

Smith Power Products, Inc.

Diesel Re-Power / Retrofit of Off-Road Equipment

AGREEMENT FOR SERVICES # AGMT 07-1601

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 Smith Power Products, Inc., a Delaware corporation duly qualified to conduct business in the State of California, whose principal place of business is 3065 West California Avenue, Salt Lake City, Utah 84127, whose local facility is located at 8 Glendale Avenue, Sparks, Nevada 89431, and whose Agent for Service of Process is C T Corporation System, 818 West Seventh Street, Los Angeles, California 90017 (hereinafter referred to as "Contractor");

R E C T A L S

WHEREAS, County has proposed a diesel equipment re-power/retrofit project that meets the eligibility criteria of the "\$25 Million for Purchase of Low-Emission Construction Equipment by Public Agencies Program" of the California Air Resources Board (hereinafter referred to as "ARB") and that has been approved for partial funding by the ARB; and

WHEREAS, County has determined that it is necessary to obtain a Contractor to assist its Department of Transportation (hereinafter referred to as "DOT") with that diesel equipment retrofit project; and

WHEREAS, Contractor has agreed to furnish and install new diesel engines and diesel particulate filters on eleven (11) units of equipment and to furnish and install diesel particulate filters only on eight additional (8) units of equipment and to provide staff training on the routine maintenance procedures required for those devices; and

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; and

WHEREAS, it is the intent of the parties hereto that such services be in conformity with all applicable federal, state and local laws; and

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 provide and install ARB certified or verified re-power and/or retrofit devices on designated DOT equipment and to provide staff training for the routine maintenance required for those devices at DOT's Headington Road and Shakori Drive facilities. 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.

ARTICLE II

Term: This Agreement shall become effective when fully executed by both parties hereto and shall expire three (3) years thereafter.

ARTICLE III

Compensation for Services: For services provided herein including all of the deliverables described in Exhibit A hereto, County agrees to pay Contractor monthly in arrears. Payment shall be made within thirty (30) days following County receipt and approval of itemized invoice(s) detailing 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.

Itemized invoices shall follow the format specified by County and shall reference this Agreement number and the DOT equipment number both on their faces and on any enclosures or back-up documentation. Contractor shall bill County for only one DOT unit of equipment per invoice. Copies of documentation attached to invoices shall reflect Contractor's charges for the specific parts, materials and services billed on those invoices. 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.

The total amount of this Agreement shall not exceed \$631,100.30, inclusive of all expenses.

In the event that Contractor fails to deliver the deliverables 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 required deliverables are received, or proceed as set forth below in Article XVI, Default, Termination, and Cancellation.

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

Audits, Inspections and Record Retention: County is relying on assistance or grants for a portion of the funding for the services to be provided under this Agreement. As a requirement of County's grant funding agreement, County is required to comply with certain audit, inspection and record retention requirements and to extend those requirements to its third party contracts. Contractor shall, at any time during regular business hours, make available to County, the State and ARB for examination and audit all of its records and data with respect to the matters covered by this Agreement. Contractor shall, and upon request by County, the State or ARB, permit County, the State and ARB to audit and inspect all of such records and data necessary to ensure Contractor's compliance with the terms of this Agreement. Contractor shall be subject to audit by County, the State, ARB or its authorized representatives to determine if the funds paid to Contractor under this Agreement were properly used for the reduction of pollution and to determine whether the funds were utilized as provided by law and in accordance with County's grant funding agreement.

County and ARB or their designees reserve the right to inspect the equipment, engines and/or records relating to the equipment and engines at any time during Contractor's regular business hours.

Contractor shall retain all invoices, records, documents and data associated with activities performed under this Agreement for a minimum of eight (8) years after final payment, the end of the project life (as determined by ARB), or termination of County's grant funding agreement, whichever is later.

ARTICLE VI

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 VII

Compliance with all Applicable Laws: Contractor shall conform to and abide by all federal, state and local 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, the Department of Motor Vehicles, safety orders of the Division of Industrial Safety and any and all other applicable laws and regulations. Nothing in this Agreement, including but not limited to, any directions, plans or other documents provided to Contractor, is to be construed to permit work not conforming to these laws, ordinances, rules and regulations.

ARTICLE VIII

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 IX

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 _____

ARTICLE X

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 XI

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 XII

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 XIII

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 XIV

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 XV

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 County, this Agreement may be deemed to be canceled in its entirety subject to payment for services performed prior to cancellation.

ARTICLE XVI

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 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 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 total amount of the contract. 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 XVII

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.: Tom Celio,
Deputy Director of Maintenance
and Operations

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:

Smith Power Products, Inc.
8 Glendale Avenue
Sparks, Nevada 89431

Attn Christopher Fleming, Vice President

or to such other location as Contractor directs.

ARTICLE XVIII

Indemnity: Contractor shall defend, indemnify, and hold County and the State of California (State) 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 and State 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, State, Contractor, subcontractor(s) and employee(s) of any of these, except for the sole, or active negligence of the County or State, their officers and employees, or as expressly provided by statute. This duty of Contractor to indemnify and save County and State harmless includes the duties to defend set forth in California Civil Code Section 2778.

ARTICLE XIX

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 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.

Contractor's insurance coverage shall be primary insurance as respects County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by County, its officers, officials, employees, or volunteers shall be in excess of Contractor's insurance and shall not contribute with it.

- J. Any deductibles or self-insured retentions must be declared to, and approved, by County. At the option of County, either: The insurer shall reduce or eliminate such deductibles or self-insured retentions as respects County, its officers, officials, employees, and volunteers; or 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 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 County.

ARTICLE XX

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 XXI

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 prior to beginning work under this Agreement and at all times during the term of this Agreement.

ARTICLE XXII

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 federal, state, or local environmental statute, law, or regulation dealing with hazardous materials substances or toxic substances.

ARTICLE XXIII

Guarantees:

- A. For the purposes of this Agreement, the warranty periods for the Deutz, Mercedes Benz and Cummins engines and for the Huss Diesel Particulate Filters, 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, marked "Scope of Work," incorporated herein and made by reference a part hereof. 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 and diesel particulate filters furnished and all such parts, equipment and materials, and Contractor shall supply County with all warranty and guaranty documents relative to the devices, parts, equipment and materials guaranteed by its suppliers or manufacturers.
- C. Contractor warrants to County that engines, particulate filters, 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 this 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 or verified and shall meet the most stringent oxides of nitrogen (NOx), particulate matter (PM) and reactive organic gas (ROG) or non-methane hydrocarbon (NMHC) standards and requirements applicable as of June 12, 2007.

ARTICLE XXIV

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 XXV

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 XXVI

Nonresident Withholding (Form 588): Any independent Contractor providing services to County who is not a California resident must file a State of California Form 588 certifying County's exemption from withholding where applicable; where not applicable, Contractor shall indemnify and hold the County harmless for any action taken by the California Franchise Tax Board. Unless withholding is not required, Contractor will submit a Form 588 prior to execution of this Agreement or County shall withhold seven percent (7%) of each payment made to the Contractor during the term of the Agreement. This requirement applies to any agreement/contract exceeding \$1,500.00.

ARTICLE XXVII

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

ARTICLE XXVIII

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 XXIX

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 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 County.

ARTICLE XXX

Contract Administrator: The County Officer or employee with responsibility for administering this Agreement is Tom Celio, Deputy Director of Maintenance and Operations, Department of Transportation, or successor.

ARTICLE XXXI

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 XXXII

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 XXXIII

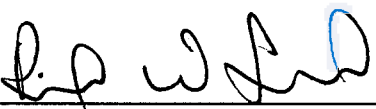
Entire Agreement: This document and the documents referred to herein or exhibits hereto are the entire Agreement between the parties, and they incorporate or supersede all prior written or oral agreements or understandings.

Contract Administrator Concurrence:

By: _____
Tom Celio
Deputy Director of Maintenance
and Operations

Dated: _____

Requesting Department Concurrence:

By:  _____
Richard W. Shepard, P.E.
Director of Transportation

Dated: 12/24/07

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:
Cindy Keck
Clerk of the Board of Supervisors

By: _____ Dated: _____
Deputy Clerk

-- SMITH POWER PRODUCTS, NC.

By: _____ Dated: _____
Christopher Fleming
Vice President
"Contractor"

By: _____ Dated: _____
Corporate Secretary

Smith Power Products, Inc.

Exhibit A

Scope of Work

Contractor shall furnish all materials, parts, incidentals, labor, equipment and services necessary to re-power and/or retrofit nineteen (19) units of DOT's off-road equipment. Eleven (11) units of equipment will receive both new engines (re-power) and the Huss Diesel Particulate Filter and eight (8) additional units will receive only the Huss Diesel Particulate Filter as indicated in the table below.

<u>DOT Equip #</u>	<u>Equipment Model</u>	<u>Re-power</u>	<u>Engine Model</u>	<u>Retrofit</u>	<u>Huss Device Model</u>
51-01	Caterpillar 930	X	Mercedes Benz OM904LA	X	FS80MKM
51-02	Caterpillar 930	X	Mercedes Benz OM904LA	X	FS80MKM
51-03	Caterpillar 930	X	Mercedes Benz OM904LA	X	FS80MKM
51-04	Caterpillar 930	X	Mercedes Benz OM904LA	X	FS80MKM
51-05	Caterpillar 936	X	Mercedes Benz OM904LA	X	FS80MKM
51-06	Caterpillar 924	X	Mercedes Benz OM904LA	X	FS80MKM
52-04	John Deere 544E	X	Mercedes Benz OM904LA	X	FS80MKM
64-01	Hyster Roller	X	Deutz 2011	X	FS80MKS
64-02	Hyster Roller	X	Deutz 2011	X	FS80MKS
72-03	Waldon Broom	X	Cummins 4B3.9	X	FS80MKS
72-11	Waldon Broom	X	Cummins 4B3.9	X	FS80MKS
47-19	Caterpillar 143H			X	FS100MKL
47-20	Caterpillar 143H			X	FS100MKL
51-07	Caterpillar IT-14G			X	FS80MKM
51-08	Caterpillar IT-14G			X	FS80MKM
53-01	Caterpillar 248			X	FS80MKM
56-06	John Deere 310			X	FS80MKS
58-02	Cedar Rapids 351			X	FS100MKM
88-02	Etnyre Spreader			X	FS160MKL

Should Contractor determine that any repairs to the equipment are required prior to installation of the engines or emission control devices, 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.

RE-POWER INSTALLATIONS

Caterpillar 930, 936, 924 and John Deere 544E (Equipment # 51-01, 51-02, 51-03, 51-04, 51-05, 51-06 and 52-04) – 7 units

Each engine shall be installed in accordance with the specifications provided below:

- Mercedes Benz OM904 LA EPA non-road, Tier III certified
- 4.25 L displacement, inline 4 cylinder
Rated at 121 hp @ 2200 rpm
- 425 lb/ft torque @ 1400 rpm
- 24 volt starter, Bosch
24 volt, alternator, 80 amp
Mercedes Benz 12 CFM air compressor
Cartridge style oil and fuel filters
- Primary fuel filter with priming pump
- 120 volt 600 wt block heater
Donaldson muffler

The existing air filter shall be used and existing machine torque converter shall be adapted as required.

The existing cooling system shall be utilized with the following modifications: (1) all hoses and belts on the existing cooling system shall be replaced with new hoses and belts; (2) a Charge Air Cooler (CAC) shall be installed on the existing system; and (3) a viscous temperature controlled fan hub shall be installed.

The existing gauges shall be replaced with an electronic model which communicates with the engine computer. The throttle pedal shall be replaced with an electronic model in the location of the original throttle pedal. The vehicle interface harness shall be customized to the existing chassis wiring. Engine protection is contained in the engine computer and offers warning light, ramp down power, shutdown, monitoring of oil pressure, coolant temperature, oil temperature, oil level and coolant level.

Hyster Wheel Rollers (Equipment # 64-01 and 64-02) – 2 units

Each engine shall be installed in accordance with the specifications provided below:

- Deutz TD 2011I, EPA TIER III Certified
- 2.8 liter displacement, inline 4 cylinder
- Rated at 72 hp @ 2500 rpm
- 12 volt starter, Bosch
- 12 volt alternator, 40 amps
- Spin-on fuel and oil filters

The existing air filter shall be used and the existing transverter shall be adapted as required.

The cooling system is integrated with the new engine and supplied by the manufacturer as a complete package.

Machine controls in the operator's compartment shall remain the same. The engine operating system shall be interfaced into the existing dash board.

Walden Brooms

(Equipment # 72-03, 72-11) – 2 units

Each engine shall be a Tier II model of the current Cummins 4B3.9 engine. The cooling system and controls and all other systems shall be reused, except that all hoses and belts on the existing cooling system shall be replaced with new hoses and belts.

RETROFIT INSTALLATIONS

Huss Diesel Particulate Filter retrofit installations are to be completed on all nineteen (19) of the units of equipment identified in the table above and all installation services shall be performed in accordance with the manufacturer's specifications.

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 the various re-power and retrofit installation services detailed in Exhibit B, marked "Price Schedule," and no additional compensation will be allowed therefor.

LOCATION OF WORK, SCHEDULING AND TRANSPORTATION OF EQUIPMENT

All re-power and/or retrofit services shall be provided at Contractor's facility located at 8 Glendale Avenue, Sparks, Nevada 89431. The scheduling of work on the equipment shall be mutually agreed upon by County and Contractor based on availability of the equipment

for service and the availability of parts for installation. Contractor shall provide transportation of each unit of equipment from the DOT yards at 2441 Headington Road, Placerville, California 95667 or 1121 Shakori Drive, Meyers, California 96150 to its facility in Sparks, Nevada and shall return the equipment to the designated DOT facility within three (3) working days after completion of the work. There shall be no additional cost to County for these equipment transportation services.

COMPLETION AND ACCEPTANCE OF THE WORK

Re-power work shall be completed within fifteen (15) working days of receipt of the equipment by Contractor. Retrofit device installations shall be completed within five (5) working days of the receipt of the equipment by Contractor.

Upon delivery of the re-powered or retrofitted equipment by Contractor to the designated DOT facility, 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.

WARRANTY

The warranty period for the Cummins engines covers travel, labor and parts for one (1) year and unlimited hours of operation and for two (2) years up to 2,000 hours of operation.

The warranty period for the Deutz engines covers travel, labor and parts for two (2) years and unlimited hours of operation.

The warranty period for the Mercedes Benz engines covers travel, labor and parts for two (2) years or for 3,000 hours of operation, whichever occurs first.

The warranty period for the Huss Diesel Particulate Filter devices covers travel, labor and parts for five (5) years or 4,200 hours of operation, whichever occurs first.

The warranty period for Contractor's parts and installation services covers travel, labor and parts for two (2) years and unlimited hours of operation from County's acceptance of the work on each unit of equipment.

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

TRAINING

Contractor shall provide training sessions to designated DOT staff on routine maintenance procedures for the Huss Diesel Particulate Filters at the DOT facilities at 2441 Headington Road in Placerville, California and at 1121 Shakori Drive in Meyers, California at times to be mutually agreed upon. There shall be no additional charge to County for these training sessions. A minimum of two (2) training sessions shall be provided prior to the expiration date of this Agreement.

MANUALS & DIAGNOSTICS TOOL FOR NEW ENGINES

- Two (2) Service Manuals shall be provided for each type of engine (Mercedes Benz, Deutz and Cummins) installed (for a total of six [6] Service Manuals).
- One (1) Owner's/Operator's Manual shall be provided for each Mercedes Benz, Deutz and Cummins engine installed (for a total of eleven (11) Owner's/Operator's Manuals).
- One (1) Parts Manual shall be provided for each Mercedes Benz, Deutz and Cummins engine installed (for a total of eleven (11) Parts Manuals).
- One (1) Diagnostic Tool for the Mercedes Benz engine shall be provided.

There shall be no additional charge to County for these manuals or for the diagnostic tool.

Smith Power Products, Inc.

Exhibit B

Price Schedule

<u>DOT Equip. #</u>	<u>Equip Model</u>	<u>Re-power Labor Cost</u>	<u>Re-power¹ Parts Cost</u>	<u>Sales Tax</u>	<u>Total Repower Cost</u>	<u>Retrofit Labor Cost</u>	<u>Retrofit² Parts Cost</u>	<u>Sales Tax</u>	<u>Total Retrofit Cost</u>	<u>Total Cost</u>
51-01	Caterpillar 930	\$11,280	\$21,050	\$1,526.13	\$33,856.13	\$2,250	\$11,729	\$850.35	\$14,829.35	\$48,685.48
51-02	Caterpillar 930	\$11,280	\$21,050	\$1,526.13	\$33,856.13	\$2,250	\$11,729	\$850.35	\$14,829.35	\$48,685.48
51-03	Caterpillar 930	\$11,280	\$21,050	\$1,526.13	\$33,856.13	\$2,250	\$11,729	\$850.35	\$14,829.35	\$48,685.48
51-04	Caterpillar 930	\$11,280	\$21,050	\$1,526.13	\$33,856.13	\$2,250	\$11,729	\$850.35	\$14,829.35	\$48,685.48
51-05	Caterpillar 936	\$11,280	\$21,050	\$1,526.13	\$33,856.13	\$2,250	\$11,729	\$850.35	\$14,829.35	\$48,685.48
51-06	Caterpillar 924	\$11,280	\$21,050	\$1,526.13	\$33,856.13	\$2,250	\$11,729	\$850.35	\$14,829.35	\$48,685.48
52-04	John Deere 544E	\$11,280	\$21,050	\$1,526.13	\$33,856.13	\$2,250	\$11,729	\$850.35	\$14,829.35	\$48,685.48
64-01	Hyster Roller	\$8,562	\$15,161	\$1,099.17	\$24,822.17	\$2,250	\$10,149	\$735.80	\$13,134.80	\$37,956.98
64-02	Hyster Roller	\$8,562	\$15,161	\$1,099.17	\$24,822.17	\$2,250	\$10,149	\$735.80	\$13,134.80	\$37,956.98
72-03	Waldon Roller	\$4,230	\$14,723	\$1,067.42	\$20,020.42	\$2,250	\$10,149	\$735.80	\$13,134.80	\$33,155.22
72-11	Waldon Roller	\$4,230	\$14,723	\$1,067.42	\$20,020.42	\$2,250	\$10,149	\$735.80	\$13,134.80	\$33,155.22
47-19	Caterpillar 143H					\$2,950	\$17,493	\$1,268.24	\$21,711.24	\$21,711.24
47-20	Caterpillar 143H					\$2,950	\$17,493	\$1,268.24	\$21,711.24	\$21,711.24
51-07	Caterpillar IT-14G					\$2,950	\$11,729	\$850.35	\$15,529.35	\$15,529.35
51-08	Caterpillar IT-14G					\$2,950	\$11,729	\$850.35	\$15,529.35	\$15,529.35
53-01	Caterpillar 248					\$2,950	\$7,630	\$553.18	\$11,133.18	\$11,133.18
56-06	John Deere 310					\$2,950	\$9,330	\$676.43	\$12,956.43	\$12,956.43
58-02	Cedar Rapids 351					\$2,950	\$14,392	\$1,043.42	\$18,385.42	\$18,385.42
88-02	Etnyre Spreader					\$2,950	\$26,267	\$1,904.36	\$31,121.36	\$31,121.36
Totals		\$104,544	\$207,118	\$15,016.06	\$326,678.06	\$48,350	\$238,762	\$17,310.25	\$304,422.25	\$631,100.30

¹ based on engine model

² based on Huss Diesel Particulate Filter model