



AGENDA

Garden Grove Sanitary District
Board of Directors

Tuesday, February 25, 2020

6:30 PM

Community Meeting Center 11300
Stanford Avenue Garden Grove
California 92840

Patrick Phat Bui
President

John R. O'Neill
Vice President

George S. Brietigam
Member

Steven R. Jones
Member

**Stephanie
Klopfenstein**

Member

Kim B. Nguyen
Member

**Diedre Thu-Ha
Nguyen**
Member

Meeting Assistance: Any person requiring auxiliary aids and services, due to a disability, to address the Sanitary District should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations. Phone: 714) 741-5040.

Agenda Item Descriptions: Are intended to give a brief, general description of the item. The Sanitary District may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or the agenda.

Documents/Writings: Any revised or additional documents/writings related to an item on the agenda distributed to all or a majority of the Sanitary District Members within 72 hours of a meeting, are made available for public inspection at the same time (1) in the City Clerk's Office at 11222 Acacia Parkway, Garden Grove, CA 92840, during normal business hours; (2) on the City's website as an attachment to the Sanitary District meeting agenda; and (3) at the Council Chamber at the time of the meeting.

Public Comments: Members of the public desiring to address the Sanitary District are requested to complete a pink speaker card indicating their name and address, and identifying the subject matter they wish to address. This card should be given to the City Clerk prior to the start of the meeting. General comments are made during "Oral Communications", and should be limited to matters under consideration and/or what the Sanitary District has jurisdiction over. Persons wishing to address the Sanitary District regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

Manner of Addressing the Sanitary District: After being called by the President, you may approach the podium, it is requested that you state your name for the record, and proceed to address the Sanitary District. All remarks and questions should be addressed to the Sanitary District as a whole and not to individual Sanitary District Members or staff members. Any person making impertinent, slanderous, or profane remarks or who becomes boisterous while addressing the Sanitary District shall be called to order by the President. If such conduct continues, the President may order the person barred from addressing the Sanitary District any further during that meeting.

Time Limitation: Speakers must limit remarks for a total of (5) five minutes. When any group of persons wishes to address the Sanitary District on the same subject matter, the President may request a spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the Sanitary District's discretion, a limit on the total amount of time for public comments during Oral Communications and/or a further limit on the time allotted to each speaker during Oral Communications may be set.

PLEASE SILENCE YOUR CELL PHONES DURING THE MEETING.

AGENDA

Open Session

6:30 PM

ROLL CALL: MEMBER BRIETIGAM, MEMBER JONES, MEMBER KLOPFENSTEIN, MEMBER K. NGUYEN, MEMBER D. NGUYEN, VICE PRESIDENT O'NEILL, PRESIDENT BUI

1. ORAL COMMUNICATIONS (to be held simultaneously with other legislative bodies)

2. CONSENT ITEMS

(Consent Items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Sanitary District Member.)

2.a. Receive and file minutes from the meeting held on January 28, 2020. *(Action Item)*

2.b. Adoption of a Resolution declaring Longsdon Pit (former Sierra Park Landfill) surplus land under the Surplus Land Act. *(Action Item)*

3. ITEMS FOR CONSIDERATION

3.a. Award a contract to Chi Construction for Project No. 7840 - the Construction of the Sewer System Rehabilitation Plan Phase 1, Sewer Main Replacement Project 1. (Cost: \$2,705,830) *(Action Item)*

4. MATTERS FROM THE PRESIDENT, BOARD MEMBERS AND GENERAL MANAGER

5. ADJOURNMENT

The next Regular Sanitary District Meeting will be on Tuesday, March 24, 2020, at 5:30 p.m. in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To: Scott C. Stiles From: Teresa Pomeroy

Dept.: General Manager Dept.: City Clerk

Subject: Receive and file minutes Date: 2/25/2020
from the meeting held on
January 28, 2020. (*Action
Item*)

Attached are the minutes from the meeting held on January 28, 2020, recommended to be received and filed as submitted or amended.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Minutes	2/18/2020	Minutes	sd-min_01_28_2020.pdf

MINUTES

GARDEN GROVE SANITARY DISTRICT BOARD OF DIRECTORS

Regular Meeting

Tuesday, January 28, 2020

Community Meeting Center
11300 Stanford Avenue, Garden Grove, CA 92840

CONVENE CLOSED SESSION

At 5:35 p.m., Vice President Brietigam convened Closed Session in the Founders Room.

ROLL CALL PRESENT: (4) Members Bui, Jones, K. Nguyen, Vice President Brietigam,

 ABSENT: (3) D. Nguyen, Klopfenstein, President O'Neill

ORAL COMMUNICATIONS FOR CLOSED SESSION

Speakers: None

CLOSED SESSION MATTERS

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
Property: Assessor Parcel Numbers 23318101 and 23317121
Sanitary District Negotiator: Scott C. Stiles, General Manager
Negotiating Parties: Landmark, LLC
Under Negotiation: To obtain direction regarding the price and terms of payment for the disposition of the property.

ADJOURN CLOSED SESSION

At 6:25 p.m., Vice President Brietigam adjourned Closed Session.

CONVENE MEETING

At 7:28 p.m., President O'Neill convened the meeting in the Council Chamber with all Members present.

ORAL COMMUNICATIONS

Speakers: Howard Kummerman, Joe Laricchia, Carol Barnes, Craig Durfey, Tom Raber, Wendy Aragon, Pam Smith.

RECESS

At 8:13 p.m., President O'Neill declared a recess.

RECONVENE

At 8:14 p.m., President O'Neill reconvened the meeting with all Members present.

SELECTION OF PRESIDENT AND VICE PRESIDENT

It was moved by President O'Neill, seconded by Vice President Brietigam that:

Member Bui be selected as President.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, T. Nguyen, Jones, Bui, Klopfenstein, K.
 Nguyen, O'Neill
Noes: (0) None

It was moved by Vice President Brietigam, seconded by Member Klopfenstein that:

Member O'Neill be selected as Vice President.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, T. Nguyen, Jones, Bui, Klopfenstein, K.
 Nguyen, O'Neill
Noes: (0) None

RECEIVE AND FILE MINUTES FROM THE MEETINGS HELD ON NOVEMBER 26, 2019, DECEMBER 10, 2019, AND DECEMBER 17, 2019 (F: Vault)

It was moved by Member Brietigam, seconded by Member O'Neill that:

The minutes from the meetings held on November 26, 2019, December 10, 2019, and December 17, 2019, be received and filed.

The motion carried by a 7-0 vote as follows:

Ayes: (7) Brietigam, T. Nguyen, Jones, Bui, Klopfenstein, K.
 Nguyen, O'Neill
Noes: (0) None

MATTERS FROM THE PRESIDENT, BOARD MEMBERS AND GENERAL MANAGER

President Bui announced that no reportable action was taken during closed session.

ADJOURNMENT

At 8:16 p.m., President Bui adjourned the meeting. The next meeting is scheduled for Tuesday, February 25, 2020, at 5:30 p.m. at the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

Teresa Pomeroy, CMC
Secretary

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	Omar Sandoval
Dept.:	General Manager	Dept.:	General Counsel
Subject:	Adoption of a Resolution declaring Longsdon Pit (former Sierra Park Landfill) surplus land under the Surplus Land Act. (<i>Action Item</i>)	Date:	2/25/2020

OBJECTIVE

For the Sanitary District Board of Directors to adopt the attached Resolution declaring Longsdon Pit (former Sierra Park Landfill) surplus land under the Surplus Land Act as amended by AB 1486.

BACKGROUND

The former Sierra Park Landfill, commonly known as the Longsdon Pit, is subject to ongoing remediation due to the settling of the soil and generation of methane gas caused by the decomposition of organic material deposited on the property during the time that it served as a County landfill. The portion of the landfill closest to Chapman Avenue and adjacent to the Hyatt Hotel is currently used as a parking lot, subject to an easement for access and parking granted to the owners of the Hyatt Hotel. This parcel could be disposed of subject to Hyatt's easement rights. The larger northerly parcel was previously used as a driving range but has been vacant for the last 20 years since the driving range operations ceased. The District has explored other uses of the property and wishes to continue to explore new uses.

On October 9, 2019, Governor Newsom signed Assembly Bill ("AB") 1486. AB 1486, which amended the Surplus Land Act effective January 1, 2020 to include, among others, changing the existing, long-standing definition of "surplus land"; providing that land shall be declared either "surplus land" or "exempt surplus land" before a local agency may take any action to sell or lease land; and adding a new limitation providing that an "agency's use" "shall not include commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development," or "property disposed of for the sole purpose of investment or generation or revenue." AB 1486 further added provisions prohibiting the District from negotiating any disposition of the property prior to compliance with the procedural requirements of

the Surplus Land Act. Prior to AB 1486, the Surplus Land Act did not require local agencies to first declare land surplus, and did not limit leases that changed the use of land held by local agencies.

DISCUSSION

As indicated above, the amended Surplus Land Act, Government Code sections 54220 et seq., requires that agencies first declare land "surplus land" or "exempt surplus land" before the agency can negotiate any disposition of the land, either for sale or for lease. The Surplus Land Act then provides that, prior to disposing of "surplus land," local agencies shall first offer such "surplus land" to various entities, including housing sponsors and other public agencies for the development of affordable housing and parks and open space.

Pursuant to the amended Surplus Land Act, District staff must send a written notice of availability of the property by electronic mail or by certified mail to all of the entities identified in Government Code section 54222, which include local public entities and housing sponsors that have notified the California Department of Housing and Community Development of their interest in surplus land for the purpose of developing low- and moderate-income housing, to the County of Orange, any regional park authority and the State Resources Agency for open-space purposes; and to the local school district for school facilities or use. If the property is within an infill opportunity zone or covered by a transit village plan, the notice must also be sent to the County, successor agency or housing authority. If one of the entities/agencies receiving the notice of availability desires to purchase or lease the property, it must notify the District of its interest to do so in writing within 60 days of receiving the District's notice, and the District and the entity/agency so responding may negotiate price and terms for the disposition of the property. If the District receives multiple notices of interest, the Surplus Land Act establishes priorities, with first priority given to entities that agree to use the property for affordable housing.

Finally, in the event no agreement is reached between the District and any interested entity/agency after a good faith negotiation period of 90 days, the property may be disposed of without further regard to the Surplus Land Act.

FINANCIAL IMPACT

The cost of compliance with the amended Surplus Land Act is not currently known. As of the creation of this report, there are 169 entities in the list kept by HCD to which the City must send notice by e-mail. The cost to notify local public agencies will be minimal. However, depending on the number of responses to the notice of availability, District staff and consultants may need to spend multiple hours possibly negotiating with multiple entities.

RECOMMENDATION

It is recommended that the Board of Directors:

- Adopt the Resolution declaring the Longsdon Pit property surplus land under the

Surplus Land Act.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Resolution	2/20/2020	Resolution	2-25- 20_Resolution_Declaring_Landfill_Surplus_Under_SLA.pdf

GARDEN GROVE SANITARY DISTRICT

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GARDEN GROVE
SANITARY DISTRICT DECLARING THE LONGSDON PIT (SIERRA PARK
LANDFILL) PROPERTY SURPLUS LAND PURSUANT TO THE SURPLUS LAND
ACT (GOVERNMENT CODE SECTIONS 54220 ET SEQ.)

WHEREAS, the Garden Grove Sanitary District ("District") owns that certain real property consisting of two parcels approximately 13.3 acres in size combined and commonly referred to as the Longsdon Pit (former Sierra Park Landfill), located at 12261 and 12263 Chapman Avenue, City of Garden Grove, County of Orange, State of California;

WHEREAS, the Surplus Land Act, Government Code sections 54220 et seq., applies when a local agency disposes of "surplus land", as that term is defined in Government Code section 54221;

WHEREAS, AB 1486 (2019) significantly amended the Surplus Land Act effective January 1, 2020 to provide, among other revisions, that land shall be declared either "surplus land" or "exempt surplus land" before a local agency may take any action to dispose of it;

WHEREAS, Longsdon Pit would fall within the definition of "Surplus Land" pursuant to Government Code section 54221, as amended by AB 1486;

WHEREAS, in order to pursue new uses for Longsdon Pit, including the possible disposition through a sale or a lease of the property, the District wishes to declare the property "surplus land" pursuant to the Surplus Land Act;

WHEREAS, pursuant to the Surplus Land Act, District staff will send a written notice of availability of the property by electronic mail or by certified mail to the all of the entities identified in Government Code section 54222;

WHEREAS, subject to Government Code section 54227, if one of the entities/agencies desires to purchase or lease the property after having received notice, it must indicate its interest to do so in writing within 60 days of receiving the District's notice, and the District and the entity/agency so responding to the notice may negotiate price and terms for the disposition of the property; and

WHEREAS, pursuant to Government Code 54223, in the event no agreement is reached between the District and any interested entity/agency

after a good faith negotiation period of 90 days, the property may be disposed of without further regard to the Surplus Land Act.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GARDEN GROVE SANITARY DISTRICT that:

1. The foregoing recitals are hereby incorporated and adopted as the findings of the Board; and

2. For purposes of compliance with the Surplus Land Act, as amended, the property located at 12261 and 12263 Chapman Avenue in the City of Garden Grove, commonly known as the Longsdon Pit (former Sierra Park Landfill), Assessor's Parcel Numbers 233-17-121 and 233-18-101 respectively, is hereby declared surplus land. The General Manager, or his designee, is further directed to proceed with the notification and negotiation requirements of the Surplus Land Act, as amended, to facilitate the possible disposition and reuse of the property.

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Scott C. Stiles	From:	William E. Murray
Dept.:	General Manager	Dept.:	Public Works
Subject:	Award a contract to Chi Construction for Project No. 7840 - the Construction of the Sewer System Rehabilitation Plan Phase 1, Sewer Main Replacement Project 1. (Cost: \$2,705,830) (<i>Action Item</i>)		
		Date:	2/25/2020

OBJECTIVE

To recommend that the Garden Grove Sanitary District Board (GGSD) award a contract to Creative Home Corporation dba: CHI Construction for the construction of the Sewer System Rehabilitation Plan Phase 1, Sewer Main Replacement Project 1, Project No. 7840.

BACKGROUND

The Sewer Rehabilitation Plan Phase 1, Sewer Main Replacement Project 1 (at Euclid Street, Pinehurst Court, Nelson Street, Pine Street, Pearl Street, Allen Drive, Stanford Avenue, Euclid Park, Trask Avenue, and Wilson Street) is one of many projects designed to address defective sewer pipe throughout the City under the GGSD System Evaluation and Capacity Assurance Plan of 2012. The condition of the pipe is categorized, severe, major, moderate, minor and no defect and the Plan prioritizes pipes in severe and major condition. The GGSD System Evaluation and Capacity Assurance Plan identified Project No. 7840 as one of the high priority projects. The rehabilitation plan complies with the Regional Water Quality Control Board's Waste Discharge requirements. A location map is attached identifying this project.

The sewer rehabilitation project includes 5,440 feet of 8-inch and 1,290 feet of 12-inch in diameter extra strength Vitrified Clay Pipe (VCP), the construction of 27 manholes, modification of 4 existing manholes and 124 sewer house connections. The scope of work also includes replacing sections of existing asbestos cement pipe (ACP) water mains with PVC C-900 pipe. Sections of full depth pavement reconstruction and slurry seal at various locations are required.

DISCUSSION

Ten (10) bids were received and opened by the City Clerk's Office on January 23, 2020, at 11:00 a.m. (see Bid Summary Sheet). The lowest responsive bidder is CHI Construction with a total bid of \$2,705, 830. This bid is within the project budget. The licenses and references of the Contractor have been reviewed and verified. The anticipated contract schedule is as follows:

Award Contract	February 25, 2020
Begin Construction	April 20, 2020
Complete Construction	January 15, 2021

FINANCIAL IMPACT

There is no impact to the General Fund. This project was included in the 2019/2020 Capital Improvement Budget, and will be financed with Sewer Funds, in the amount of \$2,705,830.

RECOMMENDATION

It is recommended that the Garden Grove Sanitary District Board:

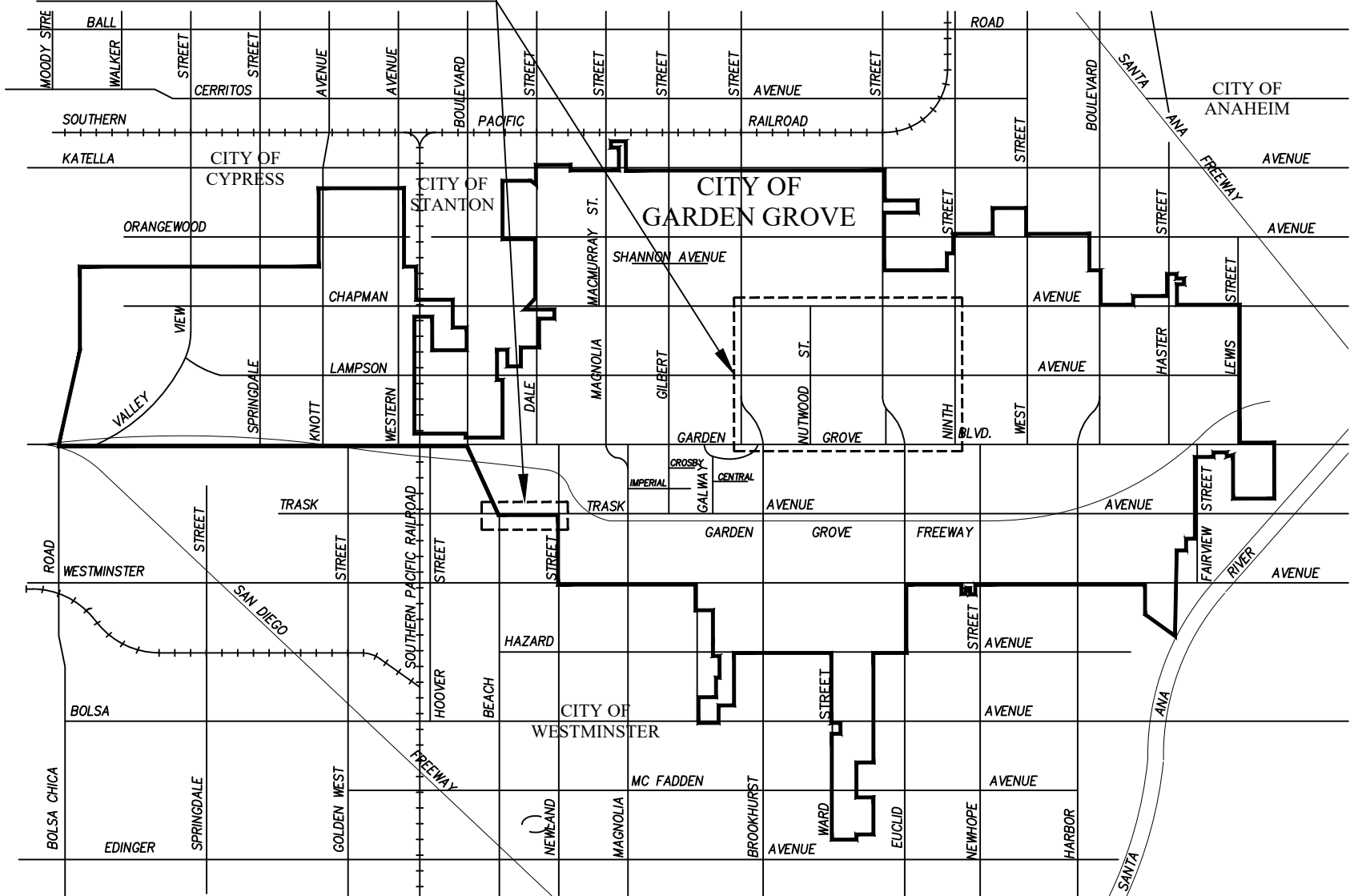
- Award a contract to CHI Construction for the construction of the Sewer System Rehabilitation Plan Phase 1, Sewer Main Replacement Project 1, Project No. 7840 in the amount of \$2,705,830; and
- Authorize the General Manager to execute the agreement on behalf of the Garden Grove Sanitary District Board.

By: Jessica Polidori, Associate Engineer

ATTACHMENTS:

Description	Upload Date	Type	File Name
Location Map	2/11/2020	Exhibit	LocationMap-Project_No.7840.pdf
Bid Summary Sheet	2/11/2020	Backup Material	BID_SUMMARY_SHEET_Project_No.7840.doc
Construction Agreement	2/11/2020	Agreement	Construction_Agreement_Project_No.7840_SignedbyAttorney.pdf

PROJECT LOCATION



PROJECT LOCATION MAP



City Of Garden Grove
Department Of Public Works



CHECKED BY: R.L.	SCALE: N.T.S.	PROJECT NO. 7840	DRAWING NO. N/A
PREPARED BY: J.P.	CITY OF GARDEN GROVE PROJ. #7840 - SEWER SYSTEM REHABILITATION PLAN		
DRAWN BY: J.P.	PHASE 1, SEWER MAIN REPLACEMENT PROJECT 1		

CITY OF GARDEN GROVE PUBLIC WORKS DEPARTMENT

BID SUMMARY SHEET

PROJECT: Sewer System Rehabilitation Plan
Phase 1, Sewer Main Replacement Project 1,
Project #7840

BID OPENING
DATE: January 23, 2020
TIME: 11:00 AM

<u>Facility Name</u>	<u>Engineer's Estimate</u>	<u>Contract Amount</u>
Sewer System Rehabilitation Plan Phase 1, Sewer Main Replacement Project 1, Project #7840	\$3,707,220	\$2,705,830

<u>Bidder's Name</u>	<u>Total Bid</u>	<u>%Under /Over Engineers Estimate</u>
1. CHI Construction	\$ 2,705,830	- 27.1%
2. Vasilj, Inc.	\$ 2,830,750	- 23.7%
3. E.J. Meyer Company	\$ 3,444,444	- 7.1 %
4. Mike Prlich and Sons, Inc.	\$ 3,461,780	- 6.7%
5. Sully-Miller Contracting Co.	\$ 3,679,220	- 0.8%
6. GRFCO, Inc.	\$ 3,929,680	5.9%
7. Kordich Construction Inc.	\$ 3,956,765	6.7%
8. Kana Pipeline, Inc.	\$ 4,050,895	9.2%
9. MNR Construction, Inc.	\$ 4,135,100	11.5%
10. Colich & Sons L.P.	\$ 4,978,200	34.1%

SECTION 5 - AGREEMENT

CONSTRUCTION AGREEMENT

THIS AGREEMENT is made this 25th day of February, 2020, by the **GARDEN GROVE SANITARY DISTRICT**, a California Special District ("DISTRICT"), and **CHI Construction**, hereinafter referred to as the ("**CONTRACTOR**")

RECITALS:

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Garden Grove Sanitary District Board of Directors Authorization dated **February 25, 2020**.
2. DISTRICT desires to utilize the services of the CONTRACTOR to furnish material, equipment, and labor for the, **SEWER SYSTEM REHABILITATION PLAN PHASE I, SEWER MAIN REPLACEMENT PROJECT 1, PROJECT NO. 7840 - DRAWING NO. W-610**
3. The CONTRACTOR is qualified by virtue of experience, training, education, and expertise to accomplish services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

- 5.1 General Conditions.** The CONTRACTOR certifies and agrees that all the terms, conditions and obligations of the Contract Documents as hereinafter defined, the location of the job site, and the conditions under which the work is to be performed have been thoroughly reviewed, and enters into this contract based upon the CONTRACTOR's investigation of all such matters and is in no way relying upon any opinions or representations of DISTRICT. It is agreed that this Contract represents the entire agreement. It is further agreed that the Contract Documents including the Notice Inviting Bids, Special Instructions to Bidders, if any, Plans, Specifications and the CONTRACTOR's Proposal, are incorporated in this Contract by reference, with the same force and effect as if the same were set forth at length herein, and that the CONTRACTOR and its subcontractors, if any, will be and are bound by any and all of said Contract Documents insofar as they relate in any part or in any way, directly or indirectly, to the work covered by this Contract.

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

SECTION 5 – AGREEMENT (Continued)

- 5.2 Materials and Labor.** The CONTRACTOR shall furnish, under the conditions expressed in the project Plans and Specifications, at the CONTRACTOR's own expense, all labor and materials necessary, except such as are mentioned in the Specifications to be furnished by the DISTRICT, to construct and complete the project, in good workmanlike and substantial order. If the CONTRACTOR fails to pay for labor or materials when due, DISTRICT may settle such claims by making demand upon the surety to this Agreement. In the event of the failure or refusal of the surety to satisfy said claims, DISTRICT may settle them directly and deduct the amount of payments from the Contract price and any amounts due to the CONTRACTOR. In the event DISTRICT receives a stop notice from any laborer or material supplier alleging non-payment by the CONTRACTOR, DISTRICT shall be entitled to deduct all of its costs and expenses incurred relating thereto, including but not limited to administrative and legal fees.
- 5.3 Project.** The Project is described as: **SEWER SYSTEM REHABILITATION PLAN PHASE I, SEWER MAIN REPLACEMENT PROJECT 1, PROJECT NO. 7840 - DRAWING NO. W-610**
- 5.4 Plans and Specifications.** The work to be done is shown in a set of detailed project Plans, Contract Documents and Specifications entitled: **SEWER SYSTEM REHABILITATION PLAN PHASE I, SEWER MAIN REPLACEMENT PROJECT 1, PROJECT NO. 7840 - DRAWING NO. W-610.**

Said project Plans and Specifications and any revision, amendments or addenda thereto are attached hereto and incorporated herein as part of this Contract and referred to by reference. The work to be done shall also conform to the City of Garden Grove Standard Plans and Specifications (latest edition), as well as the Standard Plans for Public Works Construction 2012 Edition, and the Standard Specifications for Public Works Construction 2015 Edition, which are also incorporated herein and referred to by, reference.

- 5.5 Time of Commencement and Completion.** the CONTRACTOR shall have **TWENTY-ONE (21) DAYS** from the award of the Contract to execute the Contract and supply DISTRICT with all of the documents and information required by the Instruction to Bidders and the other Contract Documents, including but not limited to, the necessary bonds and insurance certificates and endorsements. Once the DISTRICT receives the executed Contract and all of the other properly drafted and executed documents and information, it may issue a Notice to Proceed to the CONTRACTOR. If the CONTRACTOR refuses or fails to execute the Contract or refuses or fails to **provide the required documents and information within the TWENTY-ONE (21) DAYS**, the DISTRICT may then rescind the award of the Contract and then award the Contract to the next lowest responsive and responsible bidder.

Upon receipt of the Notice to Proceed, the CONTRACTOR agrees to **submit Shop Drawings and traffic control plans within FOURTEEN (14) DAYS**. Further, upon receipt of the Notice to Proceed the **CONTRACTOR shall diligently prosecute the Work under Contract to completion within ONE HUNDRED AND EIGHTY (180) TOTAL WORKING DAYS** excluding delays caused or authorized by the DISTRICT as set forth in Sections 5.7, 5.8 and 5.9 hereof.

SECTION 5 – AGREEMENT (Continued)

5.6 Time is of the Essence. Time is of the essence of this Contract. As required by the Contract Documents, the CONTRACTOR shall prepare and obtain approval of all Shop Drawings, details and samples, and do all other things necessary and incidental to the prosecution of the CONTRACTOR's work in conformance with an approved construction progress schedule. The CONTRACTOR shall coordinate the work covered by this Contract with that of all other contractors, subcontractors and of the DISTRICT, in a manner that will facilitate the efficient completion of the entire work in accordance with Section 5.5 herein. DISTRICT shall have complete control of the premises on which the work is to be performed and shall have the right to decide the time or order in which the various portions of the work shall be installed or the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly conduct of the work of the CONTRACTOR on the premises.

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

DISTRICT shall extend the time fixed in Section 5.5 herein for completion of the Project by the number of days the CONTRACTOR has thus been delayed, provided that the CONTRACTOR presents a written request to DISTRICT for such time extension within **FIFTEEN (15) DAYS** of the commencement of such delay and DISTRICT finds that the delay is justified. DISTRICT's decision will be conclusive on the parties to this Contract. Failure to file such request within the time allowed shall be deemed a waiver of the claim by the CONTRACTOR.

No claims by the CONTRACTOR for additional compensation or damages for delays will be allowed unless the CONTRACTOR satisfies DISTRICT that such delays were unavoidable and not the result of any action or inaction of the CONTRACTOR and that the CONTRACTOR took all available measures to mitigate such damages. Extensions of time and extra compensation as a result of incurring undisclosed utilities would be determined in accordance with Special Provisions and Section 3-3 of the Standard Specifications for Public Works Construction 2015 Edition (GREENBOOK). The DISTRICT's decision will be conclusive on all parties to this Contract.

5.8 Extra Work. The Contract price includes compensation for all Work performed by the CONTRACTOR, unless the CONTRACTOR obtains a written change order signed by a designated representative of DISTRICT specifying the exact nature of the extra work and the amount of extra compensation to be paid all as more particularly set forth in Section 5.9 hereof.

DISTRICT shall extend the time fixed in Section 5.5 for completion of the Project by the number of days reasonably required for the CONTRACTOR to perform the extra work, as determined by ENGINEER. The decision of the ENGINEER shall be final.

SECTION 5 – AGREEMENT (Continued)

5.9 Changes in Project.

5.9.1 DISTRICT may at any time, without notice to any surety, by written order designated or indicated to be a change order, make any change in the Work within the general scope of the Contract, including but not limited to changes:

- a. In the Specifications (including drawings and designs);
- b. In the time, method or manner of performance of the Work;
- c. In the DISTRICT -furnished facilities, equipment, materials, services or site; or

Directing acceleration in the performance of the Work.

If the CONTRACTOR believes that the written order issued as part of this Section 5.9.1 has caused an increase in costs or time, the CONTRACTOR shall submit a written request for equitable adjustment to the DISTRICT that includes a detailed cost breakdown and time impact analysis in sufficient detail to allow the DISTRICT to analyze the request. Said notice shall be submitted via certified mail within **TWENTY (20) DAYS** of the CONTRACTOR's receipt of the written order. The CONTRACTOR's failure to submit the written request for equitable adjustment within the required **TWENTY (20) DAYS** shall constitute a waiver of any potential change order or claim for said alleged change. The DISTRICT shall review the CONTRACTOR's request and shall provide a written response within **THIRTY (30) DAYS** of receipt of the request either approving or denying the request.

5.9.2 A change may also be any other conflict, difficulty or issue which the CONTRACTOR believes caused any change to the CONTRACTOR's costs or project schedule, provided the CONTRACTOR gives the DISTRICT written notice and a request for equitable adjustment that includes a detailed cost breakdown and time impact analysis in sufficient detail to allow the DISTRICT to analyze the request. The notice shall also state the date the CONTRACTOR became aware of the issue, circumstances and source of the issue and that the CONTRACTOR regards the issue as a change order. Said written notice shall be delivered to the DISTRICT via certified mail within **TWENTY (20) DAYS** of the CONTRACTOR's first notice of the issue. The CONTRACTOR's failure to submit the notice, which includes the written request for equitable adjustment within the required **TWENTY (20) DAYS** shall constitute a waiver of any potential change order or claim for said alleged change. The DISTRICT shall review the CONTRACTOR's request and shall provide a written response within **THIRTY (30) DAYS** of receipt of the request either approving or denying the request.

5.9.3 Except as provided in this Section 5.9, no order, statement or conduct of the DISTRICT or its representatives shall be treated as a change under this Section 5.9 or entitle the CONTRACTOR to an equitable adjustment.

5.9.4 Except for claims based on defective specifications, no claim for any change under paragraph 5.9.1 or 5.9.2 above shall be allowed for any Work performed more than **TWENTY (20) DAYS** before the CONTRACTOR gives written notice as required in paragraphs 5.9.1 and 5.9.2. In the case of defective specifications for which the DISTRICT is responsible, the equitable adjustment shall include any increased direct cost the CONTRACTOR reasonably incurred in attempting to comply with those defective specifications.

SECTION 5 – AGREEMENT (Continued)

- 5.9.5 If the CONTRACTOR intends to assert a claim for an equitable adjustment under this Section 5.9, it must, within **THIRTY (30) DAYS** after receipt of a denial of a request for equitable adjustment under paragraphs 5.9.1 and 5.9.2, submit a written statement to the DISTRICT setting forth the general nature and monetary extent of such claim. The DISTRICT may extend the **THIRTY (30) DAY** period. The CONTRACTOR's failure to submit the notice of a claim, within the required **THIRTY (30) DAYS** shall constitute a waiver of the claim by the CONTRACTOR.
- 5.9.6 No claim by the CONTRACTOR for an equitable adjustment shall be allowed if made after final payment under this Agreement.
- 5.9.7 The CONTRACTOR hereby agrees to make any and all changes, furnish the materials and perform the Work that DISTRICT may require without nullifying this Contract. The CONTRACTOR shall adhere strictly to the project Plans and Specifications unless a change there from is authorized in writing by the DISTRICT. Under no condition shall the CONTRACTOR make any changes to the Project, either in additions or deductions, without the written order of the DISTRICT and the DISTRICT shall not pay for any extra charges made by the CONTRACTOR that have not been agreed upon in advance in writing by the DISTRICT. The CONTRACTOR shall submit immediately to the DISTRICT written copies of its firm's cost or credit proposal for change in the Work. Disputed Work shall be performed as ordered in writing by the DISTRICT and the proper cost or credit breakdowns therefore shall be submitted without delay by the CONTRACTOR to DISTRICT.
- 5.10 **Liquidated Damages for Delay.** The parties agree that if the total Work called for under this Contract, in all parts and requirements, is not completed within the time specified in Section 5.5 herein, plus the allowance made for delays or extensions authorized under Sections 5.7, 5.8, and 5.9 herein, the DISTRICT will sustain damage which would be extremely difficult and impractical to ascertain. The parties therefore agree that the CONTRACTOR will pay to DISTRICT the sum of **One Thousand Five Hundred dollars (\$1,500.00) per day** for each and every calendar day during which completion of the Project is so delayed. The CONTRACTOR agrees to pay such liquidated damages and further agrees that CITY may offset the amount of liquidated damages from any monies due or that may become due the CONTRACTOR under the Contract.
- 5.11 **Contract Price and Method of Payment.** DISTRICT agrees to pay and the CONTRACTOR agrees to accept as full consideration for the faithful performance of this Contract, subject to any subsequent additions or deductions as provided in approved change orders, the sum of **TWO MILLION, SEVEN HUNDRED AND FIVE THOUSAND, EIGHT HUNDRED AND THIRTY** dollars and 00/100 (**\$ 2,705,830.00**) as itemized in the bid proposal.
- Progress payments shall be made to the CONTRACTOR on a monthly basis for each successive month as the work progresses. The CONTRACTOR shall be paid such sum as will bring the total payments received since the commencement of the Work up to ninety – five percent (95%) of the value of the Work completed, less all previous payments, provided that the CONTRACTOR submits the request for payment prior to the end of the day required to meet the payment schedule. **The DISTRICT will retain FIVE PERCENT (5%) of the amount of each such progress estimate and material cost until THIRTY (30) DAYS after the recordation of the Notice of Completion.**

SECTION 5 – AGREEMENT (Continued)

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

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

- 5.13 Completion.** Within **TEN (10) DAYS** after the time of completion of the Contract, the CONTRACTOR shall file with the ENGINEER its affidavit stating that all workers and persons employed, all firms supplying materials, and all subcontractors upon the Project have been paid in full, and that there are no claims outstanding against the Project for either labor or material, except those certain items, if any, to be set forth in an affidavit covering disputed claims, or items in connection with Stop Notices which have been filed under the provisions of the statutes of the State of California. DISTRICT may require affidavits or certificates of payment and/or releases from any subcontractor, laborer or material supplier.

5.14 CONTRACTOR's Employees Compensation

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

- 5.14.2 Forfeiture for Violation.** The CONTRACTOR shall, as a penalty to the DISTRICT, forfeit **ONE HUNDRED DOLLARS (\$100.00) FOR EACH CALENDAR DAY** or portion thereof for each worker paid (either by the CONTRACTOR or any subcontractor under it) less than the prevailing rate of per diem wages as set by the Director of Industrial Relations, in accordance with Sections 1770-1780 of the California Labor Code for the Work provided for in this Contract, all in accordance with Section 1775 of the Labor Code of the State of California.

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

- 5.14.4 Workdays.** In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the CONTRACTOR shall not require more than eight (8) hours of labor in a day from any person employed by him hereunder except as provided in paragraph (5.14.2) above. The CONTRACTOR shall conform to Article

SECTION 5 – AGREEMENT (Continued)

3, Chapter 1, Part 7 (Sections 1810 et seq.) of the Labor Code of the State of California and shall forfeit to the DISTRICT as a penalty, the sum of twenty-five Dollars (\$25.00) for each worker employed in the execution of this Contract by the CONTRACTOR or any subcontractor for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in any one calendar day and forty (40) hours in any one week in violation of said Article. The CONTRACTOR shall keep an accurate record showing the name and actual hours worked each calendar day and each calendar week by each worker employed by the CONTRACTOR in connection with the Project.

5.14.5 Record of Wages: Inspection. The CONTRACTOR agrees to maintain accurate payroll records showing the name, address, social security number, work classification, straight-time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by it in connection with the Project and agrees to require that each of its subcontractors does the same. The applicable the CONTRACTOR or subcontractor or its agent having authority over such matters shall certify all payroll records as accurate. The CONTRACTOR further agrees that its payroll records and those of its subcontractors shall be available to the employee or employee's representative, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards and shall comply with all of the provisions of Labor Code Section 1776, in general. The CONTRACTOR shall comply with all the provisions of Labor Code Section 1776, and shall submit payroll records to the Labor Commissioner pursuant to Labor Code Section 1771.4(a)(3). The CONTRACTOR shall submit copies of certified payroll reports **and cancelled checks** for labors, every two weeks to the ENGINEER. Certified payroll and cancelled checks submittals are due one month after start of construction and every two weeks thereafter. *If the certified payroll and cancelled checks are not submitted, the CONTRACTOR will be notified that compliance is required within five (5) working days or contract work must cease. The DISTRICT will not be responsible for any delay or acceleration charges or any incurred costs or damages as a result of the work stoppage due to the CONTRACTOR's failure to comply.* Work shall be cease in an orderly, safe fashion with all vehicle access restored, should this not occur, DISTRICT will correct the deficiencies and deduct the cost from funds due to the CONTRACTOR. In addition, no progress payment shall be made until the copies of certified payroll reports and cancelled checks are submitted.

5.15 Surety Bonds The CONTRACTOR shall, upon entering into performance of this Agreement, furnish bonds in the amount of one hundred percent (100%) of the Contract price bid, to guarantee the faithful performance of the Work, and the other in the amount of one hundred percent (100%) of the Contract price bid to guarantee payment of all claims for labor and materials furnished. This Contract shall not become effective until such bonds are supplied to and approved by the DISTRICT.

5.16 Insurance

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

SECTION 5 – AGREEMENT (Continued)

- 5.16.2 The CONTRACTOR and all subcontractors shall carry workers' compensation insurance for the protection of its employees during the progress of the Work. The insurer shall waive its rights of subrogation against the DISTRICT, its officers, agents and employees and shall issue a certificate to the policy evidencing same.
- 5.16.3 The CONTRACTOR shall at all times carry, on all operations hereunder, bodily injury, including death, and property damage liability insurance, including automotive operations bodily injury and property damage coverage; and builders' all risk insurance. All insurance coverage shall be in amounts specified by the DISTRICT in the Insurance Requirements and shall be evidenced by the issuance of a certificate and additional insured endorsement in forms prescribed by the DISTRICT and shall be underwritten by insurance companies satisfactory to the DISTRICT for all operations, subcontract work, contractual obligations, product or completed operations, all owned vehicles and non-owned vehicles. Said insurance coverage obtained by the CONTRACTOR, excepting workers' compensation coverage, shall name the DISTRICT, its Officers, Agents, Employees, Engineers, and Consultants for this Contract, and all public agencies from whom permits will be obtained and their Directors, Officers, Agents and Employees, as determined by the DISTRICT, as additional insured on said policies. Additional insured status shall be evidenced in the form of an Additional insured Endorsement (CG 20 10 1185). A sample is included in the appendix of the Specifications for reference.

For any claims related to this Project, the CONTRACTOR's insurance coverage shall be primary insurance as respects City of Garden Grove, Garden Grove Sanitary District and their respective Officers, Officials, Agents, Employees, Engineers, Volunteers, and Consultants for this Contract, and all public agencies from whom permits will be obtained and their Directors, Officers, Agents and Employees, as determined by the Garden Grove Sanitary District. Any insurance or self-insurance maintained by the City of Garden Grove, Garden Grove Sanitary District, and/or their respective Officers, Officials, Agents, Employees, Engineers, Volunteers, and Consultants for this Contract, and all public agencies from whom permits will be obtained and their Directors, Officers, Agents and Employees, as determined by the Garden Grove Sanitary District shall be excess of the CONTRACTOR's insurance and not contribute with it.

- 5.16.4 Before the CONTRACTOR performs any Work at, or prepares or delivers materials to, the site of construction, the CONTRACTOR shall furnish the following:

COMMENCEMENT OF WORK. The CONTRACTOR shall not commence Work under this Agreement until all certificates and endorsements have been received and approved by Garden Grove Sanitary District. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify Garden Grove Sanitary District of any material change, cancellation, or termination at least **THIRTY (30) DAYS** in advance. The CONTRACTOR shall also provide a **waiver of subrogation for each policy**.

INSURANCE AMOUNTS. The CONTRACTOR shall maintain all of the foregoing insurance coverage in force until the Work under this Contract is fully completed. The requirement for carrying the foregoing insurance shall not derogate from the provisions for indemnification of Garden Grove Sanitary District and/or City of Garden Grove by the CONTRACTOR under Section 5.17 of this Contract.

SECTION 5 – AGREEMENT (Continued)

Notwithstanding nor diminishing the obligations of the CONTRACTOR with respect to the foregoing, the CONTRACTOR shall subscribe for and maintain in full force and effect during the life of this Contract, the following insurance in amounts not less than the amounts specified and issued by a company admitted and licensed in California and having a Best's Guide Rating of A-Class VII or better (**Claims made and modified occurrence policies are not acceptable**):

Workers' Compensation	As required by the State of California.
Employer's Liability	\$1,000,000 per accident for bodily injury or disease.
Commercial General Liability (including operations, products and completed operations, and not excluding XCU)	\$5,000,000 per occurrence for bodily injury, personal injury and property damage. Coverage shall include mobile equipment.
Automobile Liability, including non-owned and hired vehicles	\$2,000,000 combined single limit for bodily injury and property damage.
Course of Construction	Completed value of the project with no coinsurance penalty provisions.

Excess liability, follows form coverage, shall be provided for any underlying policy that does not meet the policy limits required and set forth herein. Insurance companies must be acceptable to Garden Grove Sanitary District and have a Best's Guide Rating of A-, Class VII or better, as approved by Garden Grove Sanitary District.

An Additional Insured Endorsement, **ongoing and products-completed operations**, and including mobile equipment, for the Commercial General Liability policy shall designate Garden Grove Sanitary District, City of Garden Grove and their respective Officers, Officials, Agents, Employees, Engineers, Volunteers, and Consultants for this Contract, and all public agencies from whom permits will be obtained and their Directors, Officers, Agents and Employees, as determined by the Garden Grove Sanitary District as additional insureds for liability arising out of work or operations performed by or on behalf of the CONTRACTOR. The CONTRACTOR shall provide to Garden Grove Sanitary District proof of insurance and endorsement forms that conform to Garden Grove Sanitary District's requirements, as approved by the Garden Grove Sanitary District.

An Additional Insured Endorsement for Automobile Liability policy, shall designate Garden Grove Sanitary District, City of Garden Grove, and their respective Officers, Officials, Agents, Employees, Engineers, Volunteers, and Consultants for this Contract, and all public agencies from whom permits will be obtained and their Directors, Officers, Agents and Employees, as determined by the Garden Grove Sanitary District as additional insureds for automobiles owned, leased, hired, or borrowed by the CONTRACTOR. The CONTRACTOR shall provide to Garden Grove Sanitary District proof of insurance and endorsement forms that conform to Garden Grove Sanitary District's requirements, as approved by the Garden Grove Sanitary District.

SECTION 5 – AGREEMENT (Continued)

A Loss Payee Endorsement for the Course of Construction policy shall designate Garden Grove Sanitary District as loss payee. The CONTRACTOR shall provide to Garden Grove Sanitary District proof of insurance and endorsement forms that conform to City's requirements, as approved by the Garden Grove Sanitary District.

In the event any of the CONTRACTOR's underlying policies do not meet policy limits within the insurance requirements, the CONTRACTOR shall provide coverage under an excess liability policy. The policy must be a follows form excess/umbrella policy. The CONTRACTOR shall provide the **schedule of underlying policies** for an excess/umbrella liability policy, state that the excess/umbrella policy **follows form** on the insurance certificate, and provide an **additional insured endorsement** for the excess/umbrella liability policy designating Garden Grove Sanitary District, City of Garden Grove, and their respective Officers, Officials, Agents, Employees, Engineers, Volunteers, and Consultants for this Contract, and all public agencies from whom permits will be obtained and their Directors, Officers, Agents and Employees, as determined by the Garden Grove Sanitary District as additional insureds.

A primary/non-contributory endorsement shall be provided to Garden Grove Sanitary District for each policy. For any claims related to this Agreement, the CONTRACTOR's insurance coverage shall be primary insurance as respects Garden Grove Sanitary District, City of Garden Grove, and their respective officers, officials, agents, employees, and volunteers for this Contract and all public agencies from whom permits will be obtained and their directors, officers, agents, and employees as determined by Garden Grove Sanitary District. Any insurance or self-insurance maintained by Garden Grove Sanitary District, City of Garden Grove, and/or their respective officers, officials, agents, employees, and volunteers for this Contract and all public agencies from whom permits will be obtained and their directors, officers, agents, and employees, as determined by Garden Grove Sanitary District shall be excess of the CONTRACTOR's insurance and shall not contribute with it. The CONTRACTOR shall provide to Garden Grove Sanitary District proof of insurance and endorsement forms that conform to Garden Grove Sanitary District's requirements, as approved by the Garden Grove Sanitary District.

Garden Grove Sanitary District or its representatives shall at all times have the right to inspect and receive the original or a certified copy of all said policies of insurance, including certificates. The CONTRACTOR shall pay the premiums on the insurance hereinabove required.

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

- 5.17 Risk and Indemnification.** All Work covered by this Contract done at the site of construction or in preparing or delivering materials to the site shall be at the risk of the CONTRACTOR alone. The CONTRACTOR agrees to save, indemnify and keep the DISTRICT, CITY, and their respective Officers, Agents, Employees, Engineers, and Consultants for this Contract, and all public agencies from whom permits will be obtained and their directors, Officers, Agents and Employees harmless against any and all liability,

SECTION 5 – AGREEMENT (Continued)

claims, judgments, costs and demands, including demands arising from injuries or death of persons (CONTRACTOR'S employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by the CONTRACTOR, save and except claims or litigation arising through the sole negligence or sole willful misconduct of DISTRICT and will make good to reimburse DISTRICT for any expenditures, including reasonable attorneys' fees DISTRICT may incur by reason of such matters, and if requested by DISTRICT, will defend any such suits at the sole cost and expense of the CONTRACTOR.

5.18 Termination.

5.18.1 This Contract may be terminated in whole or in part in writing by the DISTRICT for its convenience, provided that the CONTRACTOR is given (1) not less than ten (10) days written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination.

5.18.2 If termination for default or convenience is effected by the DISTRICT, an equitable adjustment in the price provided for in this Contract shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other Work, and (2) any payment due to the CONTRACTOR at the time of termination may be adjusted to cover any additional costs to the DISTRICT because of the CONTRACTOR's default.

5.18.3 Upon receipt of a termination action under paragraph (5.18.1) or (5.18.2) above, the CONTRACTOR shall (1) promptly discontinue all affected Work (unless the notice directs otherwise), and (2) deliver or otherwise make available to the DISTRICT all data, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by the CONTRACTOR in performing this Contract whether completed or in process.

5.18.4 Upon termination under paragraphs (5.18.1) and (5.18.2) above, the DISTRICT may take over the work and may award another party an agreement to complete the Work under this Contract.

5.19 Warranty. The CONTRACTOR agrees to perform all Work under this Contract in accordance with the DISTRICT's designs, Plans and Specifications.

The CONTRACTOR guarantees for a period of one (1) year from the date of the notice of completion of the Work that the completed Work is free from all defects due to faulty materials, equipment or workmanship and that he shall promptly make whatever adjustments or corrections which may be necessary to cure any defects, including repairs or any damage to other parts of the system resulting from such defects. The DISTRICT shall promptly give notice to the CONTRACTOR of observed defects. In the event that the CONTRACTOR fails to make adjustments, repairs, corrections or other work made necessary by such defects, the DISTRICT may do so and charge the CONTRACTOR the cost incurred. The performance bond shall remain in full force and effect through the guarantee period.

The CONTRACTOR's obligations under this clause are in addition to the CONTRACTOR's other express or implied assurances of this Contract or state law and in no way diminish any

SECTION 5 – AGREEMENT (Continued)

other rights that the DISTRICT may have against the CONTRACTOR for faulty materials, equipment or work.

5.20 Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Contract, each shall bear its own attorneys' fees, costs and necessary disbursements. Notwithstanding the foregoing, if any action is brought against the CONTRACTOR or any subcontractor to enforce a Stop Notice or Notice to Withhold, which named the DISTRICT as a party to said action, the DISTRICT shall be entitled to reasonable attorneys' fees, costs and necessary disbursements arising out of the defense of such action by the DISTRICT. The DISTRICT shall be entitled to deduct its costs for any Stop Notice filed, whether court action is involved or not.

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

To DISTRICT:

Garden Grove Sanitary District
Public Works Department
Attention: Jessica Polidori
13802 Newhope Street
Garden Grove, CA 92843
(714) 741-5977
(714) 638-9906 Fax

TO CONTRACTOR:

CHI Construction
Muetaz Darwish - President
701 E. Ball Rd. #101
101Anaheim, CA 92805
(949) 439-8789
mitch@chiconstruction.net

SIGNATURE ON NEXT PAGE

SECTION 5 – AGREEMENT (Continued)

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

"DISTRICT"
GARDEN GROVE SANITARY DISTRICT

Date: _____ By: _____
Scott C. Stiles
General Manager

ATTEST:

DISTRICT Secretary

Date: _____

"CONTRACTOR"

Creative Home Corporation/DBA: CHI Construction

CONTRACTOR'S State License No. 839455
(Expiration Date: 11/30/2021)

By: _____

Title: President

Date: 2/3/2020

APPROVED AS TO FORM:

Jennie H. Eggen
Garden Grove Sanitary District
General Counsel

Date: 2/6/2020

If the CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required.