

# PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by the **GARDEN GROVE SANITARY DISTRICT**, a California special district, ("DISTRICT") and **Hadronex Inc.**, here in after referred to as "CONTRACTOR".

## RECITALS

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Garden Grove Council authorization, dated \_\_\_\_\_.
2. DISTRICT desires to utilize the services of CONTRACTOR to Provide all Data Storage, Tech Support and Extended Warranty for the SmartLevel Systems for the DISTRICT of Garden Grove per Attachment A.
3. CONTRACTOR is qualified by virtue of experience, training, education and expertise to accomplish services.

## AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term and Termination** The initial term of the agreement shall be from full execution through June 30, 2024, with an option to extend said agreement an additional four (4) fiscal years, for a total performance period of five (5) fiscal years. Option years shall be exercised one (1) fiscal year at a time, at the sole option of the DISTRICT. This agreement may be terminated by the DISTRICT without cause. In such event, the DISTRICT will compensate CONTRACTOR for work performed to date in accordance with proposal which is attached as Attachment A and is hereby incorporated by reference. Contractor is required to present evidence to support performed work.
2. **Services to be Provided**. The services to be performed by CONTRACTOR shall consist of tasks as set forth in the Proposal. The Proposal is incorporated herein by reference. The Proposal and this Agreement do not guarantee any specific amount of work.
3. **Compensation**. CONTRACTOR shall be compensated as follows:
  - 3.1 **AMOUNT**. Total Compensation under this agreement shall not exceed (NTE) amount of One Hundred Thousand Dollars (\$100,000.00), per fiscal year, payable in arrears and in accordance with proposal in Attachment "A".

- 3.2 Payment. For work under this Agreement, payment shall be made per invoice for work completed. Within 45 day of delivery of goods or completion of performance of services, CONTRACTOR must promptly render an invoice to DISTRICT or payment may be significantly delayed. For extra work not a part of this Agreement, a written authorization by DISTRICT will be required, and payment shall be based on schedule included in Proposal (Attachment A).
- 3.3 Records of Expenses. CONTRACTOR shall keep complete and accurate records of all costs and expenses incidental to services covered by this Agreement. These records will be made available at reasonable times to DISTRICT.
- 3.4 Termination. DISTRICT shall have the right to terminate this agreement, without cause, by giving thirty (30) days written notice of termination. If the Agreement is terminated by DISTRICT, then the provisions of paragraph 3 would apply to that portion of the work completed.

**4. Insurance requirements.**

- 4.1 COMMENCEMENT OF WORK. CONTRACTOR shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the DISTRICT. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the DISTRICT of any material change, cancellation, or termination at least thirty (30) days in advance and provide a Waiver of Subrogation in favor of the DISTRICT.
- 4.2 WORKERS COMPENSATION INSURANCE. During the duration of this Agreement, CONTRACTOR and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable.
- 4.3 INSURANCE AMOUNTS. CONTRACTOR shall maintain the following insurance for the duration of this Agreement:
  - (a) Commercial general liability in an amount of \$1,000,000.00 per occurrence: **claims made and modified occurrence policies are not acceptable**); Insurance companies must be acceptable to DISTRICT and have a Best's Guide Rating of A- Class VII or better, as approved by the DISTRICT.

- (b) Automobile liability in an amount of \$1,000,000.00 combined single limit: **claims made and modified occurrence policies are not acceptable**; Insurance companies must be acceptable to DISTRICT and have a Best's Guide Rating of A- Class VII or better, as approved by the DISTRICT.

An **On-Going and Completed Operations Additional Insured Endorsement** for the policy under section 4.3 (a) shall designate DISTRICT, it's officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONTRACTOR. CONTRACTOR shall provide to DISTRICT proof of insurance and endorsement forms that conform to DISTRICT's requirements, as approved by the DISTRICT.

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

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

*If CONTRACTOR maintains higher insurance limits than the minimums shown above, CONTRACTOR shall provide coverage for the higher insurance limits otherwise maintained by the CONTRACTOR.*

- 5. **Non-Liability of Officials and Employees of the DISTRICT.** No official or employee of DISTRICT shall be personally liable to CONTRACTOR in the event of any default or breach by DISTRICT, or for any amount, which may become due to CONTRACTOR.
- 6. **Non-Discrimination.** CONTRACTOR covenants there shall be no discrimination against any person or group due to race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.

7. **Independent Contractor.** It is agreed to that CONTRACTOR shall act and be an independent contractor and not an agent or employee of the DISTRICT, and shall obtain no rights to any benefits which accrue to DISTRICT'S employees.
  
8. **Compliance with Law.** CONTRACTOR shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government. CONTRACTOR shall comply with, and shall be responsible for causing all contractors and subcontractors performing any of the work pursuant to this Agreement to comply with, all applicable federal and state labor standards, including, to the extent applicable, the prevailing wage requirements promulgated by the Director of Industrial Relations of the State of California Department of Labor. The DISTRICT makes no warranty or representation concerning whether any of the work performed pursuant to this Agreement constitutes public works subject to the prevailing wage requirements.
  
9. **Notices.** All notices shall be personally delivered or mailed to the below listed address, or to such other addresses as may be designated by written notice. These addresses shall be used for delivery of service of process.
  - a. (CONTRACTOR)  
Hadronex, Inc.  
Attention: Paris Neofotistos, Vice President of Sales  
2110 Enterprise Street  
Escondido, CA 92029
  
  - b. (Address of DISTRICT Purchasing) (with a copy to):  
DISTRICT of Garden Grove      Garden Grove DISTRICT Attorney  
11222 Acacia Parkway      11222 Acacia Parkway  
Garden Grove, CA 92840      Garden Grove, CA 92840
  
10. **CONTRACTOR'S PROPOSAL.** This Agreement shall include CONTRACTOR'S proposal or bid which shall be incorporated herein by reference. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
  
11. **Licenses, Permits, and Fees.** At its sole expense, CONTRACTOR shall obtain a Garden Grove Business License, all permits, and licenses as may be required by this Agreement.
  
12. **Familiarity with Work.** By executing this Agreement, CONTRACTOR warrants that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the facilities, difficulties, and restrictions of the work under this Agreement. Should Contractor discover any latent or unknown conditions materially differing from those inherent in the work or as represented by DISTRICT,

it shall immediately inform DISTRICT of this and shall not proceed, CONTRACTOR'S risk, until written instructions are received from DISTRICT.

13. **Time of Essence.** Time is of the essence in the performance of this Agreement.
14. **Limitations Upon Subcontracting and Assignment.** The experience, knowledge, capability, and reputation of CONTRACTOR, its principals and employees were a substantial inducement for DISTRICT to enter into this Agreement. CONTRACTOR shall not contract with any other entity to perform the services required without written approval of the DISTRICT. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of DISTRICT. If CONTRACTOR is permitted to subcontract any part of this Agreement, CONTRACTOR shall be responsible to DISTRICT for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and DISTRICT. All persons engaged in the work will be considered employees of CONTRACTOR. DISTRICT will deal directly with and will make all payments to CONTRACTOR.
15. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the parties are formally bound.
16. **Indemnification.** CONTRACTOR agrees to protect, defend, and hold harmless DISTRICT and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of, or in any way connected with performance of the Agreement by CONTRACTOR, CONTRACTOR'S agents, officers, employees, subcontractors, or independent contractors hired by CONTRACTOR. The only exception to CONTRACTOR'S responsibility to protect, defend, and hold harmless DISTRICT, is due to the sole negligence of DISTRICT, or any of its elective or appointive boards, officers, agents, or employees.

This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

17. **Appropriations.** This Agreement is subject to and contingent upon funds being appropriated therefor by the Garden Grove DISTRICT Council for each fiscal year covered by the term of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the DISTRICT.

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

Date: \_\_\_\_\_

**"DISTRICT"**  
**Garden Grove Sanitary**  
**District**

**ATTESTED:**

By: \_\_\_\_\_  
**General Manager**

\_\_\_\_\_  
**District Secretary**

Date: \_\_\_\_\_

**"CONTRACTOR"**  
**Hadronex, Inc.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Tax ID No. \_\_\_\_\_

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

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Garden Grove Sanitary District  
General Counsel

\_\_\_\_\_  
Date

# "Attachment A"



## Budget Quote

**Hadronex, Inc. DBA SmartCover Systems**  
**2110 Enterprise Street**  
**Escondido, CA 92029 USA**  
**Phone: 760-291-1980**  
**Fax: 760-291-1982**

**March 2023 Pricing**

|            |                |              |
|------------|----------------|--------------|
| Due Date   | Period Covered | Quote Number |
| 10/12/2023 |                | 7759         |

|   |  |   |           |
|---|--|---|-----------|
| Bill To:  | Ship To  | Remit PO to orders@smartcoversystems.com or return this quote signed with PO number. Scan of PO is preferred. |           |
| City of Garden Grove<br>Attention: Purchasing-Sandra Segawa<br>11222 Acacia Parkway<br>PO Box 3070<br>Garden Grove, CA 92840-5208 USA | City of Garden Grove<br>Public Works<br>13802 Newhope<br>Garden Grove, CA 92843 US<br>Attn; Steve Porras | Date  | 9/12/2023 |

| Item          | Description   | Qty | Rate     | Total      |
|---------------|---|-----|----------|------------|
| SC-Q-SB-15    | SubSonic™ Systems - Dual Sensor (Ultra-Sonic & Pressure), Includes E-Box, Standard Range 15 Foot DSM, PowerPack, Bracket, E-Square Antenna, & Installation Kit. | 7   | 4,605.00 | 32,235.00T |
| ASM-SC1       | SmartCover® – Website access, updates, satellite connectivity, data storage, SmartTrend, phone/online tech support. - REQUIRED                                  | 7   | 405.00   | 2,835.00   |
| Install Labor | Installation Labor  | 7   | 500.00   | 3,500.00   |
| Freight Out   | Cost of goods being shipped out   |     | 270.00   | 270.00     |
|               | Total sales tax calculated by AvaTax  |     | 2,820.57 | 2,820.57   |
|               |   |     | 0.00%    | 0.00       |

Terms and Conditions for this transaction:

1. Payment: Net 30 days
2. All pricing subject to change.
3. All hardware, rentals, software subscriptions and renewals may be subject to tax.
4. Taxes were calculated at the time of quote creation and may change at the time of invoice.
5. Customer is responsible for paying the appropriate taxes due at time of invoice.

Signature for Approval \_\_\_\_\_

Sales Tax calculated by AVATAX  
Shown in the body of quote on the last page

P.O. No.

**We appreciate your business!**

**Total** \$41,660.57



# Budget Quote

**Hadronex, Inc. DBA SmartCover Systems**  
**2110 Enterprise Street**  
**Escondido, CA 92029 USA**  
**Phone: 760-291-1980**  
**Fax: 760-291-1982**

**March 2023 Pricing**

|           |                     |              |
|-----------|---------------------|--------------|
| Due Date  | Period Covered      | Quote Number |
| 6/30/2024 | See below for dates | 7757         |

|  |  |   |           |
|--|--|---|-----------|
| <b>Bill To:</b>  | <b>Ship To</b>   | Remit PO to orders@smartcoversystems.com or return this quote signed with PO number. Scan of PO is preferred. |           |
| City of Garden Grove<br>Attn: Purchasing-Sandra Segawa<br>11222 Acacia Parkway<br>PO Box 3070<br>Garden Grove, CA 92840-5208 USA | City of Garden Grove<br>Public Works<br>13802 Newhope<br>Garden Grove, CA 92843 US<br>Att: Brent Hayes | Date  | 9/12/2023 |

| Item     | Description  | Qty | Rate   | Total    |
|----------|--|-----|--------|----------|
|          | Budget quote for 2024-2025 for the 15 current units  |     |        |          |
|          | 2860 Bolsa and Ward  |     |        |          |
|          | 2857 Brookhurst and Parliament   |     |        |          |
|          | 2858 Garden Grove and Galway   |     |        |          |
|          | 7063 Hazard and Sheffield  |     |        |          |
|          | 8949 Industry  |     |        |          |
|          | 2859 Magnolia and Hewett   |     |        |          |
|          | 2861 Roxey and Glennell  |     |        |          |
|          | 7062 Westminster Trailer Park  |     |        |          |
|          | Period Covered: 11/1/2024-10/31/2025   |     |        |          |
| ASM-SC1R | Renewal: SmartCover® – REQUIRED  | 8   | 405.00 | 3,240.00 |
| PW-5C1R  | Renewal: Power Warranty: - PARTS ONLY  | 8   | 228.00 | 1,824.00 |
| EW-SC1R  | Renewal: SmartCover® System™ Warranty- Covers all systems parts except PowerPack™- PARTS ONLY. | 8   | 459.00 | 3,672.00 |
|          | 12074 HDXE SatAuto 7481900   |     |        |          |
|          | 12075 HDXE SatAuto 7582550   |     |        |          |
|          | 12078 HDXE SatAuto 7691510   |     |        |          |
|          | 12077 HDXE SatAuto 7695450   |     |        |          |
|          | 12076 HDXE SatAuto 7696130   |     |        |          |
|          | 12080 HDXE SatAuto 7699430   |     |        |          |
|          | 12079 HDXE SatAuto 8416400   |     |        |          |
|          | Period Covered: 6/25/2024- 10/31/2025 -16 Months   |     |        |          |
| ASM-SC1R | Renewal: SmartCover® – REQUIRED  | 7   | 540.00 | 3,780.00 |
| PW-5C1R  | Renewal: Power Warranty: - PARTS ONLY  | 7   | 76.00  | 532.00   |
|          | *Power is covered from June 2025-Oct 31 2025 -4 months   |     |        |          |
| EW-SC1R  | Renewal: SmartCover® System™ Warranty- Covers all systems parts except PowerPack™- PARTS ONLY. | 7   | 612.00 | 4,284.00 |
|          | Total sales tax calculated by AvaTax   |     | 0.00   | 0.00     |
|          |  |     | 0.00%  | 0.00     |

Terms and Conditions for this transaction:

1. Payment: Net 30 days
2. All pricing subject to change.
3. All hardware, rentals, software subscriptions and renewals may be subject to tax.
4. Taxes were calculated at the time of quote creation and may change at the time of invoice.
5. Customer is responsible for paying the appropriate taxes due at time of invoice.

|                                     |   |
|-------------------------------------|---|
| Signature for Approval              | Sales Tax calculated by AVATAX<br>Shown in the body of quote on the last page |
| P.O. No.                            | <b>Total</b> \$17,332.00  |
| <b>We appreciate your business!</b> |   |