CITY OF BEAUMONT

November 4, 2013

J. Alex Braicovich
Senior Regional Vice President
CR&R Incorporated
1706 Goetz Road
Perris, CA 92570

Subject: Extension of Agreement

Dear Mr. Braicovich,

In response to your letter dated October 21, 2013 requesting the contract extension period through December 3, 2016, the City is pleased to inform you the extension as per the terms of the agreement.

Very truly yours:
CITY OF BEAUMONT

Alan C. Kapanicas
City Manager

550 E. 6th Street • Beaumont • CA • 92223 • Phone: (951) 769-8520 • Fax: (951) 769-8526
www.ci.beaumont.ca.us

AGREEMENT FOR SERVICES BY INDEPENDENT CONTRACTOR
(Project Name: Street Sweeping Services)

THIS AGREEMENT is made and effective as of the 4th day of December 2012, by and between the CITY OF BEAUMONT ("OWNER") whose address is 550 E. 6th Street, Beaumont, California 92223 and CR&R Incorporated whose address is 1706 Goetz Rd., Perris, Ca. 92572, Fed. Tax Id. No. 95-2316878 ("CONTRACTOR").

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. OWNER desires to engage the services of CONTRACTOR to perform such services as may be assigned, from time to time, by OWNER in writing for the purpose of providing Street Sweeping Services.

B. The specific services to be performed by CONTRACTOR shall be described in one or more written Task Orders issued by OWNER to CONTRACTOR pursuant to this Agreement.

C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and has represented and warrants to OWNER that CONTRACTOR possesses the necessary skills, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, OWNER and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until December 3, 2014. Either party may give written notice to extend the agreement for an additional two years as long as such notice is given by December 2, 2013 and it is not extended or sooner terminated as provided for herein.

2. Services to be Performed by CONTRACTOR. CONTRACTOR agrees to provide such services as may be assigned, from time to time, in writing by the City Council of OWNER. Each such assignment shall be made in the form of a written Task Order. Each such Task Order shall include, but shall not be limited to, a description of the nature and scope of the services to be performed by CONTRACTOR, the amount of compensation to be paid, and the expected time of completion.

3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR's sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform each such assignment; provided,

however, that CONTRACTOR shall not subcontract any of the work to be performed without the prior written consent of OWNER.

4. Compensation.

4.01 In consideration for the services to be performed by CONTRACTOR, OWNER agrees to pay CONTRACTOR as provided for in each Task Order.

4.02 Each Task Order shall specify a total not-to-exceed sum of money and shall be based upon CONTRACTOR's schedule of regular hourly rates customarily charged by CONTRACTOR to its clients.

4.03 OWNER may reimburse CONTRACTOR for reasonable and necessary expenses incurred by CONTRACTOR in the performance of services for OWNER. Reimbursement shall be according to a schedule of reimbursable expenses included in each Task Order.

4.04 CONTRACTOR shall not be compensated for any services rendered nor reimbursed for any expenses incurred in excess of those authorized in any Task Order unless approved in advance by the City Council of OWNER, in writing.

4.05 Unless otherwise provided for in any Task Order issued pursuant to this Agreement, CONTRACTOR agrees that payment of compensation earned shall be made in monthly installments within 30 calendar days after receipt of a detailed, corrected, written invoice describing in reasonable detail, to the extent applicable, the services performed.

5. Obligations of Contractor.

5.01 CONTRACTOR agrees to perform all assigned services in accordance with the terms and conditions of this Agreement and those specified in each Task Order.

5.02 Except as otherwise provided for in each Task Order, CONTRACTOR will supply all personnel, materials and equipment required to perform the assigned services.

5.03 CONTRACTOR shall keep OWNER informed as to the progress of the work assigned hereunder, by means of regular and frequent consultations. From time-to-time, when requested by the OWNER, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the services assigned by OWNER. Therefore, CONTRACTOR hereby covenants and agrees to:

a. Obtain a comprehensive general liability insurance policy in an amount of not less than $2 million per occurrence for all coverage naming

OWNER as an additional insured;

b. Optional Insurance Coverage: Choose and check one: Required ___/Not Required xx; Obtain a policy of errors and omissions insurance in a minimum amount of $ (n/a) per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any services for OWNER;

c. Comply with all applicable local (including OWNER's), state and federal laws, rules and regulations regarding, by way of example and not by limitation, nondiscrimination and payment of wages;

d. Provide worker's compensation insurance for CONTRACTOR's employees and agents with limits as prescribed by law and custom.

CONTRACTOR waives all rights of subrogation against OWNER. Evidence of all insurance coverage shall be provided to OWNER prior to issuance of the first Task Order. Such policies shall be issued by a highly rated insurer (minimum Best's Ins. Guide rating of "A:VII") licensed to do business in California, and shall provide that they shall not be cancelled or amended without 30 days' prior written notice to OWNER. Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that all such insurance is in addition to CONTRACTOR's obligation to fully indemnify and hold OWNER completely free and harmless from and against any and all claims arising out of any, loss, injury or damage to property or persons caused by the negligent acts or omissions of CONTRACTOR in performing services assigned by OWNER.

5.05 CONTRACTOR and OWNER agree that OWNER, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to OWNER. CONTRACTOR acknowledges that OWNER would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect OWNER as set forth here.

5.05.1 To the full extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless OWNER, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by owner, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of OWNER. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by OWNER.

5.05.2 Without affecting the rights of OWNER under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless OWNER as set forth above for liability attributable to the sole fault of OWNER, provided such sole fault is determined by agreement between the parties or the findings of a court of competent jurisdiction. This exception will apply only in instances where OWNER is shown to have been solely at fault and not in instances where CONTRACTOR is solely or partially at fault or in instances where OWNER's fault accounts for only a percentage of the liability involved. In those instances, the obligation of CONTRACTOR will be all-inclusive and OWNER will be indemnified for all liability incurred, even though a percentage of liability is attributable to conduct of OWNER. CONTRACTOR acknowledges that its obligation pursuant to this Section extends to liability attributable to OWNER, if that liability is less than the sole fault of OWNER. CONTRACTOR has no obligation under this Agreement for liability proven in a court of competent jurisdiction or by written agreement between the parties to be the sole fault of OWNER.

5.06 In the event that OWNER requests that specific employees or agents of CONTRACTOR supervise or otherwise perform the services specified in each Task Order, CONTRACTOR shall ensure that such individual (or individuals) shall be appointed and assigned the responsibility of performing the services.

5.07 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.08 CONTRACTOR shall be solely responsible for obtaining all permits, licenses and approvals necessary or applicable to the performance of services under this Agreement, unless otherwise expressly provided for in any Task Order issued pursuant to this Agreement. In the event OWNER is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.09 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.10 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.11 Drug and Alcohol Testing Policy. The CONTRACTOR agrees to establish an anti-drug use and alcohol misuse program consistent with the requirements of this Section. The CONTRACTOR's anti-drug use and alcohol misuse program shall include the following:

a. The adoption, and enforcement, of a policy on prohibited drug use and alcohol misuse in the workplace, including the consequences associated with prohibited drug use and alcohol misuse. The CONTRACTOR shall disseminate the policy statement to its employees;

b. An education and training program in which employees and their supervisors shall receive training on the effects and consequences of prohibited drug use on personal health, safety, and work environment, and on the signs and symptoms that may indicate prohibited drug use and alcohol misuse. In addition, supervisors shall receive training on the physical, behavioral and performance indicators of probable drug use and alcohol misuse;

c. A testing program which meets the requirements of Section 3 below; and

d. Procedures for referring an employee who has a verified positive drug test result or an alcohol concentration of 0.04 or greater to a substance abuse professional.

5.12 Drug and Alcohol Testing.

a. Drug Testing: The CONTRACTOR shall establish a program that provides testing for prohibited drugs in the following circumstances: pre-employment, post-accident, reasonable suspicion, random and return to duty/follow-up. When administering a drug test, the CONTRACTOR agrees to ensure that the following drugs are tested for: marijuana, cocaine, opiates, amphetamines, and phencyclidine.

b. Alcohol Testing: The CONTRACTOR shall establish a program that provides for testing of alcohol in the following circumstances: post-accident, reasonable suspicion, random and return to duty/follow-up. The CONTRACTOR shall prohibit an employee, while having an alcohol concentration of 0.04 or greater, from performing or continuing to perform a safety-sensitive function.

5.13 Background Investigations. CONTRACTOR acknowledges that certain of CONTRACTOR's employees perform services that have the potential for endangering the health and safety of members of the general public, and have unrestricted access to sensitive OWNER operations and facilities which, if improperly operated or maintained, could result in personal injury or death to themselves, co-workers and the public. Therefore, the CONTRACTOR hereby agrees, at its sole cost and expense, to develop and implement an employee security system and program that includes, but is not limited to, the following:

a. A personal history statement;

b. Reference checks;

c. Background investigation, including information from the California Department of Justice and the Department of Motor Vehicles.

6. Obligations of Owner.

6.01 OWNER shall do the following in a manner so as not to unreasonably hinder the performance of services by CONTRACTOR:

a. Designate a person to act as a liaison between CONTRACTOR and the City Council of OWNER.

7. Additional Services, Changes and Deletions.

7.01 During the term of this Agreement, the City Council of OWNER may, from time to time, and without affecting the validity of this Agreement or any Task Order issued thereunder, order changes, deletions and additional services by the issuance of written change orders authorized and approved by the City Council of OWNER.

7.02 In the event CONTRACTOR performs additional or different services than those described in any Task Order or authorized change order without the prior written approval of the City Council of OWNER, CONTRACTOR shall not be compensated for such services.

7.03 CONTRACTOR shall promptly advise OWNER as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of services to be provided pursuant to this Agreement. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the City Council of OWNER.

7.04 In the event that OWNER orders services increased, deleted or reduced, compensation shall likewise be adjusted by a fair and reasonable amount and CONTRACTOR shall only be compensated for services actually performed. In the event additional services are properly authorized, payment for the same shall be made as provided in Section 4 above.

8. Termination of Agreement.

8.01 In the event the time specified for completion of an assigned task in a Task Order exceeds the term of this Agreement, the term of this Agreement shall be automatically extended for such additional time as is necessary to complete such Task Order, and thereupon this Agreement shall automatically terminate without further notice.

8.02 Notwithstanding any other provision of this Agreement, OWNER, at its sole option, may terminate this Agreement at any time by giving 10 days' written notice to CONTRACTOR whether or not a Task Order has been issued to CONTRACTOR.

8.03 In the event of termination, the payment of monies due CONTRACTOR for work performed prior to the effective date of such termination shall be paid within 30 calendar days after receipt of an invoice as provided in this Agreement. Upon payment for such services, CONTRACTOR agrees to promptly provide and deliver to OWNER all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to OWNER.

9. Status of Contractor.

9.01 CONTRACTOR shall perform the services assigned by OWNER in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of OWNER. CONTRACTOR shall be under the control of OWNER only as to the result to be accomplished and the personnel assigned to perform services. However, CONTRACTOR shall regularly confer with OWNER's City Council as provided for in this Agreement.

9.02 CONTRACTOR hereby specifically represents and warrants to OWNER that the services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

10. Ownership of Documents; Audit.

10.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of services assigned to it by OWNER shall become the sole property of OWNER, and CONTRACTOR shall promptly deliver all such materials to OWNER. At the OWNER's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions. If OWNER uses such documents for any purpose other than for which they were prepared without CONTRACTOR's prior written approval, OWNER hereby waives any claims against CONTRACTOR and will hold CONTRACTOR harmless from any claim or liability for injury or loss arising from OWNER's unauthorized use.

10.02 Subject to applicable federal and state laws, rules and regulations, OWNER shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not use for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of OWNER.

10.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as OWNER may deem necessary, CONTRACTOR shall make available to OWNER's agents for examination all of such records and shall permit OWNER's agents to audit, examine and reproduce such records.

11. Miscellaneous Provisions.

11.01 This Agreement supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of services by CONTRACTOR for OWNER and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

11.02 CONTRACTOR shall not assign or otherwise transfer any rights or

interest in this Agreement without the prior written consent of OWNER. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

11.03 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the services authorized hereunder.

11.04 If required by law, CONTRACTOR shall file Conflict of Interest Statements with OWNER.

11.05 Any dispute which may arise by and between the OWNER and the CONTRACTOR, including the CONTRACTOR's subcontractors, laborers, and suppliers, shall be submitted to binding arbitration. Arbitration shall be conducted by the Judicial Arbitration and Mediation Services, Inc./Endispute, in accordance with its construction industry rules in effect at the time of the commencement of the arbitration proceeding, and as set forth in this Paragraph. Arbitration shall be conducted before a panel of three arbitrators, unless the PARTIES agree in writing to submit the matter before a single arbitrator. The arbitrators must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. The arbitrators' decision and award are subject to judicial review for errors of fact or law in accordance with Section 1296 of the Code of Civil Procedure, by a Superior Court of competent venue and jurisdiction. Discovery may be conducted in the arbitration proceeding pursuant to Section 1283.05 of the Code of Civil Procedure. Unless the PARTIES stipulate to the contrary, prior to the appointment of the arbitrators, all disputes shall first be submitted to non-binding mediation, conducted by either the American Arbitration Association or Judicial Arbitration and Mediation Services, Inc./Endispute, in accordance with their respective rules and procedures for such mediation. In any arbitration or litigation arising out of this Agreement, or the performance of any obligation under this Agreement, the arbitrators or the court in such arbitration or litigation shall award costs and expenses of arbitration or litigation, including mediation and arbitration fees and expenses, expert witness fees and attorneys' fees, to the prevailing PARTY.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement as of the day and year first above-written.

OWNER:	CONTRACTOR:
CITY OF BEAUMONT	
By _____ 12-4-12	By _____
Mayor, City Council	J. Alex Braicovich, Sr. Region V.P. 12/4/12

CITY OF BEAUMONT

INDEPENDENT CONTRACTOR'S TASK ORDER
(Project Title: Street Sweeping Services)

TASK ORDER NO.: ONE

CONTRACTOR: Name: CR&R Incorporated
Address: 1706 Goetz Rd., Perris, Ca. 92570
Telephone: 951-490-5411
Fax: 951-657-5493
E-mail: alexb@crrmail.com
Fed. Tax Id.: 95-2316878

THIS TASK ORDER is issued pursuant to that certain Agreement for Services by Independent Contractor between the CITY OF BEAUMONT ("OWNER") and CR&R Incorporated ("CONTRACTOR") dated December 4, 2012 (the "AGREEMENT").

1. Task to be Performed. CONTRACTOR shall provide all labor, materials and equipment to perform the following task (choose and check one):
xx See Exhibit "A", attached hereto
__ Description of Task: _____
_____
_____

2. Time of Performance. Time is of the essence. Therefore, CONTRACTOR shall begin work on December 5, 2012.

3. Liaison of OWNER. Mr. Kishen Prathivadi, Assistant Director of Public Works (cell: (951) 764-5674), shall serve as liaison between OWNER and CONTRACTOR.

4. Staff Assignments. CONTRACTOR will assign the following personnel to perform the services required by this Task Order: (Check if this Paragraph 4 Not Applicable: ____) Mr. Glen Drew 951-634-3084; Mr. Alex Braicovich 951-490-5411

5. Deliverables. CONTRACTOR shall deliver to OWNER not later than the date or dates indicated, the following: (Check if this Paragraph 5 Not Applicable: xx)

_____

_____

_____

6. Compensation. For all services rendered by CONTRACTOR pursuant to this Task Order, CONTRACTOR shall be compensated as set forth on Attachment 1 of Exhibit "A" to this Task Order.

7. Reimbursable Expenses. In addition to the compensation provided for in Paragraph 6 above, CONTRACTOR (choose and check one:) ___ shall/ xx shall not / be entitled to reimbursement for expenses. If authorized by this Task Order, reimbursable expenses shall be limited to:

_____

_____.

8. Miscellaneous Matters. The following additional matters are made a part of this Task Order (choose and check one):

xx Not applicable

_____ See Exhibit "A", attached hereto; or

_____ Description: _____

_____

_____

IN WITNESS WHEREOF, the parties have executed this Task Order on the date indicated below.

CITY OF BEAUMONT

Dated: 12-4-12

By _____
Mayor

CONTRACTOR:

Dated: December 4, 2012

By _____
Sr. Region V.P.
CR&R Incorporated