

RECOMMENDATION

It is recommended that the City Council:

- Award the contract for the operation of 2,203 water gate valves to iWater, Inc. in the amount of \$127,774.
- Authorize the City Manager to execute the agreement, including making minor modifications thereto, with iWater, Inc. on behalf of the City.


WILLIAM E. MURRAY, P.E.
Public Works Director/City Manager


By: Les Ruitenschild
Public Works Supervisor

Attachment: Proposed Agreement with IWater

Recommended for Approval


Matthew Ferial
City Manager

SECTION 4 - AGREEMENT**PROJECT AGREEMENT**

THIS AGREEMENT is made this 23rd day of MAY, 2011, by the CITY OF GARDEN GROVE, a municipal corporation, ("CITY"), and **iWater, Inc.**, hereinafter referred to as ("CONTRACTOR").

RECITALS:

The following recitals are a substantive part of this Agreement:

This Agreement is entered into pursuant to Garden Grove COUNCIL AUTHORIZATION, DATED _____.

CITY desires to utilize the services of CONTRACTOR to Provide all Labor and Traffic Control for the operation of 2,203 Water Gate Valves at various locations in the City of Garden Grove.

CONTRACTOR is qualified by virtue of experience, training, education, and expertise to accomplish services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

- 4.0 **Compensation.** CONTRACTOR shall be compensated as follows:
 Compensation under this agreement shall be a Firm Fixed Price (FFP) in the amount of One Hundred Twenty Seven Thousand Seven Hundred Seventy Four Dollars (\$127,774.00) payable in arrears. Payment for work under this Agreement shall be made per invoice for work completed. All work shall be in accordance with Bid No. S-1074 and the Scope of Work (Attachment "A").
- 4.1 **General Conditions.** CONTRACTOR certifies and agrees that all the terms, conditions and obligations of the Contract Documents as hereinafter defined, the location of the job site, and the conditions under which the work is to be performed have been thoroughly reviewed, and enters into this Contract based upon CONTRACTOR'S investigation of all such matters and is in no way relying upon any opinions or representations of CITY. It is agreed that this Contract represents the entire agreement. It is further agreed that the Contract Documents including the Notice Inviting Bids, Special Instructions to Bidders, if any, and Contractor's Proposal, are incorporated in this Contract by reference, with the same force and effect as if the same were set forth at length herein, and that CONTRACTOR and its subcontractors, if any, will be and are bound by

any and all of said Contract Documents insofar as they relate in any part or in any way, directly or indirectly, to the work covered by this Contract.

"Project" as used herein defines the entire scope of the work covered by all the Contract Documents. Anything mentioned in the Specifications and not indicated in the Plans, or indicated in the Plans and not mentioned in the Specifications, shall be of like effect as if indicated and mentioned in both. In case of discrepancy in the Plans or Specifications, the matter shall be immediately submitted to City's Engineer, without whose decision CONTRACTOR shall not adjust said discrepancy save only at CONTRACTOR'S own risk and expense. The decision of the Engineer shall be final.

4.2 Materials and Labor. CONTRACTOR shall furnish, under the conditions expressed in the Plans and Specifications, at CONTRACTOR'S own expense, all labor and materials necessary, except such as are mentioned in the Specifications to be furnished by the CITY, to complete the project, in good workmanlike and substantial order. If CONTRACTOR fails to pay for labor or materials when due, CITY may settle such claims by making demand upon the surety to this Agreement. In the event of the failure of refusal of the surety to satisfy said claims, CITY may settle them directly and deduct the amount of payments from the Contract price and any amounts due to CONTRACTOR. In the event CITY receives a stop notice from any laborer or material supplier alleging non-payment by CONTRACTOR, CITY shall be entitled to deduct all of its costs and expenses incurred relating thereto, including but not limited to administrative and legal fees.

4.3 Project. The PROJECT is described as: Provide all Labor and Traffic Control for the operation of 2,203 Water Gate Valves at various locations in the City of Garden Grove.

4.4 Plans and Specifications. The work to be done is described in a set of detailed Plans and Specifications entitled: Provide all Labor and Traffic Control for the operation of 2,203 Water Gate Valves at various locations in the City of Garden Grove. Said Plans and Specifications and any revisions, amendments or addenda thereto are attached hereto and incorporated herein as part of this Contract and referred to by reference. The work to be done must also be in accordance with the General Provisions, Standard Specifications and Standard Plans of City which are also incorporated herein and referred to by reference.

4.5 Time of Commencement and Completion. CONTRACTOR agrees to commence the Project with TEN (10) calendar days from the date set forth in the "Notice to Proceed" sent by City and shall diligently prosecute the work to completion within **eighty (80)** calendar days from commencement of work excluding delays caused or authorized by the CITY as set forth in Sections 4.7, 4.8 and 4.9 hereof. The completion dates shall include any material delivery.

*DWR
Water, Inc.*
we are limited to start date until map project is complete. Another contractor is processing. we are currently waiting on this deliverable.
4.6 Time is of the Essence. Time is of the essence of this Contract. As required by the Contract Documents, CONTRACTOR shall prepare and obtain approval of

all shop drawings, details and samples, and do all other things necessary and incidental to the prosecution of CONTRACTOR'S work in conformance with an approved construction progress schedule. CONTRACTOR shall coordinate the work covered by this Contract with that of all other contractors, subcontractors and of the CITY, in a manner that will facilitate the efficient completion of the entire work in accordance with Section 4.5 herein. CITY shall have complete control of the premises on which the work is to be performed and shall have the right to decide the time or order in which the various portions of the work shall be installed or the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly conduct of the work of CONTRACTOR on the premises.

As listed above, we will not be able to start until current map project is complete. DWG, water, etc

4.7 Excusable Delays. CONTRACTOR shall be excused for any delay in the prosecution or completion of the Project caused by acts of God; inclement weather; damages caused by fire or other casualty for which CONTRACTOR is not responsible; and act, neglect or default of CITY; failure of CITY to make timely payments to CONTRACTOR; late delivery of materials required by this CONTRACT to be furnished by CITY; combined action of the workers in no way caused by or resulting from default or collusion on the part of CONTRACTOR; a lockout by CITY; or any other delays unforeseen by CONTRACTOR and beyond CONTRACTOR'S reasonable control.

City shall extend the time fixed in Section 4.5 herein for completion of the Project by the number of days CONTRACTOR has thus been delayed, provided that CONTRACTOR presents a written request to CITY for such time extension within fifteen (15) days of the commencement of such delay and CITY finds that the delay is justified. CITY'S decision will be conclusive on the parties to this Contract. Failure to file such request within the time allowed shall be deemed a waiver of the claim by CONTRACTOR.

No claims by CONTRACTOR for additional compensation or damages for delays will be allowed unless CONTRACTOR satisfies CITY that such delays were unavoidable and not the result of any action or inaction of CONTRACTOR and that CONTRACTOR took all available measures to mitigate such damages. Extensions of time and extra compensation as a result of incurring undisclosed utilities will be determined in accordance with Section 9-103A of the State of California Department of Transportation Standard Specifications. The CITY'S decision will be conclusive on all parties to this Contract.

4.8 Extra Work. The Contract price includes compensation for all work performed by CONTRACTOR, unless CONTRACTOR obtains a written change order signed by a designated representative of CITY specifying the exact nature of the extra work and the amount of extra compensation to be paid all as more particularly set forth in Section 4.9 hereof. CITY shall extend the time fixed in Section 4.5 for completion of the Project by the number of days reasonably required for CONTRACTOR to perform the extra work, as determined by CITY'S Engineer. The decision of the Engineer shall be final.

4.9 Changes in Project.

- 4.9.1** CITY may at any time, without notice to any surety, by written order designated or indicated to be a change order, make any change in the work within the general scope of the Contract, including but not limited to changes:
- a. in the Specifications (including drawings and designs);
 - b. in the time, method or manner of performance of the work;
 - c. in the City-furnished facilities, equipment, materials, services or site; or
 - d. directing acceleration in the performance of the work.
- 4.9.2** A change order shall also be any other written order (including direction, instruction; interpretation or determination) from the CITY which causes any change, provided CONTRACTOR gives the CITY written notice stating the date, circumstances and source of the order and that CONTRACTOR regards the order as a change order.
- 4.9.3** Except as provided in this Section 4.9, no order, statement or conduct of the CITY or its representatives shall be treated as a change under this Section 9 or entitle CONTRACTOR to an equitable adjustment.
- 4.9.4** If any change under this Section 4.9 causes an increase or decrease in CONTRACTOR'S actual, direct cost or the time required to perform any part of the work under this Contract, whether or not changed by any order, the CITY shall make an equitable adjustment and modify the Contract in writing. Except for claims based on defective specifications, no claim for any change under paragraph (4.9.2) above shall be allowed for any costs incurred more than 20 days before the CONTRACTOR gives written notice as required in paragraph (4.9.2). In the case of defective specifications for which the CITY is responsible, the equitable adjustment shall include any increased direct cost CONTRACTOR reasonably incurred in attempting to comply with those defective specifications.
- 4.9.5** If CONTRACTOR intends to assert a claim for an equitable adjustment under this Section 4.9, it must, within thirty (30) days after receipt of a written change order under paragraph (4.9.1) or the furnishing of a written notice under paragraph (4.9.2), submit a written statement to the CITY setting forth the general nature and monetary extent of such claim. The CITY may extend the 30-day period. CONTRACTOR may include the statement of claim in the notice under paragraph (4.9.2) of this Section 4.9.
- 4.9.6** No claim by CONTRACTOR for an equitable adjustment shall be allowed if made after final payment under this Agreement.

4.9.7 CONTRACTOR hereby agrees to make any and all changes, furnish the materials and perform the work that CITY may require without nullifying this Contract. CONTRACTOR shall adhere strictly to the Plans and Specifications unless a change there from is authorized in writing by the CITY. Under no condition shall CONTRACTOR make any changes to the Project, either in additions or deduction, without the written order of the CITY and the CITY shall not pay for any extra charges made by CONTRACTOR that have not been agreed upon in advance in writing by the CITY. CONTRACTOR shall submit immediately to the CITY written copies of its firm's cost or credit proposal for change in the work. Disputed work shall be performed as ordered in writing by the CITY and the proper cost or credit breakdowns therefore shall be submitted without delay by CONTRACTOR to CITY.

4.10 Liquidated Damages for Delay. The parties agree that if the total work called for under this Contract, in all parts and requirements, is not completed within the time specified in Section 4.5 herein, plus the allowance made for delays or extensions authorized under Section 4.7, 4.8 and 4.9 herein, the CITY will sustain damage which would be extremely difficult and impractical to ascertain. The parties therefore agree that CONTRACTOR will pay to CITY the sum of two hundred and fifty dollars (\$250.00) per day for each and every calendar day during which completion of the Project is so delayed. CONTRACTOR agrees to pay such liquidated damages and further agrees that CITY may offset the amount of liquidated damages from any moneys due or that may become due CONTRACTOR under the Contract.

4.11 Contract Price and Method of Payment. CITY agrees to pay and the CONTRACTOR agrees to accept as full consideration for the faithful performance of this Contract, subject to any subsequent additions or deductions as provided in approved change orders, the sum as itemized in the bid proposal.

Progress payments shall be made to the CONTRACTOR per month for each successive month as the work progresses. The CONTRACTOR shall be paid such sum as will bring the total payments received since the commencement of the work up to ninety percent (90%) of the value of the work completed, less all previous payments, provided that the CONTRACTOR submits the request for payment prior to the end of the day required to meet the payment schedule. The CITY will retain ten percent (10%) of the amount of each such progress estimate and material cost until 30 days after the recordation of the Notice of Completion.

Payments shall be made on demands drawn in the manner required by law, accompanied by a certificate signed by the CITY'S Engineer, stating that the work for which payment is demanded has been performed in accordance with the terms of the Contract. Partial payments of the Contract price shall not be considered as an acceptance of any part of the work.

4.12 Substitution of Securities in Lieu of Retention of Funds. Pursuant to California Public Works Contract Code Section 22300, the CONTRACTOR will be entitled to post approved securities with the CITY or an approved financial institution in order to have the CITY release funds retained by the CITY to ensure performance of the Contract. CONTRACTOR shall be required to execute an addendum to this Contract together with escrow instructions and any other documents in order to effect this substitution.

4.13 Completion. CITY may require affidavits or certificates of payment and/or releases from any subcontractor, laborer or material supplier in connection with Stop Notices which have been filed under the provisions of the statutes of the State of California.

4.14 Contractor's Employee Compensation.

4.14.1 General Prevailing Rate. CITY has ascertained from the State of California Director of Industrial Relations, the general prevailing rate of per diem wages and the general prevailing rate for legal holiday and over time work in the locality in which the work is to be performed for each craft or type of work needed to execute this Contract, and copies of the same are on file in the Office of the City Engineer. The CONTRACTOR agrees that not less than said prevailing rates shall be paid to workers employed on this public works contract as required by Labor Code Section 1774 of the State of California.

4.14.2 Forfeiture for Violation. CONTRACTOR shall, as a penalty to the CITY, forfeit fifty dollars (\$50.00) for each calendar day or portion thereof for each worker paid (either by the CONTRACTOR or any subcontractor under it) less than the prevailing rate of per diem wages as set by the Director of Industrial Relations, in accordance with Sections 1770-1780 of the California Labor Code for the work provided for in this Contract, all in accordance with Section 1775 of the Labor Code of the State of California.

4.14.3 Travel and Subsistence Pay. Section 1773.8 of the Labor Code of the State of California, regarding the payment of travel and subsistence payments, is applicable to this Contract and CONTRACTOR shall comply therewith.

4.14.4 Apprentices. Section 1777.5, 1777.6 and 1777.7 of the Labor Code of the State of California, regarding the employment of apprentices is applicable to this Contract and the CONTRACTOR shall comply therewith if the prime contract involves thirty thousand dollars (\$30,000.00) or more or twenty (20) working days, or more; or if contracts of specialty contractors not bidding for work through the general or prime contractor are two thousand dollars (\$2,000.00) or more for five (5) working days or more.

4.14.5 Workday. In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and CONTRACTOR shall not require more than eight (8) hours of labor in a day from any person employed by him there under except as provided in paragraph (4.14.2) above. CONTRACTOR shall conform to Article 3, Chapter 1, Part 7 (Sections 1810 et sep.) of the Labor Code of the State of California and shall forfeit to the CITY as a penalty, the sum of twenty-five dollars (\$25.00) for each worker employed in the execution of this Contract by CONTRACTOR or nay subcontractor for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in any one calendar day and forty (40) hours in any one week in violation of said Article. CONTRACTOR shall keep an accurate record showing the name and actual hours worked each calendar day and each calendar week by each worker employed by CONTRACTOR in connection with the Project.

4.14.6 Records of wages: Inspection. CONTRACTOR agrees to maintain accurate payroll records showing 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 it in connection with the Project and agrees to require that each of its subcontractors does the same. All payroll records shall be certified as accurate by the applicable contractor or subcontractor or its agent have authority over such matters. CONTRACTOR further agrees that its payroll records and those of its subcontractors shall be available to the employee or employee's representative, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards and shall comply with all the provisions of Labor Code Section 1776, in general.

4.15 Surety Bonds. CONTRACTOR shall, upon entering into performance of this Agreement, furnish bonds in the amount of one hundred percent (100%) of the Contract price bid, to guarantee the faithful performance of the work, and the other in the amount of one hundred percent (100%) of the Contract price bid to guarantee payment of all claims for labor and materials furnished. This Contract shall not become effective until such bonds are supplied to and approved by the CITY. The Surety Company must have an AM Best rating of A- VII or better.

4.16 Insurance.

4.16.1 CONTRACTOR is also aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or undertake self-insurance with provisions of that Code and will comply with such provisions before commencing the performance of the work of this Contract.

4.16.2 CONTRACTOR and all subcontractors will carry workers' compensation insurance for the protection of its employees during the progress of the

work. The insurer shall waive its rights of subrogation against the CITY, its officers, agents and employees and shall issue an endorsement to the policy evidencing same.

*not required
DWR (water, Inc)*

4.16.3 CONTRACTOR shall at all times carry, for all operations hereunder policies of insurance for: (1) bodily injury, including death, and property damage liability insurance; (2) auto liability including mobile equipment if any, for bodily injury and property damage coverage; (3) ~~and builders' all risk insurance.~~ All insurance coverage shall be in amounts specified by CITY in Section 4.16.4 Insurance Requirements. CONTRACTOR shall provide evidence of insurance coverage by the issuance of a certificate of insurance and endorsements in a form prescribed by the CITY. Policies shall be underwritten by insurance companies satisfactory to CITY for all operations, subcontract work, contractual obligations, on-going, products and completed operations, all hired, leased, owned and non-owned vehicles, and mobile equipment if any. Said insurance coverage obtained by the CONTRACTOR, excepting workers' compensation coverage, shall name the CITY, its Officers, Agents, Employees, Engineers, and Consultants for this Contract, and all public agencies from whom permits will be obtained and their Directors, Officers, Agents and Employees, as determined by the CITY, as additional insured on said policies.

For any claims related to this Agreement, CONTRACTOR'S insurance coverage shall be primary insurance as respects CITY, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents, or volunteers shall by excess of the CONTRACTOR'S insurance and shall not contribute with it

Before CONTRACTOR performs any work at, or prepares or delivers materials to, the site of construction, CONTRACTOR shall furnish certificates of insurance and endorsements evidencing the foregoing insurance coverage and such certificates of insurance and endorsements shall provide the name and policy number of each carrier and that the insurance is in force and will not be canceled without thirty (30) days written notice to the CITY. CONTRACTOR shall maintain all of the foregoing insurance coverage in force until the work under this Contract is satisfactorily and fully completed. The requirement for carrying the foregoing insurance shall not derogate from the provisions for indemnification of CITY by Contractor under Section 4.17 of this Contract. Notwithstanding nor diminishing the obligations of CONTRACTOR with respect to the foregoing, CONTRACTOR shall subscribe for and maintain in full force and effect during the life of this Contract, the following insurance in amounts not less than the amounts specified and issued by a company having a Best's

Guide Rate of A-Class VII or better (claims made and modified occurrence policies are not acceptable):

- (a) Commercial general liability in an amount not less than \$1,000,000 per occurrence, including products liability; **(claims made and modified occurrence policies are not acceptable)**; Insurance companies must be acceptable to CITY and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the CITY.
- (b) Automobile liability in an amount not less than \$1,000,000 combined single limit; **(claims made and modified occurrence policies are not acceptable)**; Insurance companies must be acceptable to CITY and have an AM Best's Guide Rating of A-, Class VII or better; as approved by the CITY.
- (c) Excess liability coverage shall be provided for any underlying policy that does not meet the insurance requirements set forth herein. **(claims made and modified occurrence policies are not acceptable)** Insurance companies must be acceptable to CITY and have a Best's Guide Rating of A-Class VII or better, as approved by the CITY.

An Additional Insured Endorsement, **ongoing and completed operations, including products liability**, for the policy under section 4.3 (a) shall designate CITY, its officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to city's requirements, as approved by the CITY.

An Additional Insured Endorsement for the policy under section 4.3 (b) shall designate CITY, its officers, officials, employees, agents, and volunteers as additional insureds for automobiles owned, leased, hired, or borrowed by the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

An Additional Insured Endorsement for the policy under section 4.3 (c) shall designate CITY, its officers, officials, employees, agents, and volunteers as additional insureds under the environmental/pollution/asbestos liability policy. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

For any claims related to this Agreement, CONTRACTOR's insurance coverage shall be primary insurance as respects CITY, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents, or volunteers shall by excess of the CONTRACTOR's insurance and shall not contribute with it.

An Additional Insured Endorsement, **ongoing and completed operations**, for the policy under section 4.16.4 (b) shall designate **CITY, its officers, agents, employees, engineers, and consultants** as **additional insureds** for liability arising out of work or operations performed by or on behalf of the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to city's requirements, as approved by the CITY.

An Additional Insured Endorsement for the policy under section 4.16.4 (c) shall designate **CITY, its officers, agents, employees, engineers, and consultants** as **additional insureds** for automobiles owned, leased, hired, or borrowed by the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

For any claims related to this Agreement, CONTRACTOR's insurance coverage shall be **primary** insurance as respects to **CITY, its officers, agents, employees, engineers, and consultants**. Any insurance or self-insurance maintained by the **CITY, its officers, agents, employees, engineers, or consultants** shall be **excess** of the CONTRACTOR's insurance and **shall not contribute** with it.

CITY or its representatives shall at all times have the right to inspect and receive the original or a certified copy of all said policies of insurance, including certificates of insurance and endorsements. CONTRACTOR shall pay all of the premiums on the insurance hereinabove and is required to maintain such insurance coverage during the term of the contract.

- 4.17 Risk and Indemnification.** All work covered by this Contract done at the site of the Project or in preparing or delivering materials to the site shall be at the risk of CONTRACTOR alone. CONTRACTOR agrees to save, indemnify and keep CITY, its Officers, Agents, Employees, Engineers, and Consultants for this Contract, and all public agencies from whom permits will be obtained and their directors, Officers, Agents and Employees harmless against any and all liability, claims, judgments, costs and demands, including demands arising from injuries or death of persons (CONTRACTOR'S employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by CONTRACTOR, save and

except claims or litigation arising through the sole negligence or sole willful misconduct of CITY and will make good to reimburse CITY for any expenditures, including reasonable attorneys' fees CITY may incur by reason of such matters, and if requested by CITY, will defend any such suits at the sole cost and expense of CONTRACTOR.

4.18 Termination.

4.18.1 This Contract may be terminated in whole or in part in writing by the CITY for its convenience, provided that the CONTRACTOR is given (1) not less than ten (10) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination. Termination of contract shall conform to Section 8-1.11 of the State of California, Department of Transportation Standard Specifications.

4.18.2 If termination for default or convenience is effected by the CITY, an equitable adjustment in the price provided for in this Contract shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work, and (2) any payment due to the CONTRACTOR at the time of termination may be adjusted to cover any additional costs to the CITY because of the CONTRACTOR'S default. The equitable adjustment for any termination shall provide for payment to the CONTRACTOR for services rendered and expenses incurred in accordance with section 8-1.11 of the State of California, Department of Transportation Standard Specifications.

4.18.3 Upon receipt of a termination action under paragraph (4.18.1) or (4.18.2) above, the CONTRACTOR shall (1) promptly discontinue all affected work (unless the notice directs otherwise), and (2) deliver or otherwise make available to the CITY all data, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by the CONTRACTOR in performing this Contract whether completed or in process.

4.18.4 Upon termination under paragraphs (4.18.1) and (4.18.2) above, the CITY may take over the work and may award another party an agreement to complete the work under this Contract.

4.19 Warranty. The CONTRACTOR agrees to perform all work under this Contract in accordance with the CITY'S designs, drawings and specifications.

The CONTRACTOR guarantees for a period of one (1) year from the date of the notice of completion of the work that the completed work is free from all defects due to faulty materials, equipment or workmanship and that he shall promptly make whatever adjustments or corrections which may be necessary to cure any defects, including repairs or any damage to other parts of the

system resulting from such defects. The CITY shall promptly give notice to the CONTRACTOR of observed defects. In the event that the CONTRACTOR fails to make adjustments, repairs, corrections or other work made necessary by such defects, the CITY may do so and charge the CONTRACTOR the cost incurred. The performance bond shall remain in full force and effect through the guarantee period.

The CONTRACTOR'S obligations under this clause are in addition to the CONTRACTOR'S other express or implied assurances provided under this Contract and in no way diminish any other rights that the CITY may have against the CONTRACTOR for faulty materials, equipment or work

4.20 Notices. Any notice required or permitted under this Contract may be given by ordinary mail at the address set forth below. Any party whose address changes shall notify the other party in writing.

To:

a. (CONTRACTOR)
iWater, Inc.
Attention: Don Rhodes, President
18 Goodyear, Suite 100
Irvine, CA 92618

b. (Address of City Purchasing) (with a copy to):

City of Garden Grove 11222 Acacia Parkway Garden Grove, CA 92840	Garden Grove City Attorney 11222 Acacia Parkway Garden Grove, CA 92840
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4.21. Payment of Taxes: The contract prices paid for the work shall include full compensation for all taxes which CONTRACTOR is required to pay, whether imposed by Federal, State or local government.

4.22 Safety Provisions: CONTRACTOR shall conform to the rules and regulations established by the California Division of Industrial Safety.

IN WITNESS THEREOF, these parties have executed this Project Agreement on the day and year shown below.

Date: _____

"CITY"
CITY OF GARDEN GROVE

By: _____
City Manager

ATTEST:

City Clerk

Date: _____

"CONTRACTOR"
iWater, Inc.

Contractor's State Lic. No. 783766

Expiration Date. 08/31/2012

By: Donald W. Alford

Title: PRESIDENT

Date: MAY 23, 2011

Tax ID No. 330906922

If CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to the CITY.

APPROVED AS TO FORM:


Garden Grove City Attorney

ATTACHMENT "A"

SCOPE OF WORK

IFB No. S-1074

Provide all Labor and Traffic Control for the operation of 2,203 Water Gate Valves at various locations in the City of Garden Grove

Project Description: The City of Garden Grove Water Services Division is soliciting bids to Exercise/Operate 2203 Water Gate Valves or Butterfly Valves ranging from 4" to 18" in all major arterial streets at various locations within the City of Garden Grove.

The Project consists of the following to do be completed by the contractor:

1. Locate Gate Valve
2. Install gate valve marker (Z-Marker) on curb face
 - Z-Markers, arrows, and bonding agent will be provided by City of Garden Grove
3. Materials:
 - Gate valve lids shall be Yellow color for in line gate valves
 - Fire hydrant gate valve lids shall be red color
 - Painted lids will be provided by the City of Garden Grove and the contractor must pick them up prior to each working day
4. The contractor will paint fire hydrants when they operate a fire hydrant gate valve. Contractor will also replace the fire hydrant chains on hydrant caps and replace or install new blue hydrant marker in the street. All material will be provided by the City of Garden Grove Water Service Division.
5. Vacuum and Clean Valve Box
6. Contractor shall use Infra Map Program to document gate valve data
7. Contractor shall document gate valve status and be able print to a map form
8. All gate valve will be sub-meter GPS located and recorded
9. All GPS Data shall be included and can be added to existing GIS database
10. A schedule will be provide to the Distribution Supervisor and Forman to operate the gate valves in the water system

ATTACHMENT "A"

Project Status: Contractor shall be responsible for will making contact with the Water Services Supervisor or Forman for daily updates on project progress or issues.

Traffic Control: All traffic delineation shall conform to the Work Area Traffic Control handbook (WATCH). A traffic plan must be submitted to City of Garden Grove Engineering Section for approval for all major intersection delineation.

Licenses/Certifications: Contractor shall provide all necessary licenses to do required work for this project. All personnel that work for the contractor must have Distribution 1 Certification and the crew leader must have a Distribution 3 Certification through California Department of Public Health

Work Hours: All work will be done between the hours of 9:00am to 3:00pm. Any changes to these work hours must be authorized in advance by the Distribution Supervisor/Foreman.

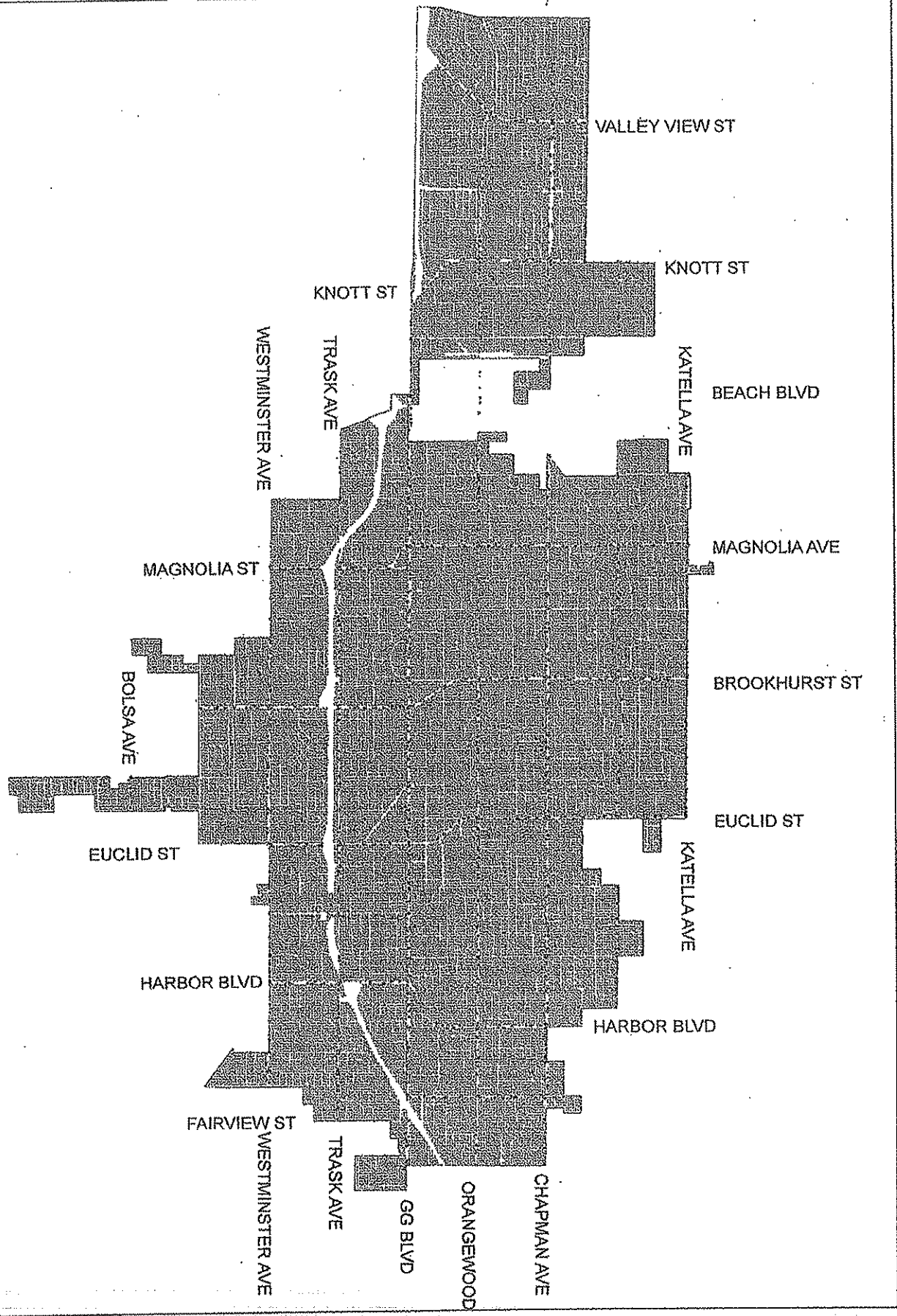
Extra Work: Any work not included in this Scope of Work requires advance authorization from the designated City Supervisor/Foreman.

Job Completion: Total job time will not exceed 80 calendar days

Project Locations: A list of all major streets that are involved in this project:

- Beach Blvd/State Hwy 39
- Bolsa Ave
- Brookhurst St
- Chapman Ave
- Euclid St
- Fairview St
- Garden Grove Blvd
- Harbor Blvd
- Haster St
- Katella Ave
- Knott St
- Lampson Ave
- Magnolia St
- Oranewood Ave
- Trask Ave/Trask St
- Valley View St
- Westminster Ave/Westminster

ATTACHMENT "A"



GATE VALVES IN MAJOR STREETS
GARDEN GROVE, CALIFORNIA





SECTION 2 - PROPOSAL

THE HONORABLE MAYOR AND CITY COUNCIL
CITY OF GARDEN GROVE
11222 ACACIA PARKWAY
GARDEN GROVE, CALIFORNIA 92840

To: THE HONORABLE MAYOR AND CITY COUNCIL

The undersigned having carefully examined the Plans and Specifications to Provide All Labor and Traffic Control for the operation of 2,203 Water Gate Valves at various locations in the City of Garden Grove. HEREBY PROPOSE to furnish all labor, and traffic control, and do all the work required to complete work in accordance with the Plans and Specifications for the sum of:

one hundred twenty seven thousand seven hundred seventy four ⁰⁰/₁₀₀ dollars

See above

Total Cost of Project In Written Words	
<i>one hundred twenty seven thousand seven hundred seventy four ⁰⁰/₁₀₀ dollars</i>	
Lump Sum for All Locations	
The above bid price includes all applicable taxes for the pricing proposed in this submittal.	
Note: In case of discrepancy between the words and figures, the words prevail.	

It is understood and agreed that:

- (a) No verbal agreement or conversation with any officer, agent or employee of CITY, either before or after the execution of the Agreement shall affect or modify any of the terms or obligations of this Proposal.
- (b) CITY will not be responsible for any errors or omissions on the part of the undersigned in making up his bid, nor will bidders be released on account of errors.
- (c) The undersigned hereby certifies that this Proposal is genuine and is not sham or collusive, or made in the interest or in behalf of any person not herein named, and that the undersigned has not directly or indirectly induced or solicited any other bidder to put in a sham bid, or any other person, firm or corporation to refrain from bidding, and that the undersigned has not in any manner sought, by collusion, to secure for himself an advantage over any other bidder.
- (d) The Bidder acknowledges receipt of amendments to the Solicitation and related documents numbered and dated:

<u>Amendment No.</u>	<u>Date</u>
_____	_____
_____	_____

IFB No. S-1074

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(e) The undersigned is licensed in accordance with the Laws of the State of California.

Check below where appropriate:

Partnership: That _____ are partners, doing
(Names of all Partners)

business under the firm name of _____ and that
the co-partnership makes the accompanying proposal.

Corporation: That Don RHODES of iWater, Inc. makes
(President or Secretary) (Name of Corporation)

the accompanying proposal.

Individual: That _____ is the bidder and makes the
(Name of Individual)
accompanying proposal.

Date: 4-24-2011

iWater, Inc.

Company Name

18 Goodyear, Suite 100

Address

IRVINE, CA 92618

City - State - Zip

949-768-4549

Telephone

783766 A-lic.

Calif. Contractors Lic. No.

iWater, Inc.

Bidder's Name (Please Print)

Donald W Rhodes

Authorized Signature