

**CITY CLERK
ORIGINAL**

**SERVICES AGREEMENT
(Not Construction Related)**

**C-10444
11/19/2015**

This Services Agreement ("Agreement") is entered into and effective between CITY OF GLENDALE, an Arizona municipal corporation ("City") and Graffiti Protective Coatings, Inc, an Arizona corporation, authorized to do business in the State of Arizona, ("Contractor") as of the 19 day of November, 2015 ("Effective Date").

RECITALS

- A. City intends to undertake a project for the benefit of the public and with public funds that is more fully set forth in **Exhibit A**, Project (the "Project");
- B. City desires to retain the services of Contractor to perform certain specific duties and produce the specific work as set forth in the attached **Exhibit B**, Project Scope of Work ("Scope");
- C. Contractor desires to provide City with services ("Services") consistent with practices and the standards set forth in this Agreement, in order to complete the Project; and
- D. City and Contractor desire to memorialize their agreement with this document.

AGREEMENT

The parties hereby agree as follows:

1. Key Personnel; Other Contractors and Subcontractors.

- 1.1 Professional Services. Contractor will provide all Services necessary to assure the Project is completed timely and efficiently consistent within Project requirements, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with others, including other Contractors or contractors, retained by City.
- 1.2 Project Team.
 - a. Project Manager.
 - (1) Contractor will designate an employee as Project Manager with sufficient training, knowledge, and experience to, in the City's opinion, complete the project and handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Agreement; and
 - (2) The City must approve the designated Project Manager.
 - b. Project Team.
 - (1) The Project Manager and all other employees assigned to the Project by Contractor will comprise the "Project Team."
 - (2) Project Manager will have responsibility for and will supervise all other employees assigned to the Project by Contractor.
 - c. Discharge, Reassign, Replacement.
 - (1) Contractor acknowledges the Project Team is comprised of the same persons and roles for each as may have been identified in **Exhibit A**.
 - (2) Contractor will not discharge, reassign, replace or diminish the responsibilities of any of the employees assigned to the Project who have been approved by City

without City's prior written consent unless that person leaves the employment of Contractor, in which event the substitute must first be approved in writing by City.

- (3) Contractor will change any of the members of the Project Team at the City's request if an employee's performance does not equal or exceed the level of competence that the City may reasonably expect of a person performing those duties, or if the acts or omissions of that person are detrimental to the development of the Project.

- d. Subcontractors. Contractor shall not engage any subcontractor for the work or services to be performed under this Agreement.

2. **Schedule.** The Services will be undertaken in a manner that ensures the Project is completed timely and efficiently in accordance with the Project.

3. **Contractor's Work.**

3.1 Standard. Contractor must perform Services in accordance with the standards of due diligence, care, and quality prevailing among Contractors having substantial experience with the successful furnishing of Services for projects that are equivalent in size, scope, quality, and other criteria under the Project and identified in this Agreement.

3.2 Licensing. Contractor warrants that:

- a. Contractor currently holds all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of Services ("Approvals"); and
- b. Neither Contractor nor any SubContractor has been debarred or otherwise legally excluded from contracting with any federal, state, or local governmental entity ("Debarment").
 - (1) City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments, or to examine Contractor's contracting ability.
 - (2) Contractor must notify City immediately if any Approvals or Debarment changes during the Agreement's duration. The failure of the Contractor to notify City as required will constitute a material default under the Agreement.

3.3 Compliance. Services will be furnished in compliance with applicable federal, state, county and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by City.

Contractor must not discriminate against any employee or applicant for employment on the basis race, color, religion, sex, national origin, age, marital status, sexual orientation, gender identity or expression, genetic characteristics, familial status, U.S. military veteran status or any disability. Contractor will require any Sub-contractor to be bound to the same requirements as stated within this section. Contractor, and on behalf of any subcontractors, warrants compliance with this section.

3.4 Coordination; Interaction.

- a. For projects that the City believes requires the coordination of various professional services, Contractor will work in close consultation with City to proactively interact with any other professionals retained by City on the Project ("Coordinating Project Professionals").
- b. Subject to any limitations expressly stated in the Project Budget, Contractor will meet to review the Project, Schedule, Project Budget, and in-progress work with Coordinating Project Professionals and City as often and for durations as City reasonably considers necessary in order to ensure the timely work delivery and Project completion.

- c. For projects not involving Coordinating Project Professionals, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

ContractorContractorContractorContractorContractor**4. Compensation for the Project.**

- 4.1 Compensation. Contractor's compensation for the Project, including those furnished by its SubContractors or Subcontractors will not exceed \$49,999 as specifically detailed in **Exhibit D** ("Compensation").
- 4.2 Change in Scope of Project. The Compensation may be equitably adjusted if the originally contemplated Scope as outlined in the Project is significantly modified.
 - a. Adjustments to Compensation require a written amendment to this Agreement and may require City Council approval.
 - b. Additional services which are outside the Scope of the Project contained in this Agreement may not be performed by the Contractor without prior written authorization from the City.
 - c. Notwithstanding the incorporation of the Exhibits to this Agreement by reference, should any conflict arise between the provisions of this Agreement and the provisions found in the Exhibits and accompanying attachments, the provisions of this Agreement shall take priority and govern the conduct of the parties.

ContractorContractorContractorContractorContractorContractorContractorContractorContractor**5. Billings and Payment.**

- 5.1 Applications.
 - a. Contractor will submit monthly invoices (each, a "Payment Application") to City's Project Manager and City will remit payments based upon the Payment Application as stated below.
 - b. The period covered by each Payment Application will be one calendar month ending on the last day of the month.
- 5.2 Payment.
 - a. After a full and complete Payment Application is received, City will process and remit payment within 30 days.
 - b. Payment may be subject to or conditioned upon City's receipt of:
 - (1) Completed work generated by Contractor and its SubContractors; and
 - (2) Unconditional waivers and releases on final payment from all SubContractors as City may reasonably request to assure the Project will be free of claims arising from required performances under this Agreement.
- 5.3 Review and Withholding. City's Project Manager will timely review and certify Payment Applications.
 - a. If the Payment Application is rejected, the Project Manager will issue a written listing of the items not approved for payment.
 - b. City may withhold an amount sufficient to pay expenses that City reasonably expects to incur in correcting the deficiency or deficiencies rejected for payment.

6. Termination.

- 6.1 For Convenience. City may terminate this Agreement for convenience, without cause, by delivering a written termination notice stating the effective termination date, which may not be less than 15 days following the date of delivery.

- a. Contractor will be equitably compensated for Services furnished prior to receipt of the termination notice and for reasonable costs incurred.
- b. Contractor will also be similarly compensated for any approved effort expended, and approved costs incurred, that are directly associated with Project closeout and delivery of the required items to the City.

6.2 **For Cause.** City may terminate this Agreement for cause if Contractor fails to cure any breach of this Agreement within seven days after receipt of written notice specifying the breach.

- a. Contractor will not be entitled to further payment until after City has determined its damages. If City's damages resulting from the breach, as determined by City, are less than the equitable amount due but not paid Contractor for Services furnished, City will pay the amount due to Contractor, less City's damages, in accordance with the provisions of Sec. 5.
- b. If City's direct damages exceed amounts otherwise due to Contractor, Contractor must pay the difference to City immediately upon demand; however, Contractor will not be subject to consequential damages more than \$1,000,000 or the amount of this Agreement, whichever is greater.

7. **Conflict.** Contractor acknowledges this Agreement is subject to A.R.S. § 38-511, which allows for cancellation of this Agreement in the event any person who is significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on City's behalf is also an employee, agent, or Contractor of any other party to this Agreement.

8. **Insurance.** For the duration of the term of this Agreement, Contractor shall procure and maintain insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of all tasks or work necessary to complete the Project as herein defined. Such insurance shall cover Contractor, its agent(s), representative(s), employee(s) and any subcontractors.

8.1 **Minimum Scope and Limit of Insurance.** Coverage must be at least as broad as:

- a. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01, including products and completed operations, with limits of no less than **\$2,000,000** per occurrence for bodily injury, personal injury, and property damage. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. The policy shall be endorsed to include the following additional insured language: "The City of Glendale, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor." Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The policy shall contain a waiver of subrogation endorsement in favor of the City of Glendale, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor. The policy shall contain a severability of interest provision.
- b. Automobile Liability: Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), with limits no less than **\$1,000,000** per accident for bodily injury and property damage. The policy shall be endorsed to include the following additional insured language: "The City of Glendale, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor." Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The policy shall contain a waiver of subrogation

endorsement in favor of the City of Glendale, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor. The policy shall contain a severability of interest provision.

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- d. Worker's Compensation: Insurance as required by the State of Arizona, with Statutory Limits, and Employers' Liability insurance with a limit of no less than **\$1,000,000** per accident for bodily injury or disease. The policy shall contain a waiver of subrogation endorsement in favor of the City of Glendale, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

8.2 **Other Insurance Provisions.** The insurance policies required by the Section above must contain, or be endorsed to contain the following insurance provisions:

- a. **The City, its officers, officials, employees and volunteers are to be covered as additional insureds** of the CGL and automobile policies for any liability arising from or in connection with the performance of all tasks or work necessary to complete the Project as herein defined. Such liability may arise, but is not limited to, liability for materials, parts or equipment furnished in connection with any tasks, or work performed by Contractor or on its behalf and for liability arising from automobiles owned, leased, hired or borrowed on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's existing insurance policies, provided such endorsement is at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37, if later revisions are used.
- b. For any claims related to this Project, the **Contractor's insurance coverage shall be primary insurance** with respect to the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be in excess of the Contractor's insurance and shall not contribute with it.
- c. Each insurance policy required by this Section shall provide that coverage shall not be canceled, except after providing notice to the City.

8.3 **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of no less than A: VII, unless the Contractor has obtained prior approval from the City stating that a non-conforming insurer is acceptable to the City.

8.4 **Waiver of Subrogation. Contractor hereby agrees to waive its rights of subrogation which any insurer may acquire** from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agent(s) and subcontractor(s).

8.5 **Verification of Coverage.** Within 15 days of the Effective Date of this Agreement, Contractor shall furnish the City with original certificates and amendatory endorsements, or copies of any applicable insurance language making the coverage required by this Agreement effective. All certificates and endorsements must be received and approved by the City before work commences. Failure to obtain, submit or secure the City's approval of the required insurance policies, certificates or endorsements prior to the City's agreement that work may commence shall not waive the Contractor's obligations to obtain and verify insurance coverage as otherwise provided in this Section. The City reserves the right to require complete, certified copies of all required insurance policies, including any endorsements or amendments, required by this Agreement at any time during the Term stated herein.

Contractor's failure to obtain, submit or secure the City's approval of the required insurance policies, certificates or endorsements shall not be considered a Force Majeure or defense for any failure by the Contractor to comply with the terms and conditions of the Agreement, including any schedule for performance or completion of the Project.

- 8.6 Special Risk or Circumstances. The City reserves the right to modify these insurance requirements, including any limits of coverage, based on the nature of the risk, prior experience, insurer, coverage or other circumstances unique to the Contractor, the Project or the insurer.

9. Immigration Law Compliance.

- 9.1 Contractor, and on behalf of any SubContractor, warrants to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 9.2 Any breach of warranty under this section is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 9.3 City retains the legal right to inspect the papers of any Contractor, SubContractor, or employee who performs work under this Agreement to ensure that the Contractor, SubContractor, or any employee, is compliant with the warranty under this section.
- 9.4 City may conduct random inspections, and upon request of City, Contractor will provide copies of papers and records of Contractor demonstrating continued compliance with the warranty under this section. Contractor agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this section.
- 9.5 Contractor's warranty and obligations under this section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
- 9.6 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

10. Notices.

- 10.1 A notice, request or other communication that is required or permitted under this Agreement (each a "Notice") will be effective only if:
- a. The Notice is in writing; and
 - b. Delivered in person or by overnight courier service (delivery charges prepaid), certified or registered mail (return receipt requested).
 - c. Notice will be deemed to have been delivered to the person to whom it is addressed as of the date of receipt, if:
 - (1) Received on a business day before 5:00 p.m. at the address for Notices identified for the Party in this Agreement by U.S. Mail, hand delivery, or overnight courier service; or
 - (2) As of the next business day after receipt, if received after 5:00 p.m.
 - d. The burden of proof of the place and time of delivery is upon the Party giving the Notice.
 - e. Digitalized signatures and copies of signatures will have the same effect as original signatures.

10.2 Representatives.

- a. Contractor. Contractor's representative (the "Contractor's Representative") authorized to act on Contractor's behalf with respect to the Project, and his or her address for Notice delivery is:

Lupe Mercado
Graffiti Protective Coatings, Inc.
535 West Iron Ave, Suite 128
Mesa, Az 85210

- b. City. City's representative ("City's Representative") authorized to act on City's behalf, and his or her address for Notice delivery is:

City of Glendale
c/o Purab Adabala
6210 West Myrtle Ave, Suite 112
Glendale, Az 85301

Glendale, Arizona 85301

With required copy to:

City Manager
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

City Attorney
City of Glendale
5850 West Glendale Avenue
Glendale, Arizona 85301

- c. Concurrent Notices.

- (1) All notices to City's representative must be given concurrently to City Manager and City Attorney.
- (2) A notice will not be deemed to have been received by City's representative until the time that it has also been received by the City Manager and the City Attorney.
- (3) City may appoint one or more designees for the purpose of receiving notice by delivery of a written notice to Contractor identifying the designee(s) and their respective addresses for notices.

- d. Changes. Contractor or City may change its representative or information on Notice, by giving Notice of the change in accordance with this section at least ten days prior to the change.

11. **Financing Assignment.** City may assign this Agreement to any City-affiliated entity, including a non-profit corporation or other entity whose primary purpose is to own or manage the Project.

12. **Entire Agreement; Survival; Counterparts; Signatures.**

12.1 Integration. This Agreement contains, except as stated below, the entire agreement between City and Contractor and supersedes all prior conversations and negotiations between the parties regarding the Project or this Agreement.

- a. Neither Party has made any representations, warranties or agreements as to any matters concerning the Agreement's subject matter.
- b. Representations, statements, conditions, or warranties not contained in this Agreement will not be binding on the parties.
- c. In the event of any inconsistencies between the solicitation (entitled the "Request for Written Quotes"), any addenda attached to the solicitation/request for written quotes, the

response or any excerpts attached as **Exhibit A**, and this Agreement, the terms of this Agreement will prevail.

12.2 Interpretation.

- a. The parties fairly negotiated the Agreement's provisions to the extent they believed necessary and with the legal representation they deemed appropriate.
- b. The parties are of equal bargaining position and this Agreement must be construed equally between the parties without consideration of which of the parties may have drafted this Agreement.
- c. The Agreement will be interpreted in accordance with the laws of the State of Arizona.

12.3 Survival. Except as specifically provided otherwise in this Agreement, each warranty, representation, indemnification and hold harmless provision, insurance requirement, and every other right, remedy and responsibility of a Party, will survive completion of the Project, or the earlier termination of this Agreement.

12.4 Amendment. No amendment to this Agreement will be binding unless in writing and executed by the parties. Electronic signature blocks do not constitute execution for purposes of this Agreement. Any amendment may be subject to City Council approval.

12.5 Remedies. All rights and remedies provided in this Agreement are cumulative and the exercise of any one or more right or remedy will not affect any other rights or remedies under this Agreement or applicable law.

12.6 Severability. If any provision of this Agreement is voided or found unenforceable, that determination will not affect the validity of the other provisions, and the voided or unenforceable provision will be reformed to conform with applicable law.

12.7 Counterparts. This Agreement may be executed in counterparts, and all counterparts will together comprise one instrument.

13. **Term.** The term of this Agreement commences upon the effective date and continues for a two year initial period. The City may, at its option and with the approval of the Contractor, extend the term of this Agreement an additional three years, renewable on an annual basis. Contractor will be notified in writing by the City of its intent to extend the Agreement period at least 30 calendar days prior to the expiration of the original or any renewal Agreement period. Price adjustments will only be reviewed during the Agreement renewal period. There are no automatic renewals of this Agreement.

14. **Dispute Resolution.** Each claim, controversy and dispute (each a "Dispute") between Contractor and City will be resolved in accordance with **Exhibit E**. The final determination will be made by the City.

15. **Exhibits.** The following exhibits, with reference to the term in which they are first referenced, are incorporated by this reference.

Exhibit A	Project
Exhibit B	Scope of Work
Exhibit C	Schedule
Exhibit D	Compensation
Exhibit E	Dispute Resolution

(Signatures appear on the following page.)

The parties enter into this Agreement effective as of the date shown above.

City of Glendale,
an Arizona municipal corporation

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By: *Thomas F. Puensing*
Its: *Interim Assistant City Manager*

ATTEST:

Pamela Hanna

Pamela Hanna (SEAL)
City Clerk

APPROVED AS TO FORM:

Michael D. Bailey
Michael D. Bailey
City Attorney

Graffiti Protective Coatings Inc,
an Arizona Corporation

Lupe Mercado
By: Lupe Mercado
Its: *Manager*

EXHIBIT A
Services Agreement

PROJECT

(Cover Page)



PRICE AGREEMENT

CITY OF GLENDALE
 Transportation Division
 6210 West Myrtle Avenue, Suite 112
 Glendale, AZ 85301

Company Name: GRAFFITI PROTECTIVE COATINGS INC.
 Address: 535 W. IRON AVE. SUITE 128 MESA, AZ 85210
 Contact Person: LUPE MERCADO
 Phone Number: (520) 301-5139

Description	Estimated Quantity	Unit	Unit Price	Ext. \$
<u>Painting Services</u> Routine	10,000	SQ. FT.	.18	1,800
<u>Painting Services</u> Emergency, after hours and weekends	1,000	SQ. FT.	.18	180
<u>Media Blasting Services</u> Routine	2,000	SQ. FT.	.18	360
<u>Media Blasting Services</u> Emergency, after hours and weekends	200	SQ. FT.	.18	36
Total				2,376
PAINTING SERVICES ROUTINE	MINIMUM TRIP CHARGE		18.00 UP TO 100 SQ. FT.	18.00
PAINTING SERVICES EMERGENCY, AFTER HOURS AND WEEKENDS	MINIMUM TRIP CHARGE		18.00 UP TO 100 SQ. FT.	18.00
MEDIA BLASTING SERVICES ROUTINE	MINIMUM TRIP CHARGE		18.00 UP TO 100 SQ. FT.	18.00
MEDIA BLASTING SERVICES EMERGENCY, AFTER HOURS AND WEEKENDS	MINIMUM TRIP CHARGE		18.00 UP TO 100 SQ. FT.	18.00

EXHIBIT B
Services Agreement

SCOPE OF WORK

(Cover Page)



REQUEST FOR WRITTEN QUOTE

CITY OF GLENDALE
Transportation Division
6210 West Myrtle Avenue, Suite 112
Glendale, AZ 85301

Letter Solicitation for Graffiti Abatement Services

DESCRIPTION: The City of Glendale invites written quotes from qualified firm(s) or individual(s) for **Graffiti Abatement Services Along Roadways in the Glendale Area.**

SUBMITTALS: On behalf of the City of Glendale, Dibble Engineering will be accepting written quotes delivered via email to vicente.solis@dibblecorp.com. Any bid received after the time given will not be considered and will be returned to the bidder.

Additional information regarding submittal instructions is located within this document.

QUESTIONS: Inquiries regarding the solicitation are to be submitted via email to vicente.solis@dibblecorp.com.

OFFERORS ARE STRONGLY ENCOURAGED TO READ THE ENTIRE SOLICITATION.

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CITY OF GLENDALE
Transportation Division
6210 West Myrtle Avenue, Suite 112
Glendale, AZ 85301

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SCOPE OF WORK
CITY OF GLENDALE Transportation Division 6210 West Myrtle Avenue, Suite 112 Glendale, AZ 85301

1. STATEMENT OF NEED

The City of Glendale Transportation Division, hereinafter referred to as the Division, is seeking written quotes from qualified firm(s) or individuals (hereinafter referred to as Contractor) to provide on-call graffiti abatement services along the roadways in the City of Glendale area. The Contractor shall furnish all necessary labor, tools, equipment, supplies, traffic control services and devices to perform the required services.

Work will be performed on an “as needed” basis upon request by the Division. Total work performed shall not exceed \$49,999.

2. DEFINITIONS

The following definitions apply to the solicitation:

Division	City of Glendale Transportation Division
Contract Administrator	City of Glendale Contract Officer
Contract Graffiti Program Manager (GPM)	Person delegated responsibility for administration of portions of, or the entire contract by the Contract Administrator.
Maintenance Supervisor	Division Supervisor responsible for maintenance of highways and highway features in a specific area.
Contractor	Firm and/or individual that will perform the work requested in this solicitation.
On-Site Supervisor	Contractor’s employee or other individual authorized to direct, oversee or perform work operations and have authority to make day to day decisions concerning the work operations.
Targeted Area	Specific sites, neighborhoods, or corridors which are prevalent to have repeated graffiti tagging.
Standard Specifications	The Arizona Department of Transportation Standard Specifications for Road and Bridge Construction current Edition including errata, and addenda.
M.P.	Milepost
MUTCD	Manual on Uniform Traffic Control Devices, current edition as adopted by the Division, including errata and addenda and ADOT Traffic Control Supplement current edition of MUTCD.
TMA	Truck Mounted Attenuator

SCOPE OF WORK

CITY OF GLENDALE
Transportation Division
6210 West Myrtle Avenue, Suite 112
Glendale, AZ 85301

3. WORK LOCATIONS

The area of service for this contract is within the City of Glendale. The majority of the work shall be performed at a variety of locations at the Division's discretion.

4. WORK SCHEDULE

The majority of work shall be performed during daylight hours, however; due to the safety concerns with the restoration of some projects; considerable night time work is expected. The schedule may vary to accommodate seasonal changes, in which the Contractor's work hours must correspond. Weekend work orders will be allowed by written approval of the contract's Graffiti Program Manager (GPM).

5. GENERAL REQUIREMENTS

The Offeror shall be responsible for any or all the following:

5.1 Work Assignments

The Contractor shall contact the contract's Graffiti Program Manager (GPM) by phone, at a mutually agreed upon time to discuss the Contractor's schedule, pending work order Requests, areas to be maintained and areas to be inspected for approval.

Graffiti removal methods may include painting, abrasive removal techniques and other methods proposed by the Contractor and approved by the Division. Graffiti removal methods shall not harm, deface or mark the surface.

The Contractor shall receive Work Order Request from the GPM via electronic mail, facsimile, or by other communication means agreed upon by the GPM and the Contractor. When approved by the GPM, weekend work orders will be assigned up through Friday.

Upon receipt of a Work Order Request, the Contractor shall inspect the location and determine the method of removal that will maintain the integrity of the surface.

The Contractor shall provide abatement services within twenty-four (24) hours of issuance of Work Order Requests. In the event that a site cannot be abated within twenty-four (24) hours due to inclement weather, size of the site or any other reason, the Contractor shall notify the GPM with the status of the site prior to the end of the twenty-four (24) hour timeline. A separate file of these sites shall be kept within the application. If the site can be abated with the use of a truck mounted attenuator (TMA) the Contractor shall have twenty-four (24) hours to supply the required traffic control protection in accordance with paragraph 12, Protection and Maintenance of Traffic (Traffic Control).

As directed by the GPM, the Contractor shall be assigned to "Target Areas" on a routine basis. The Contractor may be required to work with the Maintenance Supervisor or his

SCOPE OF WORK

CITY OF GLENDALE
Transportation Division
6210 West Myrtle Avenue, Suite 112
Glendale, AZ 85301

representative in addition to the GPM.

The Division's GPM may designate sites as needing an emergency response. An emergency Work Order Request will be issued and will require first priority. Abatement services and after hours work may be required to be performed on the same day.

The Contractor shall save completed work orders to an online database and process an invoice to the GPM via electronic mail monthly. Accommodations for special projects may be made.

The Contractor shall send one crew to each job site. Additional crews may be assigned to a work site only with prior written approval from the GPM. In the event of an emergency the GPM may verbally authorize the use of more than one crew at any one site.

In the event that the Contractor identifies graffiti in close proximity to the site designated on the Work Order Request or in the targeted area graffiti removal boundaries, the Contractor shall contact the GPM for abatement approval. In the event that the Contractor is unable to reach the GPM, the Contractor shall abate the graffiti and submit documentation and an invoice for the work as if in possession of a work order request.

Work on private property shall **not** be performed without being authorized by the GPM.

5.2 Description of Work

The method of removal shall not leave shadows or ghosts and shall not follow the pattern of the graffiti such that letters or shapes remain apparent on the surface after the graffiti markings have been removed. The Division shall expect the Contractor to abate an area at a rate between sixty-five (65) and ninety (90) square feet per hour.

The Contractor shall protect the surfaces adjacent to the area to be abated.

The Contractor shall notify the GPM if abatement of the entire surface is needed in the event that the graffiti covers a significant area of the surface. The GPM shall review on a case by case basis and if needed, approve.

In the event that the Contractor, after being issued a work order request, arrives at the work site to find that the graffiti has been abated by the Division, to the accepted level, the Contractor shall notify the GPM and submit photos of the abated location. The Division shall not accept trip charges under other circumstances. Areas that must be abated at a later time cannot be assessed a trip charge.

If special equipment (lift truck, bucket truck, etc.) is required, the Division or its delegated group will supply the equipment and operate, at no cost to the Contractor. A twenty- four (24) hour or longer extension may be given due to the availability of equipment.

The Contractor shall ensure protection of the work area at all times including, but not limited to:

- a. Barricading the area of work at distances, so as not to allow persons who are not involved with the abatement into the area.

SCOPE OF WORK

CITY OF GLENDALE
Transportation Division
6210 West Myrtle Avenue, Suite 112
Glendale, AZ 85301

- b. Barricading area for work performed within the public right-of-way.
- c. Using warning signs and sidewalk and street cones to inform the public of work being conducted.
- d. Immediately correcting damages to the work site.
- e. Leaving work in undamaged condition.
- f. Providing signs to protect the finishes and the public.

The Contractor shall present to the Division a plan to deal with over spray complaints.

The Contractor shall remove all equipment and materials from each site and leave the site broom clean at the end of each workday.

The Contractor shall dispose of all material containers and excess materials in accordance with all applicable laws, regulations, ordinances, codes and any other legislative or statutory requirements. Material rinse residue shall be collected and disposed of appropriately.

5.3 Photographic Documentation of Work

The Contractor shall produce digital photographs of the location before work is performed and after work has been completed. Photographs shall be electronically labeled with the date the photos are taken.

Photographs shall document the size of the area of graffiti to be abated. Photographs shall also document the route, milepost, and direction of the location of the graffiti.

Photographs shall be submitted to the GPM via electronic mail, facsimile, or by other communication means agreed upon by the GPM and the Contractor.

The Contractor shall provide online storage and access to the requested work orders.

6. PAINTING

Subject to availability, the Division will provide the Contractor, for reference only; with the manufacturer name and identification number of color that was used to originally paint the Division's property as defined by the GPM.

The Contractor shall match existing painted surfaces using an approved paint conforming to the Division's Standard Specifications for Road and Bridge Construction. The Division's specification can be obtained from:

ADOT Records Administration Section – Engineering Records
1655 W. Jackson Street, Room 175
Phoenix, AZ 85007
Phone: (602) 712-7498

The matching process shall be accomplished on site at the time of abatement. Offsite color matching and return visits are not allowed. After abatement, the repaired area shall be indistinguishable from the surrounding area and no evidence of the vandalism will remain.

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The Contractor shall not paint previously unpainted surfaces and finishes such as slump block, split face masonry, stone, brick or concrete block unless painting is specifically requested by GPM. These specific requests shall be noted on the work order for the site.

7. **MEDIA BLASTING**

All chemical graffiti removal products shall be biodegradable and environmentally safe.

The Contractor shall perform all abrasive removal techniques so that the abatement area is blended into the adjacent surface.

- 7A. Should one location require more than one removal technique, the Division **shall not** be charged the minimum charge for both techniques. Instead, the Contractor may charge the average of the two techniques per square foot unit cost.

Should one location require more than one removal technique with one technique exceeding the square footage cost of the other, the Contractor shall charge the per square foot rate for each technique.

The Contractor shall not charge two minimum charges for any one location

8. **STAFFING**

Contractor shall designate one specific individual to oversee and inspect work performed by Contractor's personnel assigned to this contract. The designated representative shall carry a cell phone to be immediately available during work activities to receive communications from the GPM.

Contractor shall make the designated representative available to accompany GPM to inspect sites and/or work upon twenty-four (24) hour notice.

An alternate representative shall also be available within the Phoenix Metropolitan area in the event that the primary representative is unreachable in the event of an emergency.

The Contractor shall utilize only trained, competent employees in the performance of this contract. At the request of the Division, the Contractor shall remove from assignment to this contract any incompetent, abusive or disorderly employee, whether supervisory or non-supervisory.

The Contractor's crews shall be in possession of a copy of the resulting contract, the Contractor's written quote and the MSDS for each product used in the performance of work at all times.

Any person assigned to this contract found to be in possession of and/or under the influence of intoxicants or narcotics shall be removed from assignment to this contract. This person may be subject to arrest and criminal prosecution.

The Division reserves the right to interview potential supervisors and workers prior to commencement of work. The purpose of the interview is to validate the level of knowledge in the area related to the work.

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9. SUBCONTRACTORS

The use of subcontractors by the Contractor for the performance of this contract is **strictly prohibited. Exception will be allowed for ancillary work such as traffic control.**

10. EQUIPMENT

The Contractor shall provide and maintain during the entire period of this contract, equipment sufficient in number, operational condition and capacity to efficiently perform the work and render the services required by this contract. This includes sufficient "back-up" equipment to provide **uninterrupted service when equipment breakdown occurs.** The Contractor's vehicles and mobile equipment shall be clearly marked with company name and/or logo and an identification number.

Equipment used in the execution of this contract shall comply with all applicable local, state, federal, and tribal laws, statutes, ordinances, rules and regulations, and the acts, codes, orders and decrees of any administrative bodies, councils or tribunals.

All vehicles must be maintained in good repair, appearance, and conditions at all times. Equipment, machinery, component, or system failures that affect the safe operation of any equipment shall be corrected prior to using the equipment.

Vehicles used within the scope of this contract shall be equipped with a minimum of one (1) amber rotating beacon or strobe light. Rotating amber beacon lights shall be equal to code three, 6105 rectangular and/or 550 round for uniformity.

The Division reserves the right to inspect equipment at any time and require the replacement of any that does not meet minimum serviceability standards. Equipment, machinery, component or system failures that affect the safe operation of any equipment shall be corrected prior to using the equipment.

11. MAINTENANCE AND PROTECTION OF TRAFFIC (TRAFFIC CONTROL)

All Traffic shall be maintained through the work area and protected in accordance with the requirements of the Manual on Uniform Traffic Control Devices (MUTCD) current edition as adopted by ADOT including errata and addenda, the ADOT Supplement to current edition of MUTCD and the ADOT Traffic Control Design Guidelines 2011 for Street and Highway Construction, Maintenance, Utility, and Incident Management Operations, as revised, including future revisions.

The MUTCD may be accessed online at any one of the following:

- American Traffic Safety Services Association (ATSSA), 15 Riverside Parkway, Ste. 100, Fredericksburg, VA 22406-1022. Phone: 540-368-1711, Fax: 540-368-1722. <http://www.atssa.com/>
- Institute of Transportation Engineers, 1099 14th St., NW, Ste 300 West, Washington, DC 20005-3438. Phone: 202-289-0222, Fax: 202-289-7722. <http://www.ite.org/>
- AASHTO, Publications Order Department, P.O. Box 96716, Washington, DC 20090-6716.

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Phone: 800-231-3475, Fax: 800-525-5562. <http://www.transportation.org/>.

• Arizona Supplement to the 2009 Manual on Uniform Traffic Control Devices, January 13, 2012, <http://www.azdot.gov/highways/traffic/Standards.asp>. Review 2009 MUTCD at http://mutcd.fhwa.dot.gov/pdfs/2009/pdf_index.htm.

These manuals address only minimum standards for traffic control. If any conditions exist, which in the judgment of the Contract Administrator or their representative requires additional or special traffic control methods or signing, such traffic control shall be supplied by the Contractor at no additional cost to the Division.

Work performed on city streets shall be done in accordance with the 2007 City of Phoenix Traffic Barricade Manual (TBM). The TBM may be accessed online at <https://www.phoenix.gov/>.

Work that requires vehicles in the 30' clear zone measured from the paint line at the side of the road shall require an approved attenuation device.

All traffic control devices shall be furnished by the Contractor and must be in place prior to the commencement of work. Square foot cost shall include cost of traffic control. **No additional payment will be made for traffic control.**

The Contractor shall provide the Division with a traffic control plan for each location along with a detailed schedule showing the work activities and duration for approval. Work shall not begin until traffic control has been established according to the approved plan. All traffic control plans must be approved by the Division prior to any work commencing on the project.

Any changes to the accepted traffic control plan must be submitted forty-eight (48) hours in advance of scheduled work operations, weekends and holidays excluded.

Prior to establishing any lane closures, the Contractor must present a written traffic control plan to the Arizona Department of Transportation and the Contract Administrator, forty-eight (48) hours in advance for any work within ADOT right of way (weekends and holidays excluded), for approval. Once the traffic control plan has been approved for a specific location, that approval shall be sufficient for future lane closures at that location, providing that lane closures are established in strict accordance with the approved plan. The Contractor shall notify the ADOT Traffic Operation Center of any work occurring within ADOT right of way.

The Contractor shall notify the Contract Administrator immediately prior to establishing any lane closure or restriction and immediately upon dismantling any lane closure or restriction.

When used, arrow panels shall conform to the requirements and standards of the MUTCD, current edition as adopted by ADOT, Part VI, Temporary Traffic Control, Section 6F.56, Arizona Supplement to current edition of the MUTCD and in accordance with the Standard Specifications, Subsection 701-2.02. Arrow panels shall be truck or trailer mounted and shall be of the sequential chevron type.

If traffic control is to be performed by a subcontractor, the Contractor shall identify the company on the traffic control plan(s). The traffic control plans shall include the name of the company, address, telephone number, and name of the contact person.

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Certain phases of the work (loading and unloading equipment, material and debris) may require lane closures on the ramps. Lane closures or restrictions will only be allowed during off-peak traffic hours. **The Contractor should plan for this possibility in the preparation of this bid package.**

12. SUSPENSION OF WORK

The Contractor shall suspend operations if weather or road and traffic conditions are such that work operations cannot be carried out in a safe and effective manner, or will pose an environmental hazard. If such suspension occurs, the Contractor shall immediately notify the Contract Administrator or their designated representative.

The Contract Administrator or their representative may suspend work operations at any time, when in their judgment, present or impending weather conditions are such that the work cannot be carried out in a safe and effective manner.

The Contract Administrator or Contract Administrator's Representative shall immediately suspend operations when work performance is observed in violation of safety rules, regulations or practices. Violation of safety rules, regulations or practices may be considered grounds for termination of the contract.

Violation of safety rules, regulations or practices may be considered grounds for termination of the contract.

13. SAFETY, SANITARY AND HEALTH CONDITIONS

Contract Specifications require all Contractor employees to wear OSHA approved hard hats, high-visibility, OSHA approved safety vests (Type III) and steel-toed footwear and full-length pants at all times while working within the right-of-way.

The Contractor shall provide and maintain in a neat and sanitary condition such accommodations for the use of the Contractor's employees as may be necessary to comply with the requirements and regulations of the Arizona State Department of Health Services or other authorities having jurisdiction therein.

Attention is directed to Federal, State and local laws, rules and regulations concerning construction safety and health standards. The Contractor shall not require any workers to work in surroundings or under conditions that are unsanitary, hazardous or dangerous to their health or safety.

14. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Contractor shall perform all requirements under this contract in strict observance of and compliance with all applicable laws, regulations, ordinances, codes and any other legislative or statutory requirements.

Contractor warrants that the performance of services under this contract shall be compliant with the current requirements of the Occupational Safety and Health Act (OSHA) and as it may be amended or updated throughout the term of this contract.

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15. USE OF PRODUCTS

Contractor shall ensure that all employees have immediate access to the Material Safety Data Sheet's (MSDS) for each product used in the performance of this contract.

Contractor shall be in compliance with all provisions of the Federal Hazard Communication Act.

All products used by the Contractor shall be manufactured products specifically intended for purpose for which they are being used. Contractor shall not devise any products of his/her own making for use under this contract. The use of all products shall be in strict conformance with the manufacturer's specifications.

All paint used shall conform to the Division's Standard Specifications for Road and Bridge Construction.

16. PROTECTION OF THE PUBLIC AND DAMAGES TO EXISTING STRUCTURES

The Contractor shall exercise caution at all times for the protection of persons and property. All fines, penalties and repair charges resulting from the Contractor's actions shall be the sole responsibility of the Contractor.

The Contractor shall not permit placing or use of equipment in such a manner as to block vehicle traffic lanes or create safety hazards. The Contractor shall be responsible for the use of all appropriate warning devices.

The Contractor shall avoid damage to existing structures. In the event that a structure is damaged in the course of work, the Contractor shall be solely responsible for its repair or replacement.

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1. **ACCEPTANCE**

Each project shall be subject to a complete inspection by the Division. Inspection criteria shall include, but not be limited to, conformity to the specifications, workmanship, quality and materials.

Determination of acceptability of work shall be made by the Contract Administrator. Work shall be completed in a responsible and professional manner and in accordance with the specifications, performance and operating standards incorporated in the work assignment.

The Contractor shall carry on the operation in such a manner that damage is not inflicted to existing grounds, landscaping, utilities, highway milepost markers, signs, delineators, median cable barriers or other structures and features.

The Contract Administrator or their representative shall address all questions which may arise as to the quality and acceptability of any work performed under the contract; and provides the final determination in regards to acceptability.

In the event that damage occurs to highway property by reason of the Traffic Control Services, the Contractor shall replace or repair same at their own expense in like kind and as directed by the Division.

The Contractor shall report damage to stop signs, yield signs, RR xing or other regulatory signs to the Contract Administrator's Representative immediately. Immediate is considered to be within one hour of occurrence. Damage to delineators shall be repaired within forty-eight hours of occurrence. No payment will be made to the Contractor until all damage has been repaired or replaced AND accepted by the Division. The Contractor is responsible for the loss of or damage to its own fixtures, equipment or other personal property. The Contractor may obtain insurance for its own property for its own protection if it so desires.

2. **INVOICING AND PAYMENT**

Upon satisfactory inspection and acceptance by the Division of the services, an invoice shall be submitted by the Contractor through mail and email to:

City of Glendale
Graffiti Division
6210 W. Myrtle Avenue Suite 111
Glendale, AZ 85301
Email: kvayda@glendaleaz.com

Invoices shall include at a minimum:

- Description and listing of quantities
- Date the services were provided to the Division
- Division contract number/purchase order number
- Price per unit and total per unit
- Applicable taxes

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- Total of invoice
- Supporting Data to submit with invoice:
- a. Abatement site address
 - b. Work order number
 - c. "Before" and "after" photographs
 - d. Beginning and ending dates for services
 - e. Arrival and departure times for services
 - f. Square footage removed for each method of removal
 - g. Total square footage removed
 - h. Unit cost, subtotals and total for invoice

Invoices not sent to the proper address, or not containing the necessary and required information may delay payment to the contractor. A contractor whose payments are delayed due to improper invoicing shall make no claim against the Division or the State for late or finance charges.

The Division will make every effort to process payment for the purchase of service within thirty (30) calendar days after the Division has conducted the necessary reviews, and inspections as described herein. DELIVERY OF THE SERVICES PROVIDED TO THE DIVISION DOES NOT CONSTITUTE ACCEPTANCE, THEREFORE, ONLY THE DIVISION'S ACCEPTANCE DATE WILL BE A VALID DATE FOR STARTING THE THIRTY (30) CALENDAR DAY PAYMENT PERIOD.

Payment due dates, including discount period, will be computed from the date of acceptance or date of correct invoice (whichever is later) to the date the Division's warrant is mailed.

If damage caused by the Contractor has to be repaired or replaced by the Division, the cost of such work shall be deducted from the contractor's payment.

The Contractor shall be paid monthly in arrears, generally within 30 days of receipt of the invoice.

3. **ESTIMATED QUANTITIES**

This solicitation references quantities as a general indication of the needs of the Division. The Division anticipates considerable activity resulting from contracts that will be awarded as a result of this solicitation; however, the quantities shown are estimates only and the Division reserves the right to increase or decrease any quantities actually acquired. No commitment of any kind is made concerning quantities and that fact should be taken into consideration by each potential contractor.

4. **SAFETY STANDARDS**

4.1 **Safety Requirements**

All items supplied under this contract shall comply with the current applicable Occupational Safety and Health Standards of the State of Arizona Industrial Commission, the National Electric Code, and the National Fire Protection Association Standards.

4.1 **Safety Requirements**

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When applicable the Contractor shall submit a copy of a Safety Plan at the post award meeting. The safety plan shall comply with the requirements of OSHA and the State Occupational Safety Standards. Refer to Contractor/Subcontractor Safety Program/Plan Requirements, and Safety Plan Outline, Exhibit 2.

All employees working within the State Right-of-Way will be required to wear PPE (Personal Protection Equipment) consisting of: Hard hat, safety vest (Type III), eye protection and safety toed shoes.

The Contractor shall comply with all applicable laws and regulations governing safety, health and sanitation. Attention is directed to Federal, State and local laws, rules and regulations concerning construction safety and health standards. The Contractor shall not require any workers to work in surroundings or under conditions that are unsanitary, hazardous or dangerous to their health or safety.

The Division shall be notified immediately of any incidents or conditions relative to public safety or health.

5. **WARRANTY**

1. That all services performed hereunder shall conform to the requirements of this contract and shall be performed by qualified personnel in accordance with the highest professional standards.
2. That all items furnished hereunder shall conform to the requirements of this contract and shall be free from defects in design materials and workmanship.
3. The warranty period on workmanship and materials shall be based on a minimum of twelve (12) months from the time of delivery. Offerors shall indicate on a separate written sheet that is submitted with their bid the exact conditions, limitations and duration of their warranty. As a minimum the warranty provided shall conform to the requirements stated herein.
4. The contractor agrees that he/she will, at their own expense, provide all labor and parts required to remove, repair or replace, and reinstall any such defective workmanship and/or materials which becomes or is found to be defective during the term of this warranty. The contractor shall guarantee the equipment to be supplied, complies with all applicable regulations.

6. **CURRENT PRODUCT**

All offers submitted in response to this solicitation shall be in current and ongoing production; shall have been formally announced for general marketing purposes; shall be a model or type currently functioning in a user (paying customer) environment and capable of meeting or exceeding all specifications and requirements set forth in this solicitation.

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7. **INDEMNIFICATION CLAUSE:**

Contractor shall indemnify, defend, save and hold harmless the City of Glendale, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the City of Glendale, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the City of Glendale.

8. **INSURANCE REQUIREMENTS:**

The Contractor shall maintain on file certificates inclusive of the following requirements with the City of Glendale.

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The City of Glendale in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability coverage.

- General Aggregate \$2,000,000

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- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: ***“The City of Glendale, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”*** Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- b. Policy shall contain a waiver of subrogation endorsement in favor of the City of Glendale, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000
 - a. The policy shall be endorsed to include the following additional insured language: ***“The City of Glendale, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.”*** Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
 - b. Policy shall contain a waiver of subrogation endorsement in favor of the City of Glendale, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
 - c. Policy shall contain a severability of interest provision.

3. Worker's Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
 - Each Accident \$ 500,000
 - Disease – Each Employee \$ 500,000
 - Disease – Policy Limit \$1,000,000

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- a. Policy shall contain a waiver of subrogation endorsement in favor of the City of Glendale, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

1. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary insurance and that any insurance carried by the Division, its agents, officials, employees or the City of Glendale shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
2. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. NOTICE OF CANCELLATION: With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the City of Glendale. Such notice shall be sent directly to and shall be sent by certified mail, return receipt requested.

D. ACCEPTABILITY OF INSURERS: Contractors insurance shall be placed with companies duly licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII or duly authorized to transact Workers' Compensation insurance in the State of Arizona. The City of Glendale in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. VERIFICATION OF COVERAGE: Contractor shall furnish the City of Glendale with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Glendale before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Contract Administrator. The City of Glendale project/contract number and project description shall be noted on the certificate of insurance. The City of Glendale reserves the right to require complete copies of all insurance policies required by this Contract at any time.

F. SUBCONTRACTORS: Contractors' certificate(s) shall include all subcontractors as insureds under its

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policies or Contractor shall furnish to the City of Glendale separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

G. APPROVAL: Any modification or variation from the insurance requirements in this Contract shall be made by Risk Management Division. Such action will not require a formal Contract amendment, but may be made by administrative action.

H. EXCEPTIONS: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- insurance.

9. METHOD OF PAYMENT

Contractor shall be paid based on the fixed rates submitted for satisfactorily completed work in conformance with contract requirements, as determined through inspection and acceptance by the Division.

The contractor shall repair or replace at their own expense any Division's property damaged by work operations as directed by the Division. If the Division has to make repairs or replace property due to contractor negligence, cost of such repairs shall be deducted from the contractor's payment.

The Contractor shall be paid monthly in arrears, generally within thirty (30) days of receipt of the properly executed invoice.

10. LICENSES, PERMITS, CERTIFICATIONS, FEES

Contractor shall be licensed through Arizona Registrar of Contractors for the type of work to be performed. Contractors providing other services which are not licensed through Arizona Registrar of Contractors shall be licensed in accordance with the requirements of Arizona Law.

The Contractor shall at their expense, possess or obtain, and retain in force without any violations, complaints, or suspensions during the term of this contract, all licenses, permits, certifications, or fees and comply with all federal, state, and local laws, statutes, ordinances, rules, and regulations and the acts, codes, orders, and decrees of any administrative bodies, councils, or tribunals in any manner affecting the performance of the solicited services herein.

The Contractor shall obtain a permit from ADOT for any and all encroachments into ADOT Right of Way, and shall comply with the obligations in such permit. The Contractor understands and agrees that additional insurance may be required by ADOT for activities within ADOT Right of Way that presents exposure to risk not anticipated in this agreement. Contact the appropriate ADOT District Permit Office for more details or visit http://www.azdot.gov/highways/maintpermits/encroachment_permits.asp for more details.



PRICE AGREEMENT

CITY OF GLENDALE
 Transportation Division
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Company Name: _____
 Address: _____
 Contact Person: _____
 Phone Number: () _____

Description	Estimated Quantity	Unit	Unit Price	Ext. \$
<u>Painting Services</u> Routine	10,000	SQ. FT.		
<u>Painting Services</u> Emergency, after hours and weekends	1,000	SQ. FT.		
<u>Media Blasting Services</u> Routine	2,000	SQ. FT.		
<u>Media Blasting Services</u> Emergency, after hours and weekends	200	SQ. FT.		
Total				

EXHIBIT C
Services Agreement

SCHEDULE

(Cover Page)

EXHIBIT D
Services Agreement

COMPENSATION

METHOD AND AMOUNT OF COMPENSATION

Unit Price based on the Price Agreement attached

NOT-TO-EXCEED AMOUNT

The total amount of compensation paid to Contractor for full completion of all work required by the Project during the entire term of the Project must not exceed \$49,999.

DETAILED PROJECT COMPENSATION

See attached Price Agreement and Exhibit B, Scope of Work for detailed pricing and payment requirements..

EXHIBIT E
Services Agreement

DISPUTE RESOLUTION

1. Disputes.

- 1.1 Commitment. The parties commit to resolving all disputes promptly, equitably, and in a good-faith, cost-effective manner.
- 1.2 Application. The provisions of this Exhibit will be used by the parties to resolve all controversies, claims, or disputes ("Dispute") arising out of or related to this Agreement-including Disputes regarding any alleged breaches of this Agreement.
- 1.3 Initiation. A party may initiate a Dispute by delivery of written notice of the Dispute, including the specifics of the Dispute, to the Representative of the other party as required in this Agreement.
- 1.4 Informal Resolution. When a Dispute notice is given, the parties will designate a member of their senior management who will be authorized to expeditiously resolve the Dispute.
 - a. The parties will provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any Dispute in order to assist in resolving the Dispute as expeditiously and cost effectively as possible;
 - b. The parties' senior managers will meet within 10 business days to discuss and attempt to resolve the Dispute promptly, equitably, and in a good faith manner, and
 - c. The Senior Managers will agree to subsequent meetings if both parties agree that further meetings are necessary to reach a resolution of the Dispute.

2. Arbitration.

- 2.1 Rules. If the parties are unable to resolve the Dispute by negotiation within 30 days from the Dispute notice, and unless otherwise informal discussions are extended by the mutual agreement, the Dispute will be decided by binding arbitration in accordance with Construction Industry Rules of the AAA, as amended herein. Although the arbitration will be conducted in accordance with AAA Rules, it will not be administered by the AAA, but will be heard independently.
 - a. The parties will exercise best efforts to select an arbitrator within five business days after agreement for arbitration. If the parties have not agreed upon an arbitrator within this period, the parties will submit the selection of the arbitrator to one of the principals of the mediation firm of Scott & Skelly, LLC, who will then select the arbitrator. The parties will equally share the fees and costs incurred in the selection of the arbitrator.
 - b. The arbitrator selected must be an attorney with at least 15 years' experience with commercial construction legal matters in Maricopa County, Arizona, be independent, impartial, and not have engaged in any business for or adverse to either Party for at least 10 years.
- 2.2 Discovery. The extent and the time set for discovery will be as determined by the arbitrator. Each Party must, however, within 10 days of selection of an arbitrator deliver to the other Party copies of all documents in the delivering party's possession that are relevant to the dispute.

- 2.3 Hearing. The arbitration hearing will be held within 90 days of the appointment of the arbitrator. The arbitration hearing, all proceedings, and all discovery will be conducted in Glendale, Arizona unless otherwise agreed by the parties or required as a result of witness location. Telephonic hearings and other reasonable arrangements may be used to minimize costs.
- 2.4 Award. At the arbitration hearing, each Party will submit its position to the arbitrator, evidence to support that position, and the exact award sought in this matter with specificity. The arbitrator must select the award sought by one of the parties as the final judgment and may not independently alter or modify the awards sought by the parties, fashion any remedy, or make any equitable order. The arbitrator has no authority to consider or award punitive damages.
- 2.5 Final Decision. The Arbitrator's decision should be rendered within 15 days after the arbitration hearing is concluded. This decision will be final and binding on the Parties.
- 2.6 Costs. The prevailing party may enter the arbitration in any court having jurisdiction in order to convert it to a judgment. The non-prevailing party will pay all of the prevailing party's arbitration costs and expenses, including reasonable attorney's fees and costs.

3. **Services to Continue Pending Dispute.** Unless otherwise agreed to in writing, Contractor must continue to perform and maintain progress of required Services during any Dispute resolution or arbitration proceedings, and City will continue to make payment to Contractor in accordance with this Agreement.

4. **Exceptions.**

- 4.1 Third Party Claims. City and Contractor are not required to arbitrate any third-party claim, cross-claim, counter claim, or other claim or defense of a third party who is not obligated by contract to arbitrate disputes with City and Contractor.
- 4.2 Liens. City or Contractor may commence and prosecute a civil action to contest a lien or stop notice, or enforce any lien or stop notice, but only to the extent the lien or stop notice the Party seeks to enforce is enforceable under Arizona Law, including, without limitation, an action under A.R.S. § 33-420, without the necessity of initiating or exhausting the procedures of this Exhibit.
- 4.3 Governmental Actions. This Exhibit does not apply to, and must not be construed to require arbitration of, any claims, actions or other process filed or issued by City of Glendale Building Safety Department or any other agency of City acting in its governmental permitting or other regulatory capacity.

IMPORTANT NOTICE
YOU MUST:

- REPORT DISSOCIATION OF QUALIFYING PARTY IN WRITING WITHIN 15 DAYS.
[SEE A.R.S. § 32-1154(A)(19) AND § 32-1151.01]
- REPORT A CHANGE OF ADDRESS IN WRITING WITHIN 30 DAYS.
[SEE A.R.S. § 32-1151(B)(1)]
- REPORT ANY TRANSFER OF OWNERSHIP OF 50% OR MORE IMMEDIATELY.
[SEE A.R.S. § 32-1151.01]
- REPORT ANY CHANGE OF LEGAL ENTITY SUCH AS ANY CHANGE IN THE OWNERSHIP IN SOLE PROPRIETORSHIP OR CHANGE OF A PARTNER IN A PARTNERSHIP OR THE CREATION OF A NEW CORPORATE ENTITY.
[SEE RULE R-4-9-110]

Graffiti Protective Coatings Inc

515 E Grant Rd Ste 141
Tucson, AZ 85705-5700

THIS IS YOUR IDENTIFICATION CARD
DO NOT DESTROY



LICENSE EFFECTIVE THROUGH: 12/31/2016
STATE OF ARIZONA
Registrar of Contractors CERTIFIES THAT
Graffiti Protective Coatings Inc



CONTRACTORS LICENSE NO 226059 CLASS CR34
Painting and Wall Covering

THIS CARD MUST BE
PRESENTED UPON DEMAND

William A. Mundell
DIRECTOR, ARIZONA REGISTRAR OF CONTRACTORS

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[SEE RULE R-4-9-110]

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William A. Mundell
DIRECTOR, ARIZONA REGISTRAR OF CONTRACTORS

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

Blanket Wording for Person or Organization = ALL PERSONS AND/OR ORGANIZATIONS THAT ARE REQUIRED BY WRITTEN CONTRACT OR AGREEMENT WITH THE INSURED, EXECUTED PRIOR TO THE ACCIDENT OR LOSS, THAT WAIVER OF SUBROGATION BE PROVIDED UNDER THIS POLICY FOR WORK PERFORMED BY YOU FOR THAT PERSON AND/OR ORGANIZATION OR Scheduled - and premium charge

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement No. 1

Effective Policy No. WC018274000

Endorsement No. 1

Insured Graffiti Protective Coatings, Inc.

Premium \$ n/a

Insurance Company

Countersigned by





ZURICH

Coverage Extension Endorsement

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem	Return Prem.
BAP01274100	8/25/2015	8/25/2016	8/25/2015	n/a	n/a	n/a

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

- Business Auto Coverage Form**
- Motor Carrier Coverage Form**

A. Amended Who Is An Insured

1. The following is added to the **Who Is An Insured** Provision in **Section II – Covered Autos Liability Coverage**:

The following are also "insureds":

- a. Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow for acts performed within the scope of employment by you. Any "employee" of yours is also an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.
- b. Anyone volunteering services to you is an "insured" while using a covered "auto" you don't own, hire or borrow to transport your clients or other persons in activities necessary to your business.
- c. Anyone else who furnishes an "auto" referenced in Paragraphs **A.1.a.** and **A.1.b.** in this endorsement.
- d. Where and to the extent permitted by law, any person(s) or organization(s) where required by written contract or written agreement with you executed prior to any "accident", including those person(s) or organization(s) directing your work pursuant to such written contract or written agreement with you, provided the "accident" arises out of operations governed by such contract or agreement and only up to the limits required in the written contract or written agreement, or the Limits of Insurance shown in the Declarations, whichever is less.

2. The following is added to the **Other Insurance** Condition in the Business Auto Coverage Form and the **Other Insurance – Primary and Excess Insurance Provisions Condition** in the Motor Carrier Coverage Form:

Coverage for any person(s) or organization(s), where required by written contract or written agreement with you executed prior to any "accident", will apply on a primary and non-contributory basis and any insurance maintained by the additional "insured" will apply on an excess basis. However, in no event will this coverage extend beyond the terms and conditions of the Coverage Form.

B. Amendment – Supplementary Payments

Paragraphs **a.(2)** and **a.(4)** of the **Coverage Extensions** Provision in **Section II – Covered Autos Liability Coverage** are replaced by the following:

- (2) Up to \$5,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

C. Fellow Employee Coverage

The **Fellow Employee** Exclusion contained in **Section II – Covered Autos Liability Coverage** does not apply.

D. Driver Safety Program Liability and Physical Damage Coverage

1. The following is added to the **Racing** Exclusion in **Section II – Covered Autos Liability Coverage**:

This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

2. The following is added to Paragraph **2.** in the **Exclusions** of **Section III – Physical Damage Coverage** of the Business Auto Coverage Form and Paragraph **2.b.** in the **Exclusions** of **Section IV – Physical Damage Coverage** of the Motor Carrier Coverage Form:

This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

E. Lease or Loan Gap Coverage

The following is added to the **Coverage** Provision of the **Physical Damage Coverage** Section:

Lease Or Loan Gap Coverage

In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the lease or loan for a covered "auto", less:

- a. Any amount paid under the **Physical Damage Coverage** Section of the Coverage Form; and
- b. Any:
 - (1) Overdue lease or loan payments at the time of the "loss";
 - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
 - (3) Security deposits not returned by the lessor;
 - (4) Costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease; and
 - (5) Carry-over balances from previous leases or loans.

F. Towing and Labor

Paragraph **A.2.** of the **Physical Damage Coverage** Section is replaced by the following:

We will pay up to \$75 for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

G. Extended Glass Coverage

The following is added to Paragraph **A.3.a.** of the **Physical Damage Coverage** Section:

If glass must be replaced, the deductible shown in the Declarations will apply. However, if glass can be repaired and is actually repaired rather than replaced, the deductible will be waived. You have the option of having the glass repaired rather than replaced.

H. Hired Auto Physical Damage – Increased Loss of Use Expenses

The **Coverage Extension** for **Loss Of Use Expenses** in the **Physical Damage Coverage** Section is replaced by the following:

Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or written rental agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
 - (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
 - (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".
- However, the most we will pay for any expenses for loss of use is \$100 per day, to a maximum of \$3000.

I. Personal Effects Coverage

The following is added to the **Coverage** Provision of the **Physical Damage Coverage** Section:

Personal Effects Coverage

- a. We will pay up to \$750 for "loss" to personal effects which are:
 - (1) Personal property owned by an "insured"; and
 - (2) In or on a covered "auto".
- b. Subject to Paragraph a. above, the amount to be paid for "loss" to personal effects will be based on the lesser of:
 - (1) The reasonable cost to replace; or
 - (2) The actual cash value.
- c. The coverage provided in Paragraphs a. and b. above, only applies in the event of a total theft of a covered "auto". No deductible applies to this coverage. However, we will not pay for "loss" to personal effects of any of the following:
 - (1) Accounts, bills, currency, deeds, evidence of debt, money, notes, securities, or commercial paper or other documents of value.
 - (2) Bullion, gold, silver, platinum, or other precious alloys or metals; furs or fur garments; jewelry, watches, precious or semi-precious stones.
 - (3) Paintings, statuary and other works of art.
 - (4) Contraband or property in the course of illegal transportation or trade.
 - (5) Tapes, records, discs or other similar devices used with audio, visual or data electronic equipment.

Any coverage provided by this Provision is excess over any other insurance coverage available for the same "loss".

J. Tapes, Records and Discs Coverage

1. The Exclusion in Paragraph **B.4.a.** of **Section III – Physical Damage Coverage** in the Business Auto Coverage Form and the Exclusion in Paragraph **B.2.c.** of **Section IV – Physical Damage Coverage** in the Motor Carrier Coverage Form does not apply.
2. The following is added to Paragraph **1.a. Comprehensive Coverage** under the **Coverage** Provision of the **Physical Damage Coverage** Section:

We will pay for "loss" to tapes, records, discs or other similar devices used with audio, visual or data electronic equipment. We will pay only if the tapes, records, discs or other similar audio, visual or data electronic devices:

- (a) Are the property of an "insured"; and
- (b) Are in a covered "auto" at the time of "loss".

The most we will pay for such "loss" to tapes, records, discs or other similar devices is \$500. The **Physical Damage Coverage Deductible** Provision does not apply to such "loss".

K. Airbag Coverage

The Exclusion in Paragraph **B.3.a.** of **Section III – Physical Damage Coverage** in the Business Auto Coverage Form and the Exclusion in Paragraph **B.4.a.** of **Section IV – Physical Damage Coverage** in the Motor Carrier Coverage Form does not apply to the accidental discharge of an airbag.

L. Two or More Deductibles

The following is added to the **Deductible** Provision of the **Physical Damage Coverage** Section:

If an accident is covered both by this policy or Coverage Form and by another policy or Coverage Form issued to you by us, the following applies for each covered "auto" on a per vehicle basis:

1. If the deductible on this policy or Coverage Form is the smaller (or smallest) deductible, it will be waived; or
2. If the deductible on this policy or Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

M. Physical Damage – Comprehensive Coverage – Deductible

The following is added to the **Deductible** Provision of the **Physical Damage Coverage** Section:

Regardless of the number of covered "autos" damaged or stolen, the maximum deductible that will be applied to Comprehensive Coverage for all "loss" from any one cause is \$5,000 or the deductible shown in the Declarations, whichever is greater.

N. Temporary Substitute Autos – Physical Damage

1. The following is added to **Section I – Covered Autos**:

Temporary Substitute Autos – Physical Damage

If Physical Damage Coverage is provided by this Coverage Form on your owned covered "autos", the following types of vehicles are also covered "autos" for Physical Damage Coverage:

Any "auto" you do not own when used with the permission of its owner as a temporary substitute for a covered "auto" you do own but is out of service because of its:

1. Breakdown;
 2. Repair;
 3. Servicing;
 4. "Loss"; or
 5. Destruction.
2. The following is added to the Paragraph **A. Coverage** Provision of the **Physical Damage Coverage** Section:

Temporary Substitute Autos – Physical Damage

We will pay the owner for "loss" to the temporary substitute "auto" unless the "loss" results from fraudulent acts or omissions on your part. If we make any payment to the owner, we will obtain the owner's rights against any other party.

The deductible for the temporary substitute "auto" will be the same as the deductible for the covered "auto" it replaces.

O. Amended Duties In The Event Of Accident, Claim, Suit Or Loss

Paragraph **a.** of the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition is replaced by the following:

- a.** In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident", claim, "suit" or "loss". However, these duties only apply when the "accident", claim, "suit" or "loss" is known to you (if you are an individual), a partner (if you are a partnership), a member (if you are a limited liability company) or an executive officer or insurance manager (if you are a corporation). The failure of any

agent, servant or employee of the "insured" to notify us of any "accident", claim, "suit" or "loss" shall not invalidate the insurance afforded by this policy.

Include, as soon as practicable:

- (1) How, when and where the "accident" or "loss" occurred and if a claim is made or "suit" is brought, written notice of the claim or "suit" including, but not limited to, the date and details of such claim or "suit";
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

If you report an "accident", claim, "suit" or "loss" to another insurer when you should have reported to us, your failure to report to us will not be seen as a violation of these amended duties provided you give us notice as soon as practicable after the fact of the delay becomes known to you.

P. Waiver of Transfer Of Rights Of Recovery Against Others To Us

The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

This Condition does not apply to the extent required of you by a written contract, executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by such contract. This waiver only applies to the person or organization designated in the contract.

Q. Employee Hired Autos – Physical Damage

Paragraph **b.** of the **Other Insurance** Condition in the Business Auto Coverage Form and Paragraph **f.** of the **Other Insurance – Primary and Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented under a written contract or written agreement entered into by an "employee" or elected or appointed official with your permission while being operated within the course and scope of that "employee's" employment by you or that elected or appointed official's duties as respect their obligations to you.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

R. Unintentional Failure to Disclose Hazards

The following is added to the **Concealment, Misrepresentation Or Fraud** Condition:

However, we will not deny coverage under this Coverage Form if you unintentionally:

- (1) Fail to disclose any hazards existing at the inception date of this Coverage Form; or
- (2) Make an error, omission, improper description of "autos" or other misstatement of information.

You must notify us as soon as possible after the discovery of any hazards or any other information that was not provided to us prior to the acceptance of this policy.

S. Hired Auto – World Wide Coverage

Paragraph **7a.(5)** of the **Policy Period, Coverage Territory** Condition is replaced by the following:

- (5) Anywhere in the world if a covered "auto" is leased, hired, rented or borrowed for a period of 60 days or less,

T. Bodily Injury Redefined

The definition of "bodily injury" in the **Definitions** Section is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease, sustained by a person including death or mental anguish, resulting from any of these at any time. Mental anguish means any type of mental or emotional illness or disease.

U. Expected Or Intended Injury

The **Expected Or Intended Injury** Exclusion in Paragraph **B. Exclusions** under **Section II – Covered Auto Liability Coverage** is replaced by the following:

Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured". This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

V. Physical Damage – Additional Temporary Transportation Expense Coverage

Paragraph **A.4.a.** of **Section III – Physical Damage Coverage** is replaced by the following:

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$50 per day to a maximum of \$1,000 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

W. Replacement of a Private Passenger Auto with a Hybrid or Alternative Fuel Source Auto

The following is added to Paragraph **A. Coverage** of the **Physical Damage Coverage** Section:

In the event of a total "loss" to a covered "auto" of the private passenger type that is replaced with a hybrid "auto" or "auto" powered by an alternative fuel source of the private passenger type, we will pay an additional 10% of the cost of the replacement "auto", excluding tax, title, license, other fees and any aftermarket vehicle upgrades, up to a maximum of \$2500. The covered "auto" must be replaced by a hybrid "auto" or an "auto" powered by an alternative fuel source within 60 calendar days of the payment of the "loss" and evidenced by a bill of sale or new vehicle lease agreement.

To qualify as a hybrid "auto", the "auto" must be powered by a conventional gasoline engine and another source of propulsion power. The other source of propulsion power must be electric, hydrogen, propane, solar or natural gas, either compressed or liquefied. To qualify as an "auto" powered by an alternative fuel source, the "auto" must be powered by a source of propulsion power other than a conventional gasoline engine. An "auto" solely propelled by biofuel, gasoline or diesel fuel or any blend thereof is not an "auto" powered by an alternative fuel source.

X. Return of Stolen Automobile

The following is added to the **Coverage Extension** Provision of the **Physical Damage Coverage** Section:

If a covered "auto" is stolen and recovered, we will pay the cost of transport to return the "auto" to you. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage.

All other terms, conditions, provisions and exclusions of this policy remain the same.



ZURICH®

Coverage Extension Endorsement

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem.	Return Prem.
BAP008640700	01/01/2015	01/01/2016	-	-	-	-

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

**Business Auto Coverage Form
Motor Carrier Coverage Form**

A. Amended Who Is An Insured

1. The following is added to the **Who Is An Insured** Provision in **Section II – Covered Autos Liability Coverage**:

The following are also "insureds":

- a. Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow for acts performed within the scope of employment by you. Any "employee" of yours is also an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.
- b. Anyone volunteering services to you is an "insured" while using a covered "auto" you don't own, hire or borrow to transport your clients or other persons in activities necessary to your business.
- c. Anyone else who furnishes an "auto" referenced in Paragraphs **A.1.a.** and **A.1.b.** in this endorsement.
- d. Where and to the extent permitted by law, any person(s) or organization(s) where required by written contract or written agreement with you executed prior to any "accident", including those person(s) or organization(s) directing your work pursuant to such written contract or written agreement with you, provided the "accident" arises out of operations governed by such contract or agreement and only up to the limits required in the written contract or written agreement, or the Limits of Insurance shown in the Declarations, whichever is less.

2. The following is added to the **Other Insurance** Condition in the Business Auto Coverage Form and the **Other Insurance – Primary and Excess Insurance Provisions Condition** in the Motor Carrier Coverage Form:

Coverage for any person(s) or organization(s), where required by written contract or written agreement with you executed prior to any "accident", will apply on a primary and non-contributory basis and any insurance maintained by the additional "insured" will apply on an excess basis. However, in no event will this coverage extend beyond the terms and conditions of the Coverage Form.

B. Amendment – Supplementary Payments

Paragraphs **a.(2)** and **a.(4)** of the **Coverage Extensions** Provision in **Section II – Covered Autos Liability Coverage** are replaced by the following:

- (2) Up to \$5,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

C. Fellow Employee Coverage

The **Fellow Employee** Exclusion contained in **Section II – Covered Autos Liability Coverage** does not apply.

D. Driver Safety Program Liability and Physical Damage Coverage

1. The following is added to the **Racing** Exclusion in **Section II – Covered Autos Liability Coverage**:

This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

2. The following is added to Paragraph 2. in the **Exclusions** of **Section III – Physical Damage Coverage** of the Business Auto Coverage Form and Paragraph 2.b. in the **Exclusions** of **Section IV – Physical Damage Coverage** of the Motor Carrier Coverage Form:

This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

E. Lease or Loan Gap Coverage

The following is added to the **Coverage** Provision of the **Physical Damage Coverage** Section:

Lease Or Loan Gap Coverage

In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the lease or loan for a covered "auto", less:

- a. Any amount paid under the **Physical Damage Coverage** Section of the Coverage Form; and
- b. Any:
 - (1) Overdue lease or loan payments at the time of the "loss";
 - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
 - (3) Security deposits not returned by the lessor;
 - (4) Costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease; and
 - (5) Carry-over balances from previous leases or loans.

F. Towing and Labor

Paragraph **A.2.** of the **Physical Damage Coverage** Section is replaced by the following:

We will pay up to \$75 for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

G. Extended Glass Coverage

The following is added to Paragraph **A.3.a.** of the **Physical Damage Coverage** Section:

If glass must be replaced, the deductible shown in the Declarations will apply. However, if glass can be repaired and is actually repaired rather than replaced, the deductible will be waived. You have the option of having the glass repaired rather than replaced.

H. Hired Auto Physical Damage – Increased Loss of Use Expenses

The **Coverage Extension** for **Loss Of Use Expenses** in the **Physical Damage Coverage** Section is replaced by the following:

Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or written rental agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or
- (3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$100 per day, to a maximum of \$3000.

I. Personal Effects Coverage

The following is added to the **Coverage** Provision of the **Physical Damage Coverage** Section:

Personal Effects Coverage

- a. We will pay up to \$750 for "loss" to personal effects which are:
 - (1) Personal property owned by an "insured"; and
 - (2) In or on a covered "auto".
- b. Subject to Paragraph a. above, the amount to be paid for "loss" to personal effects will be based on the lesser of:
 - (1) The reasonable cost to replace; or
 - (2) The actual cash value.
- c. The coverage provided in Paragraphs a. and b. above, only applies in the event of a total theft of a covered "auto". No deductible applies to this coverage. However, we will not pay for "loss" to personal effects of any of the following:
 - (1) Accounts, bills, currency, deeds, evidence of debt, money, notes, securities, or commercial paper or other documents of value.
 - (2) Bullion, gold, silver, platinum, or other precious alloys or metals; furs or fur garments; jewelry, watches, precious or semi-precious stones.
 - (3) Paintings, statuary and other works of art.
 - (4) Contraband or property in the course of illegal transportation or trade.
 - (5) Tapes, records, discs or other similar devices used with audio, visual or data electronic equipment.

Any coverage provided by this Provision is excess over any other insurance coverage available for the same "loss".

J. Tapes, Records and Discs Coverage

1. The Exclusion in Paragraph **B.4.a.** of **Section III – Physical Damage Coverage** in the Business Auto Coverage Form and the Exclusion in Paragraph **B.2.c.** of **Section IV – Physical Damage Coverage** in the Motor Carrier Coverage Form does not apply.
2. The following is added to Paragraph **1.a. Comprehensive Coverage** under the **Coverage** Provision of the **Physical Damage Coverage** Section:

We will pay for "loss" to tapes, records, discs or other similar devices used with audio, visual or data electronic equipment. We will pay only if the tapes, records, discs or other similar audio, visual or data electronic devices:

- (a) Are the property of an "insured"; and
- (b) Are in a covered "auto" at the time of "loss".

The most we will pay for such "loss" to tapes, records, discs or other similar devices is \$500. The **Physical Damage Coverage Deductible** Provision does not apply to such "loss".

K. Airbag Coverage

The Exclusion in Paragraph **B.3.a.** of **Section III – Physical Damage Coverage** in the Business Auto Coverage Form and the Exclusion in Paragraph **B.4.a.** of **Section IV – Physical Damage Coverage** in the Motor Carrier Coverage Form does not apply to the accidental discharge of an airbag.

L. Two or More Deductibles

The following is added to the **Deductible** Provision of the **Physical Damage Coverage** Section:

If an accident is covered both by this policy or Coverage Form and by another policy or Coverage Form issued to you by us, the following applies for each covered "auto" on a per vehicle basis:

1. If the deductible on this policy or Coverage Form is the smaller (or smallest) deductible, it will be waived; or
2. If the deductible on this policy or Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

M. Physical Damage – Comprehensive Coverage – Deductible

The following is added to the **Deductible** Provision of the **Physical Damage Coverage** Section:

Regardless of the number of covered "autos" damaged or stolen, the maximum deductible that will be applied to Comprehensive Coverage for all "loss" from any one cause is \$5,000 or the deductible shown in the Declarations, whichever is greater.

N. Temporary Substitute Autos – Physical Damage

1. The following is added to **Section I – Covered Autos**:

Temporary Substitute Autos – Physical Damage

If Physical Damage Coverage is provided by this Coverage Form on your owned covered "autos", the following types of vehicles are also covered "autos" for Physical Damage Coverage:

Any "auto" you do not own when used with the permission of its owner as a temporary substitute for a covered "auto" you do own but is out of service because of its:

1. Breakdown;
 2. Repair;
 3. Servicing;
 4. "Loss"; or
 5. Destruction.
2. The following is added to the Paragraph **A. Coverage** Provision of the **Physical Damage Coverage** Section:
Temporary Substitute Autos – Physical Damage
We will pay the owner for "loss" to the temporary substitute "auto" unless the "loss" results from fraudulent acts or omissions on your part. If we make any payment to the owner, we will obtain the owner's rights against any other party.
The deductible for the temporary substitute "auto" will be the same as the deductible for the covered "auto" it replaces.

O. Amended Duties In The Event Of Accident, Claim, Suit Or Loss

Paragraph **a.** of the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition is replaced by the following:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident", claim, "suit" or "loss". However, these duties only apply when the "accident", claim, "suit" or "loss" is known to you (if you are an individual), a partner (if you are a partnership), a member (if you are a limited liability company) or an executive officer or insurance manager (if you are a corporation). The failure of any

agent, servant or employee of the "insured" to notify us of any "accident", claim, "suit" or "loss" shall not invalidate the insurance afforded by this policy.

Include, as soon as practicable:

- (1) How, when and where the "accident" or "loss" occurred and if a claim is made or "suit" is brought, written notice of the claim or "suit" including, but not limited to, the date and details of such claim or "suit";
- (2) The "insured's" name and address; and
- (3) To the extent possible, the names and addresses of any injured persons and witnesses.

If you report an "accident", claim, "suit" or "loss" to another insurer when you should have reported to us, your failure to report to us will not be seen as a violation of these amended duties provided you give us notice as soon as practicable after the fact of the delay becomes known to you.

P. Waiver of Transfer Of Rights Of Recovery Against Others To Us

The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

This Condition does not apply to the extent required of you by a written contract, executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by such contract. This waiver only applies to the person or organization designated in the contract.

Q. Employee Hired Autos – Physical Damage

Paragraph **b.** of the **Other Insurance** Condition in the Business Auto Coverage Form and Paragraph **f.** of the **Other Insurance – Primary and Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented under a written contract or written agreement entered into by an "employee" or elected or appointed official with your permission while being operated within the course and scope of that "employee's" employment by you or that elected or appointed official's duties as respect their obligations to you.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

R. Unintentional Failure to Disclose Hazards

The following is added to the **Concealment, Misrepresentation Or Fraud** Condition:

However, we will not deny coverage under this Coverage Form if you unintentionally:

- (1) Fail to disclose any hazards existing at the inception date of this Coverage Form; or
- (2) Make an error, omission, improper description of "autos" or other misstatement of information.

You must notify us as soon as possible after the discovery of any hazards or any other information that was not provided to us prior to the acceptance of this policy.

S. Hired Auto – World Wide Coverage

Paragraph **7a.(5)** of the **Policy Period, Coverage Territory** Condition is replaced by the following:

- (5) Anywhere in the world if a covered "auto" is leased, hired, rented or borrowed for a period of 60 days or less,

T. Bodily Injury Redefined

The definition of "bodily injury" in the **Definitions** Section is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease, sustained by a person including death or mental anguish, resulting from any of these at any time. Mental anguish means any type of mental or emotional illness or disease.

U. Expected Or Intended Injury

The **Expected Or Intended Injury** Exclusion in Paragraph **B. Exclusions** under **Section II – Covered Auto Liability Coverage** is replaced by the following:

Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured". This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

V. Physical Damage – Additional Temporary Transportation Expense Coverage

Paragraph **A.4.a.** of **Section III – Physical Damage Coverage** is replaced by the following:

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$50 per day to a maximum of \$1,000 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

W. Replacement of a Private Passenger Auto with a Hybrid or Alternative Fuel Source Auto

The following is added to Paragraph **A. Coverage** of the **Physical Damage Coverage** Section:

In the event of a total "loss" to a covered "auto" of the private passenger type that is replaced with a hybrid "auto" or "auto" powered by an alternative fuel source of the private passenger type, we will pay an additional 10% of the cost of the replacement "auto", excluding tax, title, license, other fees and any aftermarket vehicle upgrades, up to a maximum of \$2500. The covered "auto" must be replaced by a hybrid "auto" or an "auto" powered by an alternative fuel source within 60 calendar days of the payment of the "loss" and evidenced by a bill of sale or new vehicle lease agreement.

To qualify as a hybrid "auto", the "auto" must be powered by a conventional gasoline engine and another source of propulsion power. The other source of propulsion power must be electric, hydrogen, propane, solar or natural gas, either compressed or liquefied. To qualify as an "auto" powered by an alternative fuel source, the "auto" must be powered by a source of propulsion power other than a conventional gasoline engine. An "auto" solely propelled by biofuel, gasoline or diesel fuel or any blend thereof is not an "auto" powered by an alternative fuel source.

X. Return of Stolen Automobile

The following is added to the **Coverage Extension** Provision of the **Physical Damage Coverage** Section:

If a covered "auto" is stolen and recovered, we will pay the cost of transport to return the "auto" to you. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage.

All other terms, conditions, provisions and exclusions of this policy remain the same.

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT—
CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 0.00 % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

ALL PERSONS AND/OR ORGANIZATIONS THAT ARE REQUIRED BY WRITTEN CONTRACT OR AGREEMENT WITH THE INSURED, EXECUTED PRIOR TO THE ACCIDENT OR LOSS, THAT WAIVER OF SUBROGATION BE PROVIDED UNDER THIS POLICY FOR WORK PERFORMED BY YOU FOR THAT PERSON AND/OR ORGANIZATION

Job Description

ALL CA OPERATIONS

COMMENTS/REMARKS

CERTIFICATES OF INSURANCE MODIFYING:

Modifying a Certificate of Insurance is considered a Class 5 felony. A class 5 felony is punishable by a jail term of 18 month to a maximum of 24 month.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BLANKET WAIVER OF SUBROGATION WHEN REQUIRED IN A WRITTEN
CONTRACT OR AGREEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section **IV** – COMMERCIAL GENERAL LIABILITY CONDITIONS) is deleted and replaced by the following:

We waive any right of recovery we may have against any person or organization against whom you have agreed to waive such right of recovery in a written contract or agreement because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. SECTION II – WHO IS AN INSURED is amended to include as an additional insured any person or organization when you have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations;
or
2. In connection with your premises owned or rented to you.

B. The limits of insurance applicable to the additional insured are those specified in the Declarations of this policy or in the written contract or written agreement, whichever is lower.

C. Any coverage provided hereunder shall be excess over any other valid and collectible insurance available to the additional insured whether that insurance is primary, excess, contingent or on any other basis, unless you and the additional insured have specifically agreed in a written contract or written agreement that this insurance be primary. When coverage is provided on a primary basis we will not seek contribution from any other insurance available to the additional insured if a written contract or written agreement requires that this insurance be noncontributory.

D. All other terms and conditions of this policy remain unchanged.

- II. At renewal, depending on which form is on the policy, you will also have the option to change your policy to remove or add either the **CG7191** or the **CG7578**. If you elect this change, the areas within the policy that broaden, reduce or clarify coverage are highlighted below.

GENERAL LIABILITY ELITE EXTENSION CG7578 (8-14)
REPLACING
COMMERCIAL GENERAL LIABILITY AMENDMENT CG7191 (7-14)

BROADENING OF COVERAGE

- **Additional Insured – Primary and Non-Contributory Extension**, A new coverage, Included if required by contract
- **Blanket Additional Insured**, A new coverage, Included specified relationships if required by contract
- **Damage to Premises Rented to You – Fire Legal Liability** limit is increased from \$100,000 to \$500,000
- **Expected or Intended Injury**, A new coverage
- **Extended Property Damage for Borrowed Equipment and Customer Goods**, A new coverage is added at \$5,000 limit per Occurrence/\$10,000 limit per policy. A \$250 Deductible applies.
- **Fellow Employee Coverage**, A new coverage
- **Medical Payments Limit** – Increased to \$10,000
- **Newly Acquired Entities** – Time period increased from 180 Days to Until the end of the policy period
- **Non-owned Watercraft coverage** – Increased from Less than 51 ft. long to Less than 60 ft. long
- **Supplementary Payments** - Limit Increased from \$3,000 bail bond limit and \$350 loss of earnings to \$5,000 bail bond limit and \$500 loss of earnings
- **Waived Subrogation/Transfer of Rights of Recovery Against Others To Us**, A new coverage, If required by contract
- **Health Care Service Professional as Insureds – Incidental Malpractice**, A new coverage

GENERAL LIABILITY ESSENTIAL EXTENSION CG7191 (8-14)
REPLACING
LIABILITY EXTENSION ENDORSEMENT CG7578 (7-14)

BROADENING OF COVERAGE

- **Health Care Service Professional as Insureds – Incidental Malpractice**, A new coverage

POTENTIAL REDUCTION OF COVERAGE

The **CG7191** does not include or reduces the following coverages:

- **Additional Insured** – Governmental subdivisions
- **Additional Insured** – Lessor of leased equipment
- **Additional Insured** – Managers of premises
- **Extended Property Damage for Borrowed Equipment and Customer Goods Coverage** – The **CG7191** provides lower limits for this coverage: \$5,000 limit per occurrence/\$10,000 limit per policy is changed to \$2,500 limit per Occurrence/\$5,000 limit per policy.