280 John Deere Engine with enclosure	\$11,458.00	\$2,500.00	\$ 945.28	\$ 500.00	\$15,403.28
89-03	Paint striper truck/ 4045HF285 John Deere Engine with enclosure	\$14,994.00	\$3,600.00	\$ 1,237.00	\$ 500.00	\$20,331.00
	Total Cost					\$72,234.04